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Co-head of Research

Banny Lam

Tel: 852-21478863

Email: bannylam@abci.com.hk

Analyst

Paul Pan

Tel: 852-21478829

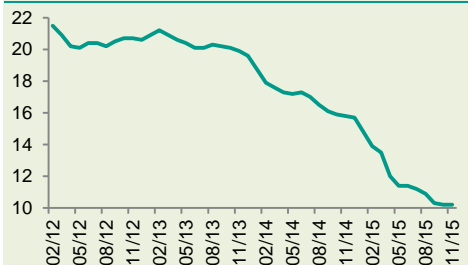
Email: paulpan@abci.com.hk

Exhibit 1: November economic indicators

YoY% or otherwise specified	Nov'15	Oct'15
Manufacturing PMI(%)	49.6	49.8
Non-Manufacturing PMI (%)	43.6	53.1
CPI	1.5	1.3
PPI	(5.9)	(5.9)
Exports	(6.8)	(6.9)
Imports	(8.7)	(18.8)
Trade Balance (US\$/bn)	54.1	61.6
FAI (YTD%)	10.2	10.2
Industrial production	6.2	5.6
Retail Sales	11.2	11.0
M2	13.7	13.5
New loans (RMB/bn)	708.9	513.6
Aggregate financing (RMB/bn)	1,020	476.7

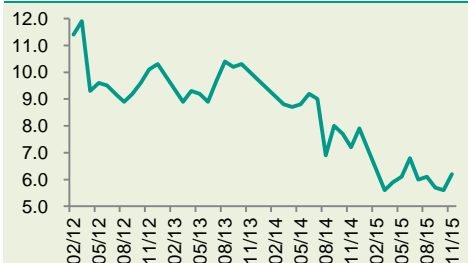
* Forecasts (Excluding manufacturing PMI and non-manufacturing PMI)
Source(s): NBS, PBOC, Bloomberg, ABCI Securities estimates

Exhibit 2: China's FAI growth (YTD YoY %)



Source(s): NBS, Bloomberg, ABCI Securities

Exhibit 3: China's industrial production growth (YoY %)



Source(s): NBS, Bloomberg, ABCI Securities

November data signaled economic stabilization

China's major economic indicators in November improved. FAI showed a stabilizing trend while retail sales and industrial production accelerated in varying degrees. In general, economic momentum is recovering with the launch of stimulus measures. In the coming months, we expect further monetary easing, including the rate / RRR cuts and expansionary fiscal measures to be deployed.

FAI growth stabilized. 11M15 FAI stayed flat at 10.2% YoY. Extended weakness was seen in real estate investment but the decline was partially offset by strong growth in infrastructure investment. Sluggishness in the real estate sector, whose YTD growth in FAI only reached 1.3% YoY for 11M15 (vs. 2.0 % YoY in 10M15), suggests an ongoing rebalancing process. 11M15 FAI in the manufacturing sector improved mildly to 8.4% from 8.3% in 10M15, indicating a slight pickup in manufacturing activities. The government's recent effort to launch more infrastructure projects should help boost FAI. Infrastructure investment, which grew rapidly by 18.2% YoY in 11M15 (vs. 17.4% YoY in 10M15), will become the major growth driver of the economy.

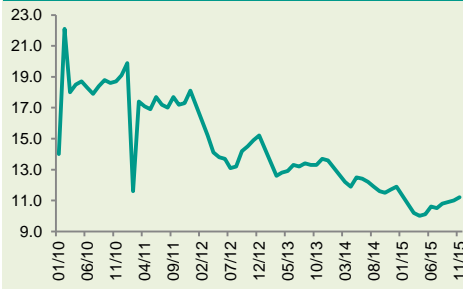
Industrial production edged up. In November, industrial production accelerated to 6.2% YoY, up from 5.6% YoY in October. Overall, manufacturing activities were recovering, and certain product categories managed to record a double-digit growth on a YoY basis. In particular, value-added growth of "Manufacture of Motor Vehicles" and "Manufacture of Computer, Communication Equipment and Other Electronic Equipment" rose 13.0% YoY and 11.1% YoY. We believe industrial production would recover further as the economic conditions improve.

