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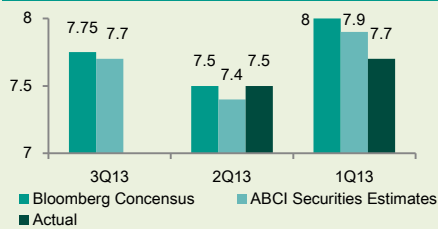
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Exhibit 1: China's 3Q13 GDP is expected to rebound (YoY %)



Source(s): Bloomberg, ABCI Securities estimates

Exhibit 2: Estimates for 3Q13 economic indicators

YoY% or otherwise specified	3Q 2013E	2Q 2013
CPI	2.7	2.4
PPI	(1.7)	(2.7)
Exports	6.8	3.7
Imports	8.5	5.0
Trade Balance (USD/Bn)	77.07	65.7
FAI (YTD%)	20.5	20.1
Industrial production	10.0	9.1
Retail Sales	13.5	13.0
M2	14.9	14.0
New loans (RMB/Bn)	2141.2	2320.8

Source(s): Bloomberg, ABCI Securities estimates

Exhibit 3: Estimates for September economic indicators

YoY% or otherwise specified	Sep 2013E	Aug 2013	Bloomberg Consensus
CPI	2.7	2.6	2.8
PPI	(1.2)	(1.6)	(1.4)
Exports	8.2	7.2	5.0
Imports	7.7	7.0	7.0
Trade Balance (USD/Bn)	30.7	28.5	25.7
FAI (YTD%)	20.5	20.3	20.3
Industrial production	9.8	10.4	10.3
Retail Sales	13.6	13.4	13.4
M2	14.9	14.7	14
New loans (RMB/Bn)	730	711.3	662.1

Source(s): Bloomberg, ABCI Securities estimates

3Q13 Data Preview: Uptrend continues

China's economy is back on track after the sluggish growth in 2Q13. Economic data in the following months will start to reflect the government's efforts to boost growth. We expect the 3Q GDP growth will accelerate to 7.7% YoY, and a broad-based improvement in most indicators on both the QoQ and MoM bases shall be seen.

3Q GDP will grow 7.7% YoY. GDP in 3Q13 is expected to improve. Unlike 2Q13, economic development in 3Q has been positive without the recurrence of liquidity squeeze and steep declines in trade. Given the July/August economic data has been improving, we expect the momentum will continue in September and forecast the 3Q13 GDP will expand by 7.7% YoY.

Inflation is still under control. According to the average prices of major agricultural produce compiled by the NBS, consumers experienced moderate price pressure in 3Q13. We therefore expect the CPI to increase slightly. PPI, on the other hand, will improve from August though the figure will remain in the negative territory. For 3Q13, CPI and PPI will be 2.7% YoY and -1.7% YoY. For September alone, CPI and PPI will be 2.7% YoY and -1.2% YoY.

Trade data will jump in 3Q13. We believe the international trade sector will rebound in 3Q13. Both the exports and imports are moving in tandem with the rising "New export orders" and "New import orders", the sub-indices of the manufacturing PMI. We believe that exports growth, imports growth, and trade balance will be 6.8% YoY, 8.5% YoY, and US\$ 77.07 billion, respectively, in the 3Q. We expect the same series of data will be 8.2% YoY, 7.7% YoY, and US\$ 30.7 billion in September.

FAI will continue to reflect the government's new economic focus. The government has been accelerating projects in railway construction and affordable housing to ensure a smooth transition to a consumption-driven economy. However, these new projects are smaller in scale and shorter in duration compared to previous FAI projects undertaken. Therefore, we expect FAI will only grow moderately by 20.5% YTD in 3Q13.

Industrial production growth will moderate slightly in September. Despite that industrial production grew sharply in July and August, the less-than-expected growth in manufacturing PMI in September (consensus: 51.6; actual: 51.1) suggests that growth may moderate. Therefore, we believe industrial production growth will be 9.8% YoY and 10% YoY for September and 3Q13, respectively.

Retail sales will witness mild growth. With most Chinese schools' summer break taking place in July and August, retail sales in 3Q will be boosted by vacation spending and back-to-school consumption. We expect 3Q13 retail sales will go up by 13.5% YoY while the September figure will increase 13.6% YoY, indicating a healthy recovery in consumption.

3Q13 new loans and M2 should be of no surprise. With PBOC maintaining an accommodative monetary policy stance in 3Q13, we expect the M2 growth and new loans in September will be 14.9% YoY and RMB 730 billion, respectively.



