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Exhibit 1: Feb economic indicators

YoY% or otherwise specified	Jan-Feb 2015	Feb 2015	Jan 2015	2014
CPI	1.1	1.4	0.8	2.0
PPI	(4.6)	(4.8)	(4.3)	(1.9)
Exports	15.0	48.3	(3.2)	6.1
Imports	(20.2)	(20.5)	(19.7)	0.4
Trade Balance (US\$/bn)	120.6	60.6	60.0	382.5
FAI (YTD%)	13.9	N/A	N/A	15.7
Industrial production	6.8	N/A	N/A	8.3
Retail Sales	10.7	N/A	N/A	12.0

Source(s): Bloomberg, ABCI Securities

A dismal Jan-Feb data call for more stimulus

China's major economic data in recent months have unequivocally pointed to softening growth. Under a "new normal" economic environment with a lowered growth target, China faced a sluggish start in the first two months of 2015 with growth in FAI, industrial production, and retail sales moderating in varying degrees. Reforming the economy and shifting the emphasis toward quality and efficiency will be accompanied by a structural slowdown in areas including investment, consumption, and pricing mechanisms. Stagnation observed in Jan-Feb has already prompted policymakers to launch more stimulus measures to reverse the weakening trend. Further credit easing, such as RRR cut, rate cut, and expansionary fiscal measures will be deployed to alleviate the downward pressure in the economy.

Downtrend in FAI continues. FAI grew 13.9% YoY in Jan-Feb (vs. 15.7% YoY in 2014), mainly due to the government's initiatives to normalize over-investment and continued moderation in real estate investment. Sluggishness in the real estate sector, whose YTD growth in FAI only reached 10.4% YoY for Jan-Feb (vs. 10.5 % YoY in 2014), suggests the sector is still rebalancing. FAI in Jan-Feb indicates that investors were cautious on capital spending. The government's recent effort to launch certain infrastructure projects, however, should help reduce the possibility of a severe downturn in FAI. Infrastructure investment, which grew rapidly by 20.6% YoY in Jan-Feb 2015, will become the major growth driver this year.

Industrial output retracted to below 7% in Jan-Feb. Industrial output decelerated to 6.8% YoY in Jan-Feb (vs. 8.3% YoY in 2014) on moderating growth in manufacturing sector. Diminishing economic momentum has triggered genuine declines in industrial demand, thus growth in manufacturing sector remained subdued.

Retail sales on a stumbling path. In Jan-Feb, retail sales grew by 10.7% YoY, lower than the 12% YoY growth in 2014. Retail sales growth was dragged down by the "Gold, Silver and Jewelry" category, which tumbled by 2.4% YoY, and "Oil Petroleum and Related Products" category, which dropped by 6.7% YoY. The government's pro-frugality initiatives have been suppressing the retail sector. We expect retail sales growth to fluctuate before private consumption is strong enough to become a major driver of the economy.

Exports showed strength while imports remained weak. China's February trade balance reached US\$ 60.6bn. Exports grew stronger than expected by 48.3% YoY while decline in imports widened to 20.5% YoY. Strong rebound in export growth was due to timing difference of the Chinese Spring Festival, while decline in imports reflected continuous fall in commodities prices and weakening domestic demand. For Jan-Feb, exports grew healthily by 15% YoY as overseas markets including the U.S., Europe, and ASEAN are restocking inventories. However, lackluster imports drove down total trade to a decline of 2.3% YoY, which is significantly below the government's 2015 target of a 6.0% growth. Going forward, we



expect overseas demand to strengthen on recovery in the U.S. and ECB's stimulus measures, which in turn will support China's exports and improve total trade in the short term.

CPI inflation stabilized but decline in PPI widened further. CPI was 1.4% YoY in February (vs. 0.8% YoY in January). The Chinese Spring Festival boosted food CPI from 1.1% in January to 2.4% in February. Inflation, however, has remained below 2% for six consecutive months. CPI for Jan-Feb reached 1.1% YoY, far below the government's target at 3.0% YoY, sparking concerns over rising disinflation risks. Declines in PPI in February and Jan-Feb widened to -4.8% YoY and -4.6% YoY, indicating enormous pricing pressure confronted by manufacturers amid weak commodities prices and moderating domestic demand. Nonetheless, we believe credit loosening measures would help support CPI and PPI in coming months.



