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Co-head of Research

Banny Lam

Tel: 852-21478863

Email: bannylam@abci.com.hk

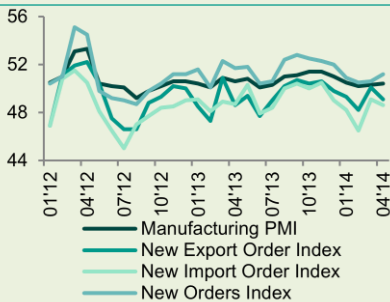
Analyst

Paul Pan

Tel: 852-21478829

Email: paulpan@abci.com.hk

Exhibit 1: China PMI and sub-indices



Source(s): NBS, ABCI Securities

China's manufacturing PMI signals a possible turnaround

China's manufacturing PMI in April edged up to 50.4% from 50.3% in March. Although some sub-indices were still below the dividing level of 50, there are signs showing that the economy may gradually pick up. We believe PMI would be boosted by the government's economic measures and improving external environment in 2Q14.

Expansion in manufacturing sector continues. China's manufacturing PMI was 50.4% in April, up 0.1% from March. The index has been above 50% for the past 19 months, indicating that the manufacturing sector has been able to sustain its expansionary momentum. Moreover, April's manufacturing PMI shows that the government's economic policies have started to take effect. In our view, China's manufacturing sector will continue to grow in 2014.

External trade environment has yet to stabilize. The "New Export Order Index" and "New Import Order Index", sub-indices of the manufacturing PMI, declined in April. New Export Order Index fell from 50.1% in March to 49.1% in April, while New Import Order index edged down from 49.1% to 48.6% for the same period. In light of the MoM growth momentum in export and import volume in March, we believe that fluctuations would remain in the short term, but a major slowdown in the external trade activities is unlikely.

Domestic demand to rebound. The "New Order Index" increased from 50.6% in March to 51.2% in April, while the "Input Price Index" rebounded by 3.9% to reach 48.3%. The improvement of these sub-indices shows an improving domestic demand. In addition, the advancing "Purchases of Input Index" and "Main Raw Materials Inventory Index" prompt us to believe that market demand is likely to trend up in coming months, as the rising sub-indices imply that manufacturers are ramping up inventories in anticipation of higher levels of production activities. We believe that the government's recent measures to stimulate private consumption and new investment projects would provide support for the domestic demand in the future.

China's macroeconomic prospect remains positive. While China's new leadership has made reforms a priority, changes would nonetheless occur in a gradual manner. Overall, we believe that April's manufacturing PMI suggests a possible economic turnaround and a better prospect of Chinese economy. In our view, with continuous effort in economic rebalancing, China would attain more sustainable growth in the long run.



China Economic Indicators

	2013											2014		
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Real GDP (YoY%)	---	7.7	---	---	7.5	---	---	7.8	---	---	7.7	---	---	7.4
Export Growth (YoY%)	21.8	10.0	14.7	1.0	(3.1)	5.1	7.2	(0.3)	5.6	12.7	5.8	10.6	(18.1)	(6.6)
Import Growth (YoY%)	(15.2)	14.1	16.8	(0.3)	(0.7)	10.9	7.0	7.4	7.6	5.3	6.5	10.0	10.1	(11.3)
Trade Balance (USD/bn)	15.3	(0.9)	18.2	20.4	27.1	17.8	28.5	15.2	31.1	33.8	32.3	31.9	(22.99)	7.7
Retail Sales Growth (YoY%)	12.3*	12.6	12.8	12.9	13.3	13.2	13.4	13.3	13.3	13.7	13.6	11.8		12.2
Industrial Production (YoY%)	9.9*	8.9	9.3	9.2	8.9	9.7	10.4	10.2	10.3	10.0	9.7	8.6		8.8
PMI - Manufacturing (%)	50.1	50.9	50.6	50.8	50.1	50.3	51.0	51.1	51.4	51.4	51.0	50.5	50.2	50.3
PMI - Non-manufacturing (%)	54.5	55.6	54.5	54.3	53.9	54.1	53.9	55.4	56.3	56.0	54.6	53.4	55.0	54.5
FAI(YTD) (YoY%)	21.2*	20.9	20.6	20.4	20.1	20.1	20.3	20.2	20.1	19.9	19.6	17.9		17.6
CPI (YoY%)	3.2	2.1	2.4	2.1	2.7	2.7	2.6	3.1	3.2	3.0	2.5	2.5	2.0	2.4
PPI (YoY%)	(1.6)	(1.9)	(2.6)	(2.9)	(2.7)	(2.3)	(1.6)	(1.3)	(1.5)	(1.4)	(1.4)	(1.6)	(2.0)	(2.3)
M2(YoY%)	15.2	15.7	16.1	15.8	14.0	14.5	14.7	14.2	14.3	14.2	13.6	13.2	13.3	12.1
New Lending (RMB/bn)	620.0	1060.0	792.9	667.4	860.5	699.9	711.3	787.0	506.1	624.6	482.5	1320	644.5	1050

