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Chief Economist

Banny Lam

Tel: 852-21478863

Email: bannylam@abci.com.hk

Analyst

Paul Pan

Tel: 852-21478829

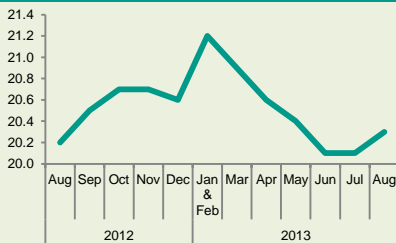
Email: paulpan@abci.com.hk

Exhibit 1: Economic indicators for August 2013

YoY% or otherwise specified	August 2013	July 2013
CPI	2.6	2.7
PPI	(1.6)	(2.3)
Exports	7.2	5.1
Imports	7.0	10.9
Trade Balance (US\$/bn)	28.5	17.8
FAI (YTD%)	20.3	20.1
Industrial production	10.4	9.7
Retail Sales	13.4	13.2
M2	14.7	14.5
New loans (RMB/bn)	711.3	699.9

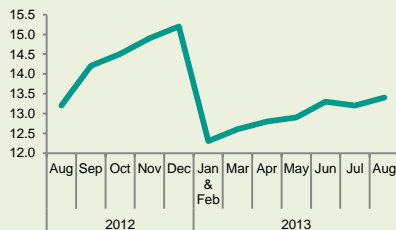
Source(s): National Bureau of Statistics, Bloomberg

Exhibit 2: FAI growth is trending up (YTD YoY %)



Source(s): National Bureau of Statistics, Bloomberg

Exhibit 3: Retail sales is steadily recovering (YoY %)



Source(s): National Bureau of Statistics, Bloomberg

Economic acceleration in sight

The August economic data confirms our previous belief that the Chinese economy is rebounding. The FAI, industrial production, and retail sales beat estimates and improved from July. The release of resilient domestic demand indicators further confirms the positive impacts of the government's recent supportive measures. We believe that the Chinese economy will continue to maintain the growth momentum in the remainder of the year.

Investments in central and western regions drove FAI growth. In August, YTD FAI excluding the rural households grew 20.3% YoY, slightly higher than July. In general, FAI growth in different regions accelerated. The central and western regions experienced faster growth of FAI than the eastern region. The real estate investment data also suggests that property developers have been increasing their investments in the central and western regions. We believe the government will encourage more fixed asset investment in infrastructure and railways in the near future.

Industrial production at 17-month high. Industrial production in August grew 10.4% YoY, the fastest since April 2012. The substantial increase in growth was mainly driven by strong increase in "Production and Distribution of Electricity, Gas and Water", which expanded by 12.5% YoY. Average daily production volume of automobiles and saloon cars slowed on a YoY basis but increased 5.45% and 3.13% MoM, respectively. The industrial production data also reveals that production in steel industry has been increasing. Overall, the August industrial production data indicates that demand for industrial goods has been rising on the back of the economic recovery. We believe the trend is likely to continue in the coming months.

Retail sales at steady growth. In August, retail sales grew 13.4% YoY, the highest growth rate since the beginning of this year. "Catering Services" grew 9.7% YoY, the highest in 2013, and YoY decline in "Catering Service of Enterprises of Designated Size" narrowed to 0.5%, suggesting a rebound in consumption of catering services. Also, retail sales of gold, silver and jewelry rose 21.8% YoY, significantly lower than the previous growth of 41.7% YoY. The accelerated growth seen in multiple product categories shows that domestic demand is recovering as a whole.

Healthy growth in M2 and new loans. In August, M2 grew 14.7% YoY and new loans reached RMB 711.3 billion. While the improving economic indicators unequivocally point to the reviving Chinese economy, the M2 and new loans data suggest that the PBOC is still maintaining a prudent monetary policy. Therefore, we believe drastic measures to increase market liquidity are unlikely to be implemented in the short-term.