China Economic Indicators

	2013	2014												2015	
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb*
Real GDP (YoY%)	7.7	---	---	7.4	---	---	7.5	---	---	7.3	---	---	7.3	---	---
Export Growth (YoY%)	5.8	10.6	(18.1)	(6.6)	0.9	7.0	7.2	14.5	9.4	15.3	11.6	4.7	9.7	(3.2)	48.3
Import Growth (YoY%)	6.5	10.0	10.1	(11.3)	0.8	(1.6)	5.5	(1.6)	(2.4)	7.0	4.6	(6.7)	(2.4)	(19.7)	(20.5)
Trade Balance (USD/bn)	32.3	31.9	(23.0)	7.7	18.5	35.9	31.6	47.3	49.8	30.9	45.4	54.5	49.6	60.0	60.6
Retail Sales Growth (YoY%)	13.6	11.8		12.2	11.9	12.5	12.4	12.2	11.9	11.6	11.5	11.7	11.9	10.7	
Industrial Production (YoY%)	9.7	8.6		8.8	8.7	8.8	9.2	9.0	6.9	8.0	7.7	7.2	7.9	6.8	
PMI - Manufacturing (%)	51.0	50.5	50.2	50.3	50.4	50.8	51.0	51.7	51.1	51.1	50.8	50.3	50.1	49.8	49.9
PMI - Non-manufacturing (%)	54.6	53.4	55.0	54.5	54.8	55.5	55.0	54.2	54.4	54.0	53.8	53.9	54.1	53.7	53.9
FAI(YTD) (YoY%)	19.6	17.9		17.6	17.3	17.2	17.3	17.0	16.5	16.1	15.9	15.8	15.7	13.9	
CPI (YoY%)	2.5	2.5	2.0	2.4	1.8	2.5	2.3	2.3	2.0	1.6	1.6	1.4	1.5	0.8	1.4
PPI (YoY%)	(1.4)	(1.6)	(2.0)	(2.3)	(2.0)	(1.4)	(1.1)	(0.9)	(1.2)	(1.8)	(2.2)	(2.7)	(3.3)	(4.3)	(4.8)
M2(YoY%)	13.6	13.2	13.3	12.1	13.2	13.4	14.7	13.5	12.8	12.9	12.6	12.3	12.2	10.8	11.5
New Lending (RMB/bn)	482.5	1,320	644.5	1,050	774.7	870.8	1,080	385.2	702.5	857.2	548.3	852.7	697.3	1,470.0	700
Aggregate Financing (RMB bn)	1,232.2	2,580	938.7	2,081.3	1,550	1,400	1,970	273.7	957.7	1,135.5	662.7	1,146.3	1,690.0	2,050.0	1,030.7

* Forecasts (For M2, New Lending, and Aggregate Financing only)

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	17,662.94	(1.09)	16.13	NYMEX WTI	USD/bbl	48.76	(1.71)	409,484	US Prime Rate	3.25	0.00
S&P 500	2,044.16	(1.31)	18.34	ICE Brent Oil	USD/bbl	56.57	(5.29)	208,740	US Discount Window	0.75	0.00
NASDAQ	4,859.80	(1.37)	31.06	NYMEX Natural Gas	USD/MMBtu	2.70	(4.83)	125,010	US Treasury (1 Yr)	0.2342	(2.55)
MSCI US	1,957.68	(1.30)	18.88	Australia Newcastle Steam Coal Spot fob ²	USD/Metric Tonne	61.80	N/A	N/A	US Treasury (5Yr)	1.6016	(9.23)
Europe				Basic Metals				US Treasury (10 Yr)			
FTSE 100	6,729.94	(2.63)	23.20	LME Aluminum Cash	USD/MT	1,746.00	(1.31)	13,577	US Treasury (5Yr)	2.1156	(12.6)
DAX	11,589.33	0.33	18.24	LME Aluminum 3 -mth. Rolling Fwd.	USD/MT	1,762.00	(1.12)	30,074	Japan 10-Yr Gov. Bond	0.4200	2.40
CAC40	4,933.90	(0.61)	25.04	CMX Copper Active	USD/lb.	5,788.00	0.43	9,313	China 10-Yr Gov. Bond	3.5200	8.00
IBEX 35	10,981.00	(1.00)	20.63	LME Copper 3- mth Rolling Fwd.	USD/MT	5,765.00	0.35	39,515	ECB Rate (Refinancing)	0.05	0.00
FTSE MIB	22,513.20	0.34	66.37	Precious Metals				1-Month LIBOR			
Stoxx 600	392.67	(0.38)	23.95	CMX Gold	USD/T. oz	1,161.40	(0.25)	151,184	3 Month LIBOR	0.2666	0.20
MSCI UK	1,970.33	(3.00)	23.17	CMX Silver	USD/T. oz	15.70	(0.68)	30,073	O/N SHIBOR	3.3470	(6.90)
MSCI France	137.77	(1.63)	26.13	NYMEX Platinum	USD/T. oz	1,130.70	(2.42)	12,372	1-mth SHIBOR	5.0518	(0.82)
Asia				Agricultural Products				3-mth HIBOR			
NIKKEI 225	18,723.52	(1.30)	21.29	CBOT Corn	USD/bu	392.75	1.75	130,791	Corporate Bonds (Moody's)		
S&P/ASX 200	5,793.20	(1.79)	21.27	CBOT Wheat	USD/bu	500.50	3.73	71,250	Aaa	3.78	(3.00)
HSI	23,717.97	(1.85)	9.92	NYB-ICE Sugar	USD/lb.	13.02	(3.13)	59,158	Baa	4.66	(3.00)
HSCEI	11,417.34	(1.63)	8.02	CBOT Soybeans	USD/bu.	992.25	0.74	101,130			
CSI300	3,524.65	1.33	15.47								
SSE Composite	3,290.90	1.53	15.86								
SZSE Composite	1,689.16	2.26	40.43								
MSCI China	67.17	(1.24)	10.16								
MSCI Hong Kong	12,846.42	(1.64)	9.84								
MSCI Japan	939.11	(1.17)	17.27								

Note:

1. Data sources: Bloomberg, 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

Currency

	Euro/USD	GBP/USD	AUD/USD	USD/JPY	USD/CHF	USD/CNY	USD/HKD	USD/CNY NDF 12-mth Spot pr.
Spot Rate	1.0654	1.5070	0.7624	121.39	1.0023	6.2625	7.7600	6.4095
Chg. WTD (%)	(1.75)	0.22	(1.19)	(0.46)	(1.63)	0.01	(0.04)	(0.08)



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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