China Economic Indicators

	2012				2013								
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep*
Real GDP (YoY%)	7.4	---	---	7.9	---	---	7.7	---	---	7.5	---	---	7.7
Export Growth (YoY%)	9.9	11.6	2.9	14.1	25.0	21.8	10.0	14.7	1.0	(3.1)	5.1	7.2	8.2
Import Growth (YoY%)	2.4	2.4	0	6	28.8	(15.2)	14.1	16.8	(0.3)	(0.7)	10.9	7.0	7.7
Trade Balance (USD/bn)	27.45	32.11	19.63	31.6	29.2	15.3	(0.9)	18.2	20.4	27.1	17.8	28.5	30.7
Retail Sales Growth (YoY%)	14.2	14.5	14.9	15.2		12.3	12.6	12.8	12.9	13.3	13.2	13.4	13.6
Industrial Production (YoY%)	9.2	9.6	10.1	10.3		9.9	8.9	9.3	9.2	8.9	9.7	10.4	9.8
PMI - Manufacturing (%)	49.8	50.2	50.6	50.6	50.4	50.1	50.9	50.6	50.8	50.1	50.3	51.0	51.1
PMI - Non-manufacturing (%)	53.7	55.5	55.6	56.1	56.2	54.5	55.6	54.5	54.3	53.9	54.1	53.9	55.4
FAI(YTD) (YoY%)	20.5	20.7	20.7	20.6		21.2	20.9	20.6	20.4	20.1	20.1	20.3	20.5
CPI (YoY%)	1.9	1.7	2	2.4	2.0	3.2	2.1	2.4	2.1	2.7	2.7	2.6	2.7
PPI (YoY%)	(3.6)	(2.8)	(2.2)	(1.9)	(1.6)	(1.6)	(1.9)	(2.6)	(2.9)	(2.7)	(2.3)	(1.6)	(1.2)
M2 (YoY%)	14.8	14.1	13.9	13.8	15.9	15.2	15.7	16.1	15.8	14.0	14.5	14.7	14.9
New Lending (RMB/bn)	623.2	505.2	522.9	454.3	1070.0	620.0	1060.0	792.9	667.4	860.5	699.9	711.3	730

* ABCI Securities Estimates (except for PMI - Manufacturing and PMI - Non-manufacturing)

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	15,072.58	0.00	14.61	NYMEX WTI	USD/bbl	102.61	(1.18)	228,337	US Fed Fund Rate	0.25	0.00	
S&P 500	1,690.50	0.00	16.21	ICE Brent Oil	USD/bbl	108.18	(1.17)	174,519	US Prime Rate	3.25	0.00	
NASDAQ	3,807.75	0.00	23.10	NYMEX Natural Gas	USD/MMBtu	3.53	0.66	111,331	US Discount Window	0.75	0.00	
MSCI US	1,620.82	0.00	16.42	Australia Newcastle Steam Coal Spot fob ²	USD/Metric Tonne	78.30	N/A	N/A	US Treasury (1 Mth)	0.1115	0.00	
Europe				Basic Metals								
FTSE 100	6,401.45	(0.81)	19.10	LME Aluminum Cash	USD/MT	1,799.75	0.00	30,219	US Treasury (5 Yr)	1.3864	(1.62)	
DAX	8,533.09	(1.04)	14.59	LME Aluminum 3-mth. Rolling Fwd.	USD/MT	1,844.00	0.00	32,674	US Treasury (10 Yr)	2.6265	(0.69)	
CAC40	4,119.94	(1.06)	17.67	CMX Copper Active	USD/lb.	327.05	(0.92)	42,190	Japan 10-Yr Gov. Bond	0.6460	(0.92)	
IBEX 35	9,363.30	(0.61)	58.98	LME Copper 3-mth Rolling Fwd.	USD/MT	7,260.00	0.00	40,346	China 10-Yr Gov. Bond	4.0700	0.74	
FTSE MIB	18,257.84	(0.25)	582.7	TSI CFR China Iron Ore Fines Index ³	USD	131.40	(0.38)	N/A	ECB Rate (Refinancing)	0.50	0.00	
Stoxx 600	307.30	(0.84)	20.62	Precious Metals								
MSCI UK	1,907.08	0.00	19.10	CMX Gold	USD/T. oz	1,312.30	0.18	148,943	1-Month LIBOR	0.1821	0.00	
MSCI France	115.94	0.00	21.27	CMX Silver	USD/T. oz	21.75	(0.01)	36,062	3 Month LIBOR	0.2429	(2.21)	
MSCI Germany	118.16	0.00	13.83	NYMEX Platinum	USD/T. oz	1,388.10	0.01	11,402	O/N SHIBOR	3.1260	(0.69)	
MSCI Italy	52.45	0.00	116.2	Agricultural Products								
Asia				CBOT Corn	USD/bu	444.25	0.23	136,510	3-Month HIBOR	0.3857	0.00	
NIKKEI 225	13,853.32	(1.22)	23.01	CBOT Wheat	USD/bu	690.00	0.44	63,856	Corporate Bonds (Moody's)			
S&P/ASX 200	5,161.11	(0.90)	22.35	NYB-ICE Sugar	USD/lb.	18.52	0.22	59,201	Aaa	4.57	0.66	
HSI	22,973.95	(0.71)	10.65	CBOT Soybeans	USD/bu.	1,299.50	0.35	129,352	Baa	5.40	0.56	
HSCEI	10,427.17	(0.86)	8.22									
CSI300	2,409.04	0.00	11.67									
SSE Composite	2,174.67	0.00	11.38									
SZSE Composite	1,056.55	0.00	30.11									
MSCI China	62.01	0.00	10.04									
MSCI Hong Kong	12,052.70	0.00	10.95									
MSCI Japan	719.22	0.00	18.70									

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	1.3582	1.6070	0.9409	96.99	0.9023	6.1218	7.7544	6.1820
Chg. WTD (%)	0.18	0.37	(0.28)	0.51	0.54	0.04	0.00	(0.06)



Disclosures

Analyst Certification

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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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