China Economic Indicators

	2012					2013							
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Real GDP (YoY%)	---	7.4	---	---	7.9	---	---	7.7	---	---	7.5	---	---
Export Growth (YoY%)	2.7	9.9	11.6	2.9	14.1	25.0	21.8	10.0	14.7	1.0	(3.1)	5.1	7.2
Import Growth (YoY%)	(2.6)	2.4	2.4	0	6	28.8	(15.2)	14.1	16.8	(0.3)	(0.7)	10.9	7.0
Trade Balance (USD/bn)	26.43	27.45	32.11	19.63	31.6	29.2	15.3	(0.9)	18.2	20.4	27.1	17.8	28.5
Retail Sales Growth (YoY%)	13.2	14.2	14.5	14.9	15.2	12.3	12.6	12.8	12.9	13.3	13.2	13.2	13.4
Industrial Production (YoY%)	8.9	9.2	9.6	10.1	10.3	9.9	8.9	9.3	9.2	8.9	9.7	10.4	10.4
PMI - Manufacturing (%)	49.2	49.8	50.2	50.6	50.6	50.4	50.1	50.9	50.6	50.8	50.1	50.3	51.0
PMI - Non-manufacturing (%)	56.3	53.7	55.5	55.6	56.1	56.2	54.5	55.6	54.5	54.3	53.9	54.1	53.9
FAI(YTD) (YoY%)	20.2	20.5	20.7	20.7	20.6	21.2	20.9	20.6	20.4	20.1	20.1	20.1	20.3
CPI (YoY%)	2	1.9	1.7	2	2.4	2.0	3.2	2.1	2.4	2.1	2.7	2.7	2.6
PPI (YoY%)	(3.5)	(3.6)	(2.8)	(2.2)	(1.9)	(1.6)	(1.6)	(1.9)	(2.6)	(2.9)	(2.7)	(2.3)	(1.6)
M2 (YoY%)	13.5	14.8	14.1	13.9	13.8	15.9	15.2	15.7	16.1	15.8	14.0	14.5	14.7
New Lending (RMB/bn)	703.9	623.2	505.2	522.9	454.3	1070.0	620.0	1060.0	792.9	667.4	860.5	699.9	711.3

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	15,191.06	1.80	14.55	NYMEX WTI	USD/bbl	107.13	248,372	US Fed Fund Rate	0.25	0.00
S&P 500	1,683.99	1.74	16.16	ICE Brent Oil	USD/bbl	111.33	181,300	US Prime Rate	3.25	0.00
NASDAQ	3,729.02	1.89	22.27	NYMEX Natural Gas	USD/MMBtu	3.60	106,154	US Discount Window	0.75	0.00
MSCI US	1,611.77	1.75	16.40	Australia Newcastle Steam Coal Spot fob ²	USD/Metric Tonne	76.75	N/A	US Treasury (1 Mth)	0.0101	(33.6)
Europe				Basic Metals						
FTSE 100	6,583.99	0.56	19.42	LME Aluminum Cash	USD/MT	1,749.00	15,728	US Treasury (5 Yr)	1.7671	0.58
DAX	8,446.54	2.06	14.48	LME Aluminum 3 -mth. Rolling Fwd.	USD/MT	1,797.00	31,943	US Treasury (10 Yr)	2.9662	1.09
CAC40	4,116.64	1.67	17.58	CMX Copper Active	USD/lb.	327.55	426	Japan 10-Yr Gov. Bond	0.7410	(5.49)
IBEX 35	8,801.60	1.69	55.78	LME Copper 3- mth Rolling Fwd.	USD/MT	7,170.00	43,686	China 10-Yr Gov. Bond	4.0700	0.74
FTSE MIB	17,332.42	1.67	232.8	TSI CFR China Iron Ore Fines Index ³	USD	135.20	N/A	ECB Rate (Refinancing)	0.50	0.00
Stoxx 600	309.80	1.21	20.81	Precious Metals						
MSCI UK	1,947.72	0.56	19.56	CMX Gold	USD/T. oz	1,364.20	135,923	1-Month LIBOR	0.1821	0.00
MSCI France	114.67	1.65	21.04	CMX Silver	USD/T. oz	23.10	39,670	3 Month LIBOR	0.2559	(0.20)
MSCI Germany	115.90	2.04	13.64	NYMEX Platinum	USD/T. oz	1,475.70	10,248	O/N SHIBOR	2.8955	(1.85)
MSCI Italy	49.94	1.42	81.93	Agricultural Products						
Asia				CBOT Corn	USD/bu	467.25	110,292	3-Month HIBOR	0.3850	0.37
NIKKEI 225	14,484.62	4.50	24.02	CBOT Wheat	USD/bu	647.00	36,974	Corporate Bonds (Moody's)		
S&P/ASX 200	5,228.00	1.61	23.12	NYB-ICE Sugar	USD/lb.	17.18	89,175	Aaa	4.68	(0.85)
HSI	22,976.65	1.57	10.60	CBOT Soybeans	USD/bu.	1,357.50	113,445	Baa	5.50	(0.54)
HSCEI	10,697.44	3.52	8.44							
CSI300	2,474.89	4.97	11.99							
SSE Composite	2,237.98	4.58	11.72							
SZSE Composite	1,044.58	1.34	29.50							
MSCI China	62.14	2.98	10.06							
MSCI Hong Kong	11,659.03	0.63	10.46							
MSCI Japan	736.38	3.55	19.17							

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	1.3275	1.5741	0.9312	100.2800	0.9344	6.1205	7.7547	6.2244
Chg. WTD (%)	(0.74)	(0.69)	(1.38)	1.17	(0.37)	0.02	(0.00)	(0.16)



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

Tel: (852) 2868 2183