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Exhibit 1: The upcoming third plenum in Nov. may mark the beginning of a new phase in China

	Date	Significance
The 11 th CPC Third Plenary Session	Dec. 18-22, 1978	Economic development was considered the focus, with "Reform and Opening up" as new priority and "Four modernizations" as new economic task
The 18 th CPC Third Plenary Session	Nov. 2013	New reform measures that tackle lingering structural issues are anticipated

Source(s): xinhuanet.com,

CPC's third plenary session to shed light on multiple issues

China's 3Q13 GDP growth of 7.8% demonstrates resilience of the country's economy and boost confidence in the government's intention to pursue further reforms. As the third plenum is approaching, anticipation for clear plans to forge a new economic model intensifies. It is believed that measures drafted in the coming plenum will be as significant as those in 1978. To ensure a smooth economic transition, however, we believe these reforms will be less drastic than most expected. The focus will be on adjustments in the financial market, fiscal system and taxation, urbanization, and pricing of utilities and commodity goods.

Financial reform will continue. With the commencement of the China (Shanghai) Pilot Free Trade Zone, the market is clamoring for reforms in China's financial sector. In our view, the financial reform will revolve around enhancing stability of the financial system and China's status in the international financial market. The government is likely to continue its pursuit of liberalization of exchange rate, internationalization of renminbi, and marketization of interest rate. Liberalization of the capital account will also be accelerated to strengthen the financial system and integrate China into the global economy.

Reforms in fiscal system and taxation are underway. It is expected that discussion of the fiscal system and taxation will take place to ease the debt issue of local governments. We believe that measures to redistribute the spending responsibilities of the central and local government will be explored. Reforming the current taxation system by expanding the sources and shares of tax revenue for local governments will also bolster their fiscal positions.

Urbanization is a complicated issue. Urbanization will be highlighted. The discussion will focus on the Hukou (i.e. household registration) system, land use rights, infrastructure planning, as well as social spending programs on education, health, and social security — subjects that are highly relevant to the urbanization process. Progress made on these issues will vary, but we expect reforms in the Hukou system and social spending programs will achieve more significant breakthroughs. Moreover, the plenum will shed more light on the general direction of China's urbanization.

Pricing of utilities and commodities will follow the market economic principle. Pricing of utilities and commodities will also be one of the prioritized focuses. We expect that pricing system of utilities will continue to transform into a tier system that allows price competition to reflect the supply-demand dynamics. Pricing of commodity goods will also be adjusted to adhere more closely with the market economic principle, meaning that more commercial space in the utilities and commodity sectors will be opened to private investors and even foreign companies.



China Economic Indicators

	2012				2013								
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep*
Real GDP (YoY%)	7.4	---	---	7.9	---	---	7.7	---	---	7.5	---	---	7.8
Export Growth (YoY%)	9.9	11.6	2.9	14.1	25.0	21.8	10.0	14.7	1.0	(3.1)	5.1	7.2	(0.3)
Import Growth (YoY%)	2.4	2.4	0	6	28.8	(15.2)	14.1	16.8	(0.3)	(0.7)	10.9	7.0	7.4
Trade Balance (USD/bn)	27.45	32.11	19.63	31.6	29.2	15.3	(0.9)	18.2	20.4	27.1	17.8	28.5	15.2
Retail Sales Growth (YoY%)	14.2	14.5	14.9	15.2		12.3	12.6	12.8	12.9	13.3	13.2	13.4	13.3
Industrial Production (YoY%)	9.2	9.6	10.1	10.3		9.9	8.9	9.3	9.2	8.9	9.7	10.4	10.2
PMI - Manufacturing (%)	49.8	50.2	50.6	50.6	50.4	50.1	50.9	50.6	50.8	50.1	50.3	51.0	51.1
PMI - Non-manufacturing (%)	53.7	55.5	55.6	56.1	56.2	54.5	55.6	54.5	54.3	53.9	54.1	53.9	55.4
FAI(YTD) (YoY%)	20.5	20.7	20.7	20.6		21.2	20.9	20.6	20.4	20.1	20.1	20.3	20.2
CPI (YoY%)	1.9	1.7	2	2.4	2.0	3.2	2.1	2.4	2.1	2.7	2.7	2.6	3.1
PPI (YoY%)	(3.6)	(2.8)	(2.2)	(1.9)	(1.6)	(1.6)	(1.9)	(2.6)	(2.9)	(2.7)	(2.3)	(1.6)	(1.3)
M2 (YoY%)	14.8	14.1	13.9	13.8	15.9	15.2	15.7	16.1	15.8	14.0	14.5	14.7	14.2
New Lending (RMB/bn)	623.2	505.2	522.9	454.3	1070.0	620.0	1060.0	792.9	667.4	860.5	699.9	711.3	787.0