Retail sales trended up. November retail sales rose 11.2% YoY, higher than the 11.0% YoY increase in October. The higher sales was mainly driven by sizeable growth in "Cultural and Office Appliances" (22.2% YoY), "Household Appliances and AV Equipment" (18.0%YoY), "Building and Decoration Materials" (16.9% YoY), and "Traditional Chinese and Western Medicines" (15.5% YoY). However, "Petroleum and Related Products" still fell 7.9% YoY on weakening global oil prices. For 11M15, the national online retail sales of goods and services were RMB 3,452.6bn, up 34.5% YoY. Of which, the online retail sales of physical goods was RMB 2,886.9bn, up 33.0% YoY. The online retail sales of non-physical goods was RMB 565.7bn, up 42.9% YoY while the online retail sales of physical goods, food, clothing and other commodities surged 41.7%, 23.5% and 36.9% YoY, respectively. Going forward, retail sales are likely to trend up on the government's assiduous effort to promote private consumption.

Decline in external trade growth continued. Exports and imports fell 6.8% YoY (3.7% YoY in RMB) and 8.7% YoY (5.6% YoY in RMB) in November while trade balance reached US\$ 54.1bn (343.1bn in RMB). For 11M15, exports dropped by 3.0% (2.2% in RMB) while imports fell by 15.1% YoY (14.4% in RMB). The decline in October's external trade was caused by the tepid domestic demand as well as sluggish external demand from the Eurozone and Japan. We believe growth in exports and imports would remain stagnant in coming months on gloomy global economic outlook and weakening external demand.

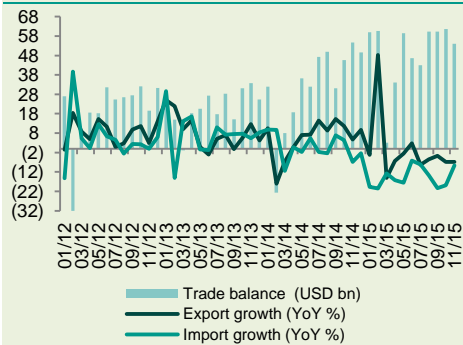


Exhibit 4: China's retail sales growth (YoY %)



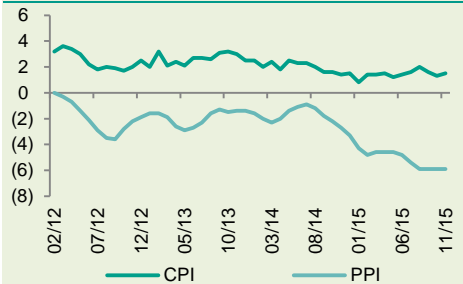
Source(s): NBS, Bloomberg, ABCI Securities

Exhibit 5: China's external trade



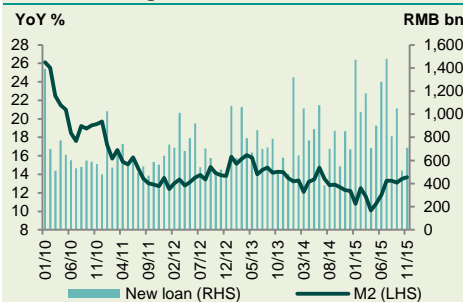
Source(s): China Customs, Bloomberg, ABCI Securities

Exhibit 6: CPI & PPI (YoY %)



Source(s): NBS, Bloomberg, ABCI Securities

Exhibit 7: M2 growth and new loans



Source(s): PBOC, Bloomberg, ABCI Securities

Inflation rebounded in November on surging food price. CPI inflation edged up to 1.5% YoY in November against October's 1.3%. Surging price pressure was primarily driven by food prices that rose 2.3% YoY, compared to October's 1.9% YoY. Pork and vegetable prices rose 13.9% YoY and 9.4% YoY in November, compared to October's 15.8% and 4.7% YoY. The YTD CPI inflation low at 1.4% will leave room for more credit easing by PBOC. Anemic growth in manufacturing activities and faltering commodities prices have resulted in the 45-month decline in producer prices. PPI was -5.9% YoY (October: -5.9% YoY), the lowest since 2009. With global commodity prices still hovering at low levels, a major turnaround in PPI is unlikely in the short term.

