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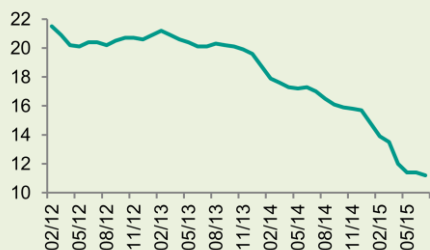
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Exhibit 1: July economic indicators

YoY% or otherwise specified	July'15	June'15	1H15
Manufacturing PMI(%)	50.0	50.2	50.2
Non-Manufacturing PMI (%)	53.9	53.8	53.8
CPI	1.6	1.4	1.3
PPI	(5.4)	(4.8)	(4.6)
Exports	(8.3)	2.8	1.0
Imports	(8.1)	(6.1)	(15.5)
Trade Balance (US\$/bn)	43.0	46.6	263.1
FAI (YTD%)	11.2	11.4	11.4
Industrial production	6.0	6.8	6.3
Retail Sales	10.5	10.6	10.4
M2	13.3	11.8	11.8
New loans (RMB/bn)	1,480	1,280.6	6560
Aggregate financing (RMB/bn)	718.8	1,858.1	8,793.9

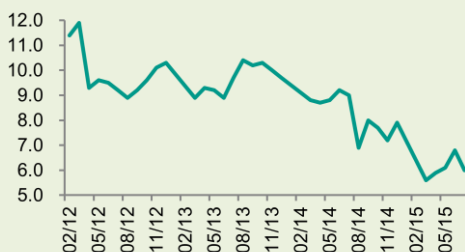
Source(s): NBS, PBOC, Bloomberg, ABCI Securities

Exhibit 2: FAI (YTD YoY %)



Source(s): NBS, Bloomberg, ABCI Securities

Exhibit 3: Industrial production (YoY %)



Source(s): NBS, Bloomberg, ABCI Securities

Economic activities to remain stagnant

China's major economic indicators in July remain stagnant. FAI, industrial production, and retail sales unequivocally pointed to a slowing trend amid continuous monetary expansion under credit loosening. Continued sluggishness observed in July and recent depreciation of RMB have prompted policymakers to launch more stimulus measures to boost economic activities. In the coming months, we can expect more expansionary policies to boost aggregate demand and alleviate downward pressure in the economy.

FAI growth moderated, again. 7M15 FAI slowed to 11.2% YoY after stabilizing at 11.4% in 5M15 and 1H15, mainly due to extended weakness in real estate investment and manufacturing sector. Sluggishness in the real estate sector, whose YTD growth in FAI only reached 4.3% YoY for 7M15 (vs. 4.6 % YoY in 1H15), suggests an ongoing rebalancing process. 7M15 FAI in manufacturing sector further moderated to 9.2% (vs. 9.7 % YoY in 1H15). Declining FAI growth indicates investors have remained cautious over capital spending. Nonetheless, the government's recent effort to launch more infrastructure projects should help boost FAI. Infrastructure investment, which grew rapidly by 18.2% YoY in 7M15, will become the major growth driver of the economy this year.

Industrial production weakened. In July, industrial production expanded by 6.0% YoY, down from 6.8% YoY in June. Overall output production has been suppressed by the slow recovery in manufacturing activities as well as the anemic export growth. Nonetheless, we believe industrial production would recover as the economic conditions improve.

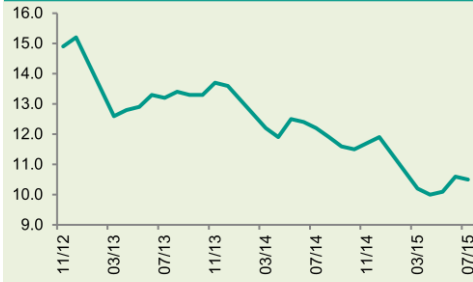
Retail sales edged down slightly. July retail sales rose 10.5% YoY, slightly lower than the 10.6% YoY increase in June. The rise was mainly driven by sizeable growth in "Communication Appliances" (29.8%YoY), "Building and Decoration Materials" (17.9%YoY), "Furniture" (16.0% YoY), and "Traditional Chinese and Western Medicines" (15.5% YoY). However, "Petroleum and Related Products" still fell 7.2% YoY due to weakening global oil prices. Going forward, retail sales are likely to trend up on the government's persistent effort to encourage private consumption.

Decline in export growth widened. Exports and imports fell 8.3% YoY (8.9% YoY in RMB) and 8.1% YoY (8.6% in RMB) in July while trade balance reached US\$ 43bn (263bn in RMB). For 7M15, exports dropped 0.8% (0.9% in RMB) while imports fell by 14.6% YoY (14.6% in RMB). The decline in July's external trade was caused by the high base in 2014, flagging external demand from the Eurozone and Japan, and weak domestic demand. Yet, we believe growth in exports and imports would edge up in coming months on improved economic outlook and rising demand for China's exports from the U.S, Eurozone, and emerging economies.

