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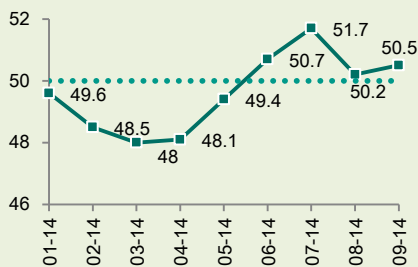
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Exhibit 1: HSBC China Manufacturing PMI



Source(s): Bloomberg, ABCI Securities

More accommodative policies in sight

The Fed's forward guidance of rate hike in 2015 and Scotland's rejection of independence have removed some of the financial uncertainties deemed threatening to continuous global recovery. However, the G-20 finance chiefs and central bankers warned that global economic growth has been uneven, and recovery would still rely on stimulus measures to bolster growth and keep inflation low. In China, while the economic recovery in 1H14 has been on track, we believe lackluster figures in 3Q14 will impel more stimulus measures in 4Q14. With the concerted effort of accommodative monetary policy, expansionary fiscal measures and structural reforms, China's growth will be on schedule, heightening the likelihood of an economic soft-landing in 2014.

The Fed expects federal fund rate to reach 1.375% in 2015. The Fed tapered its monthly bond-buying by \$10 billion for a seventh time, staying on course to end the program in October while keeping the target to maintain a low interest rate environment for a period of time. The end of the QE program points to the normalization of monetary policy, implying the start of an interest rate hike cycle in 2015. The gradual process of normalizing the monetary policy in a low interest rate environment will prove favorable to the sustainable recovery of global economy via increased corporate investments and enhanced consumer sentiments.

Scotland's vote against independence helps alleviate economic uncertainty in the UK. Scotland's rejection of independence helps retain UK as a single market for free trade and investment. As a major international financial center, UK's economic recovery has been sluggish in recent years. The vote against Scotland's independence has restored confidence to UK economy, which in turn will improve investor sentiment in the near term. In our view, the country's brightening outlook following the Scotland's "No" vote to independence will play an important role in accelerating Europe's recovery.

China enlivens growth through stimulus measures amid disappointing 3Q14 figures and uneven global recovery. China, the second largest economy in the world, faces downside pressure in growth as the country undergoes economic rebalancing. Deepening concerns over further economic slowdown, as reflected by fallen economic figures and an unstable global economic environment, have prompted policymakers to revive economic activities by stepping up efforts to inject liquidity into the banking system. The accommodative stance of monetary policy will bring reliefs to the market, boosting investor confidence and the possibility of increased asset allocations to the Hong Kong and China markets. The rebound of HSBC flash China manufacturing PMI to 50.5 in September from 50.2 in August indicates that 3Q14 GDP growth may have troughed, and we believe stronger economic momentum will be resumed in 4Q14.



China Economic Indicators

	2013						2014							
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Real GDP (YoY%)	---	---	7.8	---	---	7.7	---	---	7.4	---	--	7.5	--	---
Export Growth (YoY%)	5.1	7.2	(0.3)	5.6	12.7	5.8	10.6	(18.1)	(6.6)	0.9	7.0	7.2	14.5	9.4
Import Growth (YoY%)	10.9	7.0	7.4	7.6	5.3	6.5	10.0	10.1	(11.3)	0.8	(1.6)	5.5	(1.6)	(2.4)
Trade Balance (USD/bn)	17.8	28.5	15.2	31.1	33.8	32.3	31.9	(23.0)	7.7	18.5	35.9	31.6	47.3	49.8
Retail Sales Growth (YoY%)	13.2	13.4	13.3	13.3	13.7	13.6	11.8		12.2	11.9	12.5	12.4	12.2	11.9
Industrial Production (YoY%)	9.7	10.4	10.2	10.3	10.0	9.7	8.6		8.8	8.7	8.8	9.2	9.0	6.9
PMI - Manufacturing (%)	50.3	51.0	51.1	51.4	51.4	51.0	50.5	50.2	50.3	50.4	50.8	51.0	51.7	51.1
PMI - Non-manufacturing (%)	54.1	53.9	55.4	56.3	56.0	54.6	53.4	55.0	54.5	54.8	55.5	55.0	54.2	54.4
FAI(YTD) (YoY%)	20.1	20.3	20.2	20.1	19.9	19.6	17.9		17.6	17.3	17.2	17.3	17.0	16.5
CPI (YoY%)	2.7	2.6	3.1	3.2	3.0	2.5	2.5	2.0	2.4	1.8	2.5	2.3	2.3	2.0
PPI (YoY%)	(2.3)	(1.6)	(1.3)	(1.5)	(1.4)	(1.4)	(1.6)	(2.0)	(2.3)	(2.0)	(1.4)	(1.1)	(0.9)	(1.2)
M2(YoY%)	14.5	14.7	14.2	14.3	14.2	13.6	13.2	13.3	12.1	13.2	13.4	14.7	13.5	12.8
New Lending (RMB/bn)	699.9	711.3	787.0	506.1	624.6	482.5	1,320	644.5	1,050	774.7	870.8	1080	385.2	702.5
Aggregate Financing (RMB bn)	819.1	1,584	1,411.3	864	1,226.9	1,232.2	2,580	938.7	2,081.3	1,550	1,400.0	1,970	273.7	957.4