Monetary data reflected impact of credit easing. New loans and M2 growth were RMB 708.9bn and 13.7% YoY in November (October: RMB 513.6bn and 13.5% YoY) The rebound in new loans and M2 growth signal that credit has been growing faster than expected amid continuous credit easing. Trust loan in total social financing continued to decline in November— a result of the government's efforts to manage shadow banking risks. We expect monetary policy to remain accommodative to spur economic recovery.



China Economic Indicators

	2014					2015										
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Real GDP (YoY%)	---	7.3	---	---	7.3	---	---	7.0	---	---	7.0	---	---	6.9	---	---
Export Growth (YoY%)	9.4	15.3	11.6	4.7	9.7	(3.2)	48.3	(15.0)	(6.4)	(2.5)	2.8	(8.3)	(5.5)	(3.7)	(6.9)	(6.8)
Import Growth (YoY%)	(2.4)	7.0	4.6	(6.7)	(2.4)	(19.7)	(20.5)	(12.7)	(16.2)	(17.6)	(6.1)	(8.1)	(13.8)	(20.4)	(18.8)	(8.7)
Trade Balance (USD/bn)	49.8	30.9	45.4	54.5	49.6	60.0	60.6	3.1	34.1	59.49	46.6	43.0	60.2	60.3	61.6	54.1
Retail Sales Growth (YoY%)	11.9	11.6	11.5	11.7	11.9	10.7	10.2	10.0	10.1	10.6	10.5	10.8	10.9	11.0	11.2	
Industrial Production (YoY%)	6.9	8.0	7.7	7.2	7.9	6.8	5.6	5.9	6.1	6.8	6.0	6.1	5.7	5.6	6.2	
PMI - Manufacturing (%)	51.1	51.1	50.8	50.3	50.1	49.8	49.9	50.1	50.1	50.2	50.2	50.0	49.7	49.8	49.8	49.6
PMI - Non-manufacturing (%)	54.4	54.0	53.8	53.9	54.1	53.7	53.9	53.7	53.4	53.2	53.8	53.9	53.4	53.4	53.1	53.6
FAI(YTD) (YoY%)	16.5	16.1	15.9	15.8	15.7	13.9	13.5	12.0	11.4	11.4	11.2	10.9	10.3	10.2	10.2	
CPI (YoY%)	2.0	1.6	1.6	1.4	1.5	0.8	1.4	1.4	1.5	1.2	1.4	1.6	2.0	1.6	1.3	1.5
PPI (YoY%)	(1.2)	(1.8)	(2.2)	(2.7)	(3.3)	(4.3)	(4.8)	(4.6)	(4.6)	(4.6)	(4.8)	(5.4)	(5.9)	(5.9)	(5.9)	(5.9)
M2(YoY%)	12.8	12.9	12.6	12.3	12.2	10.8	12.5	11.6	10.1	10.8	11.8	13.3	13.3	13.1	13.5	13.7
New Lending (RMB/bn)	702.5	857.2	548.3	852.7	697.3	1,470	1,020	1,180	707.9	900.8	1,280.6	1,480	809.6	1,050	513.6	708.9
Aggregate Financing (RMB bn)	957.7	1,135.5	662.7	1,146.3	1,690	2,047	1,356	1,241	1,056	1,236	1,833	742	1,082	1,300	476.7	1,020