Inflation rebounded in July on surging pork price. CPI inflation edged up to 1.6% YoY in July against June's 1.4%. Increasing price pressure was primarily driven by food prices that rose 2.7% YoY, compared to June's 1.9%. Pork price rose 16.7% YoY in July, accounting for most of the increase in food prices. The YTD CPI inflation, low at 1.3%, would still leave room for PBOC to deploy

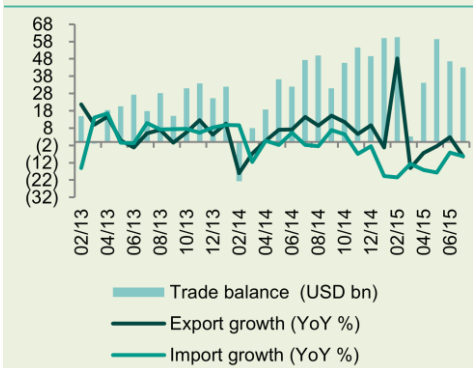


Exhibit 4: Retail sales (YoY %)



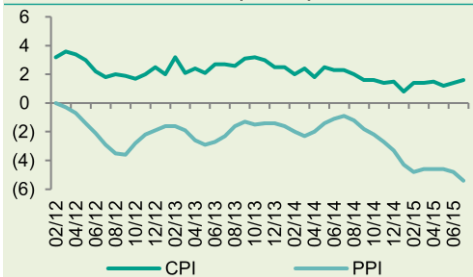
Source(s): NBS, Bloomberg, ABCI Securities

Exhibit 5: External trade



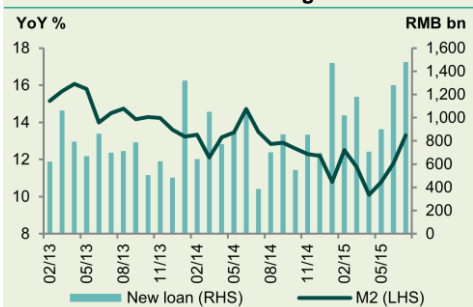
Source(s): Bloomberg, ABCI Securities

Exhibit 6: CPI and PPI (YoY %)



Source(s): NBS, Bloomberg, ABCI Securities

Exhibit 7: New loans and M2 growth



Source(s): PBOC, Bloomberg, ABCI Securities

further monetary easing. Decline in PPI widened to 5.4% YoY in July, against June's 4.8%. Stagnant growth of manufacturing activities and faltering commodities prices have resulted in the 41-month decline in producers' prices to the lowest since 2009. With global commodity prices still hovering at low levels, we believe a major turnaround in PPI is unlikely in the short term.

Monetary growth and new loans rebounded strongly in July. M2 growth and new loans edged up to 13.3% (vs. 11.8% in June) and RMB 1.48tr (vs. 1.28tr in June) in July, indicating that PBOC's credit loosening measures targeting to boost economic growth and stabilize stock market fluctuation have stimulated monetary growth. Aggregate financing for July was RMB 718.8bn, up 182.2% YoY. In our view, previous credit loosening measures have not been fully utilized and their lagged impacts on liquidity should be seen in the coming months.



China Economic Indicators

	2014									2015						
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Real GDP (YoY%)	---	--	7.5	--	---	7.3	---	---	7.3	---	---	7.0	---	---	7.0	---
Export Growth (YoY%)	0.9	7.0	7.2	14.5	9.4	15.3	11.6	4.7	9.7	(3.2)	48.3	(15.0)	(6.4)	(2.5)	2.8	(8.3)
Import Growth (YoY%)	0.8	(1.6)	5.5	(1.6)	(2.4)	7.0	4.6	(6.7)	(2.4)	(19.7)	(20.5)	(12.7)	(16.2)	(17.6)	(6.1)	(8.1)
Trade Balance (USD/bn)	18.5	35.9	31.6	47.3	49.8	30.9	45.4	54.5	49.6	60.0	60.6	3.1	34.1	59.49	46.6	43.0
Retail Sales Growth (YoY%)	11.9	12.5	12.4	12.2	11.9	11.6	11.5	11.7	11.9	10.7	10.2	10.0	10.1	10.1	10.6	10.5
Industrial Production (YoY%)	8.7	8.8	9.2	9.0	6.9	8.0	7.7	7.2	7.9	6.8	5.6	5.9	6.1	6.8	6.0	
PMI - Manufacturing (%)	50.4	50.8	51.0	51.7	51.1	51.1	50.8	50.3	50.1	49.8	49.9	50.1	50.1	50.2	50.2	50.0
PMI - Non-manufacturing (%)	54.8	55.5	55.0	54.2	54.4	54.0	53.8	53.9	54.1	53.7	53.9	53.7	53.4	53.2	53.8	53.9
FAI(YTD) (YoY%)	17.3	17.2	17.3	17.0	16.5	16.1	15.9	15.8	15.7	13.9	13.5	12.0	11.4	11.4	11.4	11.2
CPI (YoY%)	1.8	2.5	2.3	2.3	2.0	1.6	1.6	1.4	1.5	0.8	1.4	1.4	1.5	1.2	1.4	1.6
PPI (YoY%)	(2.0)	(1.4)	(1.1)	(0.9)	(1.2)	(1.8)	(2.2)	(2.7)	(3.3)	(4.3)	(4.8)	(4.6)	(4.6)	(4.6)	(4.8)	(5.4)
M2(YoY%)	13.2	13.4	14.7	13.5	12.8	12.9	12.6	12.3	12.2	10.8	12.5	11.6	10.1	10.8	11.8	13.3
New Lending (RMB/bn)	774.7	870.8	1,080	385.2	702.5	857.2	548.3	852.7	697.3	1,470	1,020	1,180	707.9	900.8	1,280.6	1,480.0
Aggregate Financing (RMB bn)	1,550	1,400	1,970	273.7	957.7	1,135.5	662.7	1,146.3	1,690	2,050	1,350	1,181	1,050	1,220	1,860.0	718.8