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 (Bps)	
U.S.				Energy				US Fed Fund Rate	0.25	0.00	
DJIA	17,172.68	(0.62)	15.75		91.25	(1.26)	177,610	US Prime Rate	3.25	0.00	
S&P 500	1,994.29	(0.80)	18.06	3.25	0.00	(1.03)	182,608	US Discount Window	0.75	0.00	
NASDAQ	4,527.69	(1.14)	59.02	NYMEX Natural Gas	USD/MMBtu	3.89	1.36	104,356	US Treasury (1 Mth)	0.0000	0.51
MSCI US	1,905.25	(0.84)	18.49	Australia Newcastle Steam Coal Spot fob ²	USD/Metric Tonne	65.30	N/A	N/A	US Treasury (5Yr)	1.7727	(3.82)
Europe				Basic Metals				US Treasury (10 Yr)	2.5437	(3.08)	
FTSE 100	6,704.30	(1.95)	16.81	LME Aluminum Cash	USD/MT	1,941.75	0.00	22,171	Japan 10-Yr Gov. Bond	0.5420	(2.20)
DAX	9,671.72	(1.30)	18.03	LME Aluminum 3 -mth. Rolling Fwd.	USD/MT	1,976.00	0.00	34,900	China 10-Yr Gov. Bond	4.05	(15.0)
CAC40	4,389.32	(1.61)	26.92	CMX Copper Active	USD/lb.	6,756.50	(1.54)	15,428	ECB Rate (Refinancing)	0.05	(10.0)
IBEX 35	10,846.30	(1.41)	21.43	LME Copper 3- mth Rolling Fwd.	USD/MT	6,720.50	(1.68)	38,593	1-Month LIBOR	0154	0.04
FTSE MIB	20,538.25	(2.07)	514.62	TSI CFR China Iron Ore Fines Index ³	USD	79.80	(2.33)	N/A	3 Month LIBOR	0.2331	(0.15)
Stoxx 600	343.45	(1.45)	20.80	Precious Metals				O/N SHIBOR	2.716	(12.4)	
MSCI UK	1,997.90	(0.93)	16.99	CMX Gold	USD/T. oz	1,227.30	0.88	143,605	1-mth SHIBOR	4.098	(21.2)
MSCI France	123.95	(0.42)	28.21	CMX Silver	USD/T. oz	17.92	0.40	52,479	3-mth HIBOR	0.3686	0.21
MSCI Germany	129.76	(0.49)	18.14	NYMEX Platinum	USD/T. oz	17.92	0.40	52,479	Corporate Bonds (Moody's)		
MSCI Italy	60.04	(1.41)	561.52	Agricultural Products				Aaa	4.16	(6.00)	
Asia				CBOT Corn	USD/bu	329.25	(0.68)	113,687	Baa	4.85	(4.00)
NIKKEI 225	16,205.90	(0.71)	21.16	CBOT Wheat	USD/bu	475.25	0.16	44,471			
S&P/ASX 200	5,415.73	(0.32)	18.59	NYB-ICE Sugar	USD/lb.	15.58	(1.39)	71,483			
HSI	23,837.07	(1.93)	10.39	CBOT Soybeans	USD/bu.	940.50	(1.72)	100,772			
HSCEI	10,568.80	(1.99)	7.37								
CSI300	2,399.46	(1.06)	10.69								
SSE Composite	2,309.72	(0.85)	11.10								
SZSE Composite	1,291.42	0.01	31.16								
MSCI China	64.06	(1.63)	9.60								
MSCI Hong Kong	12,710.88	(1.17)	10.91								
MSCI Japan	818.08	(0.07)	15.96								

Currency

	Euro/USD	GBP/USD	AUD/USD	USD/JPY	USD/CHF	USD/CNY	USD/HKD	USD/CNY NDF 12-mth Spot pr.
Spot Rate	1.2883	1.6348	0.8884	108.50	0.9373	6.1384	7.7515	6.2350
Chg. WTD (%)	0.42	0.37	(0.46)	0.50	0.37	0.04	(0.00)	0.08

Note:

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



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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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