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Exhibit 1: 3Q14 economic indicators preview

YoY% or otherwise specified	3Q'14F*	2Q'14	1Q'14
GDP	7.2	7.5	7.4
CPI	2.1	2.2	2.3
PPI	(1.1)	(1.5)	(2.0)
Exports	11.4	4.9	(3.4)
Imports	(0.5)	1.5	1.6
Trade Balance (US\$/bn)	128.4	85.9	16.6
FAI (YTD%)	16.8	17.3	17.6
Industrial production	8.0	8.9	8.7
Retail Sales	12.1	12.4	12.0
M2	13.3	14.7	12.1
New loans (RMB/bn)	1937.7	2,725.5	3,014.5
Aggregate financing (RMB/bn)	2385.7	4,941.9	5,628.1

* Forecast

Source(s): Bloomberg, ABCI Securities

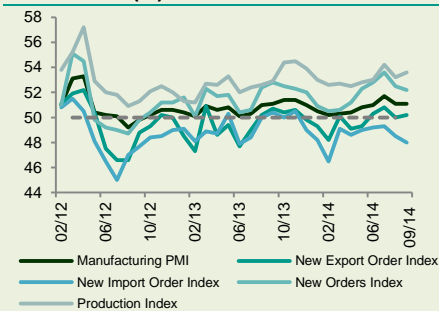
Exhibit 2: Sept economic indicators preview

YoY% or otherwise specified	Sept'14F*	Aug'14
PMI - Manufacturing	51.1	51.1
PMI - Non-manufacturing	54.0	54.4
CPI	2.0	2.0
PPI	(1.2)	(1.2)
Exports	10.5	9.4
Imports	2.0	(2.4)
Trade Balance (US\$/bn)	31.3	49.8
FAI (YTD%)	16.8	16.5
Industrial production	8.0	6.9
Retail Sales	12.1	11.9
M2	13.3	12.8
New loans (RMB/bn)	850	702.5
Aggregate financing (RMB/bn)	1155.2	957.4

* Forecast, excluding PMI - Manufacturing and Non-manufacturing

Source(s): Bloomberg, ABCI Securities

Exhibit 3: China's manufacturing PMI and sub-indices (%)



Source(s): Bloomberg, ABCI Securities

Stagnant PMI points to weak 3Q GDP

China's newly released manufacturing PMI for September stayed flat MoM to reach 51.1. The country's economy demonstrates signs of slowdown, with growth in manufacturing activities remaining subdued. Aided by the recent rollout of modest loosening measures, namely, the injection of SLF amounting to RMB 500bn and easing of property loan restriction, China's economy may have bottomed out in 3Q14, and we believe lagged impacts of the stimulus measures will be reflected by stronger growth in 4Q14. In our view, September's key economic indicators will improve slightly against the weak figures in July and August, but China's economic growth in 3Q14 is likely to edge down to 7.2% YoY from 7.5% in 2Q14.

Manufacturing activities expanded at a modest pace. The flat PMI was mainly driven by the weakening New Order Index (September reading: 52.2%, down 0.3%), reflecting slowing demand for manufacturing goods as well as diminishing domestic demand. In our view, the poor economic figures in July and August had deterred demand and drove down manufacturing activities.

Exports demonstrated more recovery signs. The New Export Order Index advanced to 50.2 in September, as opposed to 50.0 in August. However, the Import Index dropped from 48.5 in August to 48.0 in September. The pick-up in external trade was mainly driven by exports. With more holiday deliveries for major trading partners coming up, we anticipate that exports will grow by 10.5% in September. In contrast, tepid domestic demand for September will slow the import growth to 2.0% YoY.

Pricing pressure to remain mild. With stable growth in food prices, we believe CPI inflation for September would remain at 2.0% YoY. The drop in Purchasing Price Index from 49.3% in August to 47.4% in September signaled weak pricing power among manufacturers. Hence, PPI is expected to see little changed at 1.2% YoY for September.

FAI growth to rebound. Surging investment in infrastructure and railways are expected to lift growth in FAI, reversing the downward trend of FAI. We expect FAI for September to rebound, with YTD growth hitting 16.8% YoY, compared to 16.5% in August.

Retail sales to improve steadily. Improvement in retail sales are expected to broaden as employment and income show stable growth. Consumption is likely to trend up, and demand for consumer discretionary and staples will continue to rise. We expect retail sales in September to increase by 12.1% YoY.

New loans and aggregate financing will rise, while M2 growth will advance. In September, PBOC injected RMB 500bn of Short-term Lending Facility (SLF) into the banking system to help stimulate economic activities, which in turn should provide support for monetary indicators for September. We expect new bank loans will rise to RMB 850bn; aggregate financing will reach RMB 1.15tr; and M2 growth will rebound to 13.3% YoY.