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			
DJIA	17,265.21	0.00	15.42	NYMEX WTI	USD/bbl	35.42	(0.56)	613,622		0.25	0.00
S&P 500	2,012.37	0.00	17.99	ICE Brent Oil	USD/bbl	37.74	(0.50)	248,353	US Prime Rate	3.25	0.00
NASDAQ	4,933.47	0.00	30.67	NYMEX Natural Gas	USD/MMBtu	1.91	(4.17)	173,866	US Discount Window	0.75	0.00
MSCI US	1,919.51	0.00	18.67	Australia Newcastle Steam Coal Spot fob ²	USD/Metric Tonne	61.80	N/A	N/A	US Treasury (1 Yr)	0.1318	0.51
Europe				Basic Metals				US Treasury (5Yr)			
FTSE 100	6,006.85	0.91	27.31	LME Aluminum Cash	USD/MT	1,486.50	0.00	10,289	US Treasury (10 Yr)	2.1777	5.07
DAX	10,432.66	0.90	22.48	LME Aluminum 3 -mth. Rolling Fwd.	USD/MT	1,482.00	0.00	33,697	Japan 10-Yr Gov. Bond	0.3000	(2.20)
CAC40	4,597.51	1.05	20.77	CMX Copper Active	USD/lb.	4,701.00	0.00	11,392	China 10-Yr Gov. Bond	3.0500	(3.00)
IBEX 35	9,682.90	0.54	18.64	LME Copper 3- mth Rolling Fwd.	USD/MT	4,703.00	0.00	39,713	ECB Rate (Refinancing)	0.05	0.00
FTSE MIB	21,157.60	0.68	3,832	Precious Metals				1-Month LIBOR			
Stoxx 600	358.73	0.83	23.33	CMX Gold	USD/T. oz	1,066.90	(0.82)	126,130	3 Month LIBOR	0.5120	5.00
MSCI UK	1,735.19	0.00	27.41	CMX Silver	USD/T. oz	13.82	(0.50)	38,658	O/N SHIBOR	1.7880	0.00
MSCI France	128.66	0.00	21.08	NYMEX Platinum	USD/T. oz	839.20	(0.53)	13,701	1-mth SHIBOR	2.7000	(0.10)
Asia				Agricultural Products				3-mth HIBOR			
NIKKEI 225	18,883.42	(1.80)	19.67	CBOT Corn	USD/bu	375.50	0.07	147,450	Corporate Bonds (Moody's)		
S&P/ASX 200	4,928.60	(2.01)	18.36	CBOT Wheat	USD/bu	491.25	0.15	56,928	Aaa	3.96	(3.00)
HSI	21,309.85	(0.72)	9.37	NYB-ICE Sugar	USD/lb.	14.47	(0.75)	54,668	Baa	5.43	0.00
HSCEI	9,315.91	0.08	6.90	CBOT Soybeans	USD/bu.	875.00	0.14	72,856	Note:		
CSI300	3,711.32	2.86	15.35	1. Data sources: Bloomberg, National Bureau of Statistics of China, ABCIS (updated on date of report)							
SSE Composite	3,520.67	2.51	18.48	2. Australia Newcastle Steam Coal Spot fob is the Australia Newcastle 6700 kc GAD fob Steam Coal Spot price published by McCloskey							
SZSE Composite	2,239.68	2.00	52.06								
MSCI China	58.04	0.00	10.21								
MSCI Hong Kong	11,885.95	0.00	9.91								
MSCI Japan	941.41	0.00	16.12								
* As of 12:00 AM closing											
Currency											
	Euro/USD	GBP/USD	AUD/USD	USD/JPY	USD/CHF	USD/CNY	USD/HKD	USD/CNY NDF 12-mth	Spot	pr.	
Spot Rate	1.0949	1.5153	0.7222	121.28	0.9864	6.4591	7.7501			6.7685	
Chg. WTD (%)	(0.34)	(0.39)	0.46	(0.22)	(0.39)	(0.06)	0.01			0.01	



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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