World Economic/Financial Indicators

Equity Indices				Global Commodities				Bond Yields & Key Interest Rates			
	Closing price	Chg. WTD (%)	P/E	Unit	Price	Chg. WTD (%)	Volume (5-day avg.)		Yield (%)	Chg. WTD (%)	
U.S.				Energy							
DJIA	15,467.66	0.44	15.05	NYMEX WTI	USD/bbl	97.42	(3.36)	148,019	US Fed Fund Rate	0.25	0.00
S&P 500	1,754.67	0.58	16.83	ICE Brent Oil	USD/bbl	109.28	(0.60)	171,882	US Prime Rate	3.25	0.00
NASDAQ	3,929.57	0.39	23.65	NYMEX Natural Gas	USD/MMBtu	3.60	(4.38)	128,647	US Discount Window	0.75	0.00
MSCI US	1,681.41	0.54	17.03	Australia Newcastle Steam Coal Spot fob ²	USD/Metric Tonne	79.35	N/A	N/A	US Treasury (1 Mth)	0.0659	1,192.16
Europe				Basic Metals							
FTSE 100	6,670.34	0.72	19.91	LME Aluminum Cash	USD/MT	1,832.75	1.69	34,615	US Treasury (5 Yr)	1.2570	(5.54)
DAX	8,917.42	0.59	15.22	LME Aluminum 3-mth. Rolling Fwd.	USD/MT	1,879.00	1.73	28,141	US Treasury (10 Yr)	2.4854	(3.58)
CAC40	4,271.50	(0.34)	18.27	CMX Copper Active	USD/lb.	330.80	0.27	47,502	Japan 10-Yr Gov. Bond	0.6080	(1.94)
IBEX 35	9,877.80	(1.24)	62.02	LME Copper 3- mth Rolling Fwd.	USD/MT	7,332.00	1.20	40,520	China 10-Yr Gov. Bond	4.0700	0.74
FTSE MIB	19,176.43	(0.49)	614.6	TSI CFR China Iron Ore Fines Index ³	USD	133.30	(0.82)	N/A	ECB Rate (Refinancing)	0.50	0.00
Stoxx 600	319.29	0.26	20.76	Precious Metals							
MSCI UK	1,978.79	1.12	19.82	CMX Gold	USD/T. oz	1,331.30	1.27	144,014	1-Month LIBOR	0.1821	0.00
MSCI France	119.40	0.23	21.91	CMX Silver	USD/T. oz	22.60	3.14	38,526	3 Month LIBOR	0.2384	(0.91)
MSCI Germany	122.73	0.97	14.34	NYMEX Platinum	USD/T. oz	1,435.50	(0.16)	10,606	O/N SHIBOR	3.7800	25.96
MSCI Italy	55.42	0.34	123.2	Agricultural Products							
Asia				CBOT Corn	USD/bu	442.00	0.11	108,679	3-Month HIBOR	0.3843	0.19
NIKKEI 225	14,426.05	(0.93)	23.88	CBOT Wheat	USD/bu	705.25	(0.07)	53,336	Corporate Bonds (Moody's)		
S&P/ASX 200	5,356.10	0.65	23.20	NYB-ICE Sugar	USD/lb.	19.36	(0.72)	80,632	Aaa	4.53	0.67
HSI	22,999.95	(1.46)	10.66	CBOT Soybeans	USD/bu.	1,303.75	0.97	116,376	Baa	5.28	0.38
HSCEI	10,457.32	(1.75)	8.25								
CSI300	2,418.49	(0.31)	11.66								
SSE Composite	2,183.11	(0.49)	11.41								
SZSE Composite	1,065.22	(0.83)	29.96								
MSCI China	62.75	0.03	10.15								
MSCI Hong Kong	12,257.52	(0.41)	11.14								
MSCI Japan	749.67	0.71	19.70								

Currency

	Euro/USD	GBP/USD	AUD/USD	USD/JPY	USD/CHF	USD/CNY	USD/HKD	USD/CNY NDF 12-Mth
Spot Rate	1.3760	1.6159	0.9631	97.30	0.8950	6.0859	7.7528	6.1504
Chg. WTD (%)	0.53	(0.05)	(0.48)	0.43	0.75	0.17	0.00	0.02

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



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 2007-2011

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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