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	17,402.51	0.17	15.16	NYMEX WTI	USD/bbl	43.30	(1.30)	449,042		0.25	0.00
S&P 500	2,086.05	0.41	18.46	ICE Brent Oil	USD/bbl	49.72	2.28	213,491	US Prime Rate	3.25	0.00
NASDAQ	5,044.39	0.02	29.00	NYMEX Natural Gas	USD/MMBtu	2.92	4.50	159,569	US Discount Window	0.75	0.00
MSCI US	1,997.32	0.41	19.12	Australia Newcastle Steam Coal Spot fob ²	USD/Metric Tonne	61.80	N/A	N/A	US Treasury (1 Yr)	0.3465	(1.02)
Europe				Basic Metals				US Treasury (5Yr)			
FTSE 100	6,571.19	(2.19)	23.07	LME Aluminum Cash	USD/MT	1,556.75	0.02	12,360	US Treasury (10 Yr)	2.1695	0.72
DAX	10,924.61	(4.93)	17.17	LME Aluminum 3 -mth. Rolling Fwd.	USD/MT	1,589.00	0.00	29,471	Japan 10-Yr Gov. Bond	0.3810	(3.90)
CAC40	4,925.43	(4.45)	21.84	CMX Copper Active	USD/lb.	5,177.75	0.23	5,939	China 10-Yr Gov. Bond	3.4800	(1.00)
IBEX 35	10,880.10	(2.67)	20.89	LME Copper 3- mth Rolling Fwd.	USD/MT	5,189.50	0.32	52,082	ECB Rate (Refinancing)	0.05	0.00
FTSE MIB	22,997.55	(2.98)	N/A	Precious Metals				1-Month LIBOR			
Stoxx 600	382.99	(3.55)	22.38	CMX Gold	USD/T. oz	1,121.30	2.49	158,376	3 Month LIBOR	0.3144	0.28
MSCI UK	1,922.32	(2.18)	23.59	CMX Silver	USD/T. oz	15.36	3.64	56,387	O/N SHIBOR	1.6410	11.20
MSCI France	138.25	(4.31)	22.59	NYMEX Platinum	USD/T. oz	997.90	3.71	12,051	1-mth SHIBOR	2.6460	(10.8)
Asia				Agricultural Products				3-mth HIBOR			
NIKKEI 225	20,559.68	(0.80)	21.48	CBOT Corn	USD/bu	369.00	(3.84)	248,608	Corporate Bonds (Moody's)		
S&P/ASX 200	5,409.00	(1.20)	19.84	CBOT Wheat	USD/bu	501.00	(2.86)	72,573	Aaa	3.96	0.00
HSI	23,986.76	(2.30)	10.31	NYB-ICE Sugar	USD/lb.	10.54	(1.13)	60,990	Baa	5.09	0.00
HSCEI	11,089.81	(1.23)	8.09	CBOT Soybeans	USD/bu.	918.50	(4.65)	156,296			
CSI300	3,989.12	2.10	17.87								
SSE Composite	3,862.06	3.15	19.75								
SZSE Composite	2,236.51	2.73	54.14								
MSCI China	65.16	(1.75)	10.12								
MSCI Hong Kong	13,045.52	(2.93)	10.36								
MSCI Japan	1,015.80	(0.99)	17.12								

* 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	1.1141	1.5622	0.7387	124.39	0.9770	6.4079	7.7533	6.5685
Chg. WTD (%)	1.59	0.85	(0.42)	(0.12)	0.71	(3.09)	(0.01)	(4.38)

Note:

- Data sources: Bloomberg, 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



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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