World Economic/Financial Indicators

Equity Indices				Global Commodities				Bond Yields & Key Rates					
	Closing price	Chg. WTD (%)	P/E	Unit	Price	Chg. WTD (%)	Volume (5-day avg.)	Yield (%)	Chg. WTD				
U.S.				Energy				US Fed Fund Rate					
DJIA	16,558.87	1.21	15.46	NYMEX WTI	USD/bbl	99.95	(0.65)	238,063	0.25	0.00			
S&P 500	1,883.68	1.09	17.25	ICE Brent Oil	USD/bbl	108.50	(0.99)	213,923	3.25	0.00			
NASDAQ	4,127.45	1.27	35.11	NYMEX Natural Gas	USD/MMBtu	4.75	2.15	68,624	0.75	0.00			
MSCI US	1,801.02	1.13	17.55	Australia Newcastle Steam Coal Spot fob ²	USD/Metric Tonne	72.75	N/A	N/A	0.0101	1.01			
Europe				Basic Metals				US Treasury (1 Mth)					
FTSE 100	6,815.74	1.95	20.21	LME Aluminum Cash	USD/MT	1,742.25	(3.97)	28,081	1.6676	(5.73)			
DAX	9,608.13	2.20	18.28	LME Aluminum 3 -mth. Rolling Fwd.	USD/MT	1,785.00	(3.64)	35,969	2.6259	(3.64)			
CAC40	4,474.55	0.70	23.77	CMX Copper Active	USD/lb.	6,672.00	(1.67)	12,329	0.6110	(1.20)			
IBEX 35	10,473.20	1.62	22.39	LME Copper 3- mth Rolling Fwd.	USD/MT	6,645.00	(1.77)	47,654	4.3800	(2.00)			
FTSE MIB	21,899.73	2.14	N/A	TSI CFR China Iron Ore Fines Index ³	USD	105.40	(5.05)	N/A	0.25	0.00			
Stoxx 600	338.59	1.53	21.51	Precious Metals				ECB Rate (Refinancing)					
MSCI UK	2,006.98	1.75	19.84	CMX Gold	USD/T. oz	1,285.10	(1.21)	113,778	0.1505	(0.15)			
MSCI France	125.61	0.92	24.87	CMX Silver	USD/T. oz	19.15	(2.91)	42,610	0.2229	(0.38)			
MSCI Germany	130.17	1.76	18.09	NYMEX Platinum	USD/T. oz	1,426.50	0.15	7,593	2.5000	19.00			
MSCI Italy	62.83	1.68	N/A	Agricultural Products				O/N SHIBOR					
Asia				CBOT Corn	USD/bu	506.75	(1.17)	141,109	1-mth SHIBOR	4.6040	31.80		
NIKKEI 225	14,457.51	0.20	18.95	CBOT Wheat	USD/bu	712.75	0.64	56,756	3-mth HIBOR	0.3693	(0.21)		
S&P/ASX 200	5,458.06	(1.32)	17.43	NYB-ICE Sugar	USD/lb.	17.80	(0.28)	44,557	Corporate Bonds (Moody's)				
HSI	22,260.67	0.17	10.35	CBOT Soybeans	USD/bu.	1,459.25	(2.34)	107,979	Aaa	4.21	3.00		
HSCEI	9,802.46	0.04	7.09								Baa	4.83	2.00
CSI300	2,158.66	(0.42)	9.67										
SSE Composite	2,026.36	(0.50)	9.88										
SZSE Composite	1,027.58	(0.88)	26.45										
MSCI China	58.12	(0.67)	8.87										
MSCI Hong Kong	12,066.87	(0.89)	12.09										
MSCI Japan	727.07	1.04	13.72										

Note:

- Data sources: Bloomberg Finance LP, National Bureau of Statistics of China, ABCIS (updated on date of report)
- Australia Newcastle Steam Coal Spot fob is the Australia Newcastle 6700 kc GAD fob Steam Coal Spot price published by McCloskey
- TSI CFR China Iron Ore Fines Index is calculated with the 62% Fe specification, spot price

Currency

	Euro/USD	GBP/USD	AUD/USD	USD/JPY	USD/CHF	USD/CNY	USD/HKD	USD/CNY NDF 12-Mth
Spot Rate	1.3862	1.6885	0.9272	102.46	0.8795	6.2594	7.7527	6.2535
Chg. WTD (%)	0.20	0.49	(0.10)	(0.29)	0.26	(0.11)	0.01	0.26



Disclosures

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Definition of equity rating

Rating	Definition
Buy	Stock return \geq Market return rate
Hold	Market return – 6% \leq Stock return < Market return rate
Sell	Stock return < Market return – 6%

Stock return is defined as the expected % change of share price plus gross dividend yield over the next 12 months

Market return: 5-year average market return rate from 2009-2013

Time horizon of share price target: 12-month

Definition of share price risk

Rating	Definition
Very high	$2.6 \leq$ 180 day volatility/180 day benchmark index volatility
High	$1.5 \leq$ 180 day volatility/180 day benchmark index volatility < 2.6
Medium	$1.0 \leq$ 180 day volatility/180 day benchmark index volatility < 1.5
Low	180 day volatility/180 day benchmark index volatility < 1.0

We measure share price risk by its volatility relative to volatility of benchmark index. Benchmark index: Hang Seng Index.

Volatility is calculated from the standard deviation of day to day logarithmic historic price change. The 180-day price volatility equals the annualized standard deviation of the relative price change for the 180 most recent trading days closing price.

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**Office address: ABCI Securities Company Limited, 13/F Fairmont House,
8 Cotton Tree Drive, Central, Hong Kong.**

Tel: (852) 2868 2183