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China Economic Indicators

	2013					2014								
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep*
Real GDP (YoY%)	---	7.8	---	---	7.7	---	---	7.4	---	--	7.5	--	---	7.2
Export Growth (YoY%)	7.2	(0.3)	5.6	12.7	5.8	10.6	(18.1)	(6.6)	0.9	7.0	7.2	14.5	9.4	10.5
Import Growth (YoY%)	7.0	7.4	7.6	5.3	6.5	10.0	10.1	(11.3)	0.8	(1.6)	5.5	(1.6)	(2.4)	2.0
Trade Balance (USD/bn)	28.5	15.2	31.1	33.8	32.3	31.9	(23.0)	7.7	18.5	35.9	31.6	47.3	49.8	31.3
Retail Sales Growth (YoY%)	13.4	13.3	13.3	13.7	13.6	11.8		12.2	11.9	12.5	12.4	12.2	11.9	12.1
Industrial Production (YoY%)	10.4	10.2	10.3	10.0	9.7	8.6		8.8	8.7	8.8	9.2	9.0	6.9	8.0
PMI - Manufacturing (%)	51.0	51.1	51.4	51.4	51.0	50.5	50.2	50.3	50.4	50.8	51.0	51.7	51.1	51.1
PMI - Non-manufacturing (%)	53.9	55.4	56.3	56.0	54.6	53.4	55.0	54.5	54.8	55.5	55.0	54.2	54.4	54.0
FAI(YTD) (YoY%)	20.3	20.2	20.1	19.9	19.6	17.9		17.6	17.3	17.2	17.3	17.0	16.5	16.8
CPI (YoY%)	2.6	3.1	3.2	3.0	2.5	2.5	2.0	2.4	1.8	2.5	2.3	2.3	2.0	2.0
PPI (YoY%)	(1.6)	(1.3)	(1.5)	(1.4)	(1.4)	(1.6)	(2.0)	(2.3)	(2.0)	(1.4)	(1.1)	(0.9)	(1.2)	(1.2)
M2(YoY%)	14.7	14.2	14.3	14.2	13.6	13.2	13.3	12.1	13.2	13.4	14.7	13.5	12.8	13.3
New Lending (RMB/bn)	711.3	787.0	506.1	624.6	482.5	1,320	644.5	1,050	774.7	870.8	1080	385.2	702.5	850
Aggregate Financing (RMB bn)	1,584	1,411.3	864	1,226.9	1,232.2	2,580	938.7	2,081.3	1,550	1,400	1,970	273.7	957.4	1155.2

* Forecast (Excluding PMI - Manufacturing and PMI - Non-manufacturing)

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	0.25	0.00	
DJIA	16,801.05	(1.82)	15.40	NYMEX WTI	USD/bbl	91.31	(2.38)	355,029	US Prime Rate	3.25	0.00
S&P 500	1,946.17	(1.85)	17.66	ICE Brent Oil	USD/bbl	93.70	(3.40)	226,332	US Discount Window	0.75	0.00
NASDAQ	4,430.20	(1.82)	57.91	NYMEX Natural Gas	USD/MMBtu	3.96	(0.73)	101,529	US Treasury (1 Mth)	0.0051	0.51
MSCI US	1,859.19	(1.88)	18.09	Australia Newcastle Steam Coal Spot fob ²	USD/Metric Tonne	65.60	N/A	N/A	US Treasury (5Yr)	1.6943	(10.2)
Europe				Basic Metals				US Treasury (10 Yr)	2.4339	(9.37)	
FTSE 100	6,446.39	(3.05)	16.14	LME Aluminum Cash	USD/MT	1,992.50	0.00	18,185	Japan 10-Yr Gov. Bond	0.5260	0.30
DAX	9,195.68	(3.11)	17.15	LME Aluminum 3 -mth. Rolling Fwd.	USD/MT	2,029.00	0.00	41,892	China 10-Yr Gov. Bond	4.0700	(13.0)
CAC40	4,242.67	(3.46)	26.03	CMX Copper Active	USD/lb.	6,864.50	0.00	16,435	ECB Rate (Refinancing)	0.05	0.00
IBEX 35	10,418.10	(3.99)	20.59	LME Copper 3- mth Rolling Fwd.	USD/MT	6,838.00	0.00	52,617	1-Month LIBOR	0.1520	(0.20)
FTSE MIB	19,894.88	(4.33)	506.6	Precious Metals				3 Month LIBOR	0.2326	(0.05)	
Stoxx 600	332.05	(2.99)	20.12	CMX Gold	USD/T. oz	1,213.80	(0.13)	145,415	O/N SHIBOR	2.5325	(14.6)
MSCI UK	1,901.28	(3.03)	16.14	CMX Silver	USD/T. oz	17.15	(2.21)	44,216	1-mth SHIBOR	3.9980	(1.40)
MSCI France	118.42	(3.29)	27.00	NYMEX Platinum	USD/T. oz	1,251.90	(3.78)	16,130	3-mth HIBOR	0.3786	1.00
MSCI Germany	122.54	(3.02)	17.13	Agricultural Products				Corporate Bonds (Moody's)			
MSCI Italy	57.80	(4.42)	550.6	CBOT Corn	USD/bu	323.25	0.08	122,003	Aaa	3.95	(11.0)
Asia				CBOT Wheat	USD/bu	483.75	2.00	44,983	Baa	4.73	(8.00)
NIKKEI 225	15,632.29	(3.68)	20.39	NYB-ICE Sugar	USD/lb.	16.05	(3.08)	62,276	Note:		
S&P/ASX 200	5,308.10	(0.10)	18.39	CBOT Soybeans	USD/bu.	925.50	1.68	120,356	1. Data sources: Bloomberg Finance LP, National Bureau of Statistics of China, ABCIS (updated on date of report)		
HSI	22,677.97	(4.23)	9.88								
HSCEI	10,214.66	(3.49)	7.12								
CSI300	2,450.99	0.57	10.91								
SSE Composite	2,363.87	0.69	11.38								
SZSE Composite	1,333.50	1.59	32.26								
MSCI China	61.85	(2.55)	9.27								
MSCI Hong Kong	12,185.12	(3.47)	10.45								
MSCI Japan	786.58	(3.87)	15.35								

Currency

	Euro/USD	GBP/USD	AUD/USD	USD/JPY	USD/CHF	USD/CNY	USD/HKD	USD/CNY NDF 12-mth Spot pr.
Spot Rate	1.2656	1.6132	0.8787	108.79	0.9549	6.1410	7.7625	6.2590
Chg. WTD (%)	(0.22)	(0.73)	0.25	0.46	(0.37)	(0.23)	(0.06)	(0.24)



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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