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Exhibit 1: Economic indicators in 1Q-3Q15

YoY% or otherwise specified	3Q'15	2Q'15	1Q'15
GDP	6.9	7.0	7.0
CPI	1.7	1.4	1.2
PPI	(5.7)	(4.7)	(4.6)
Exports	(5.9)	(2.0)	4.7
Imports	(14.4)	(13.6)	(17.6)
Trade Balance (US\$/bn)	163.3	139.4	123.7
FAI (YTD%)	10.8	11.4	13.6
Industrial production	5.9	6.3	6.4
Retail Sales	10.7	10.2	10.6
M2	13.1	11.8	10.5
New loans (RMB/bn)	3,339.6	2,889.3	3,670.7
Aggregate financing (RMB/bn)	3,170.8	4,166.0	4,644

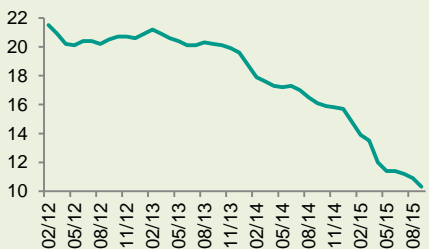
Source(s): Bloomberg, ABCI Securities

Exhibit 2: Aug/Sep economic indicators

YoY% or otherwise specified	Sept'15	Aug'15
PMI - Manufacturing	49.8	49.7
PMI - Non-manufacturing	53.4	53.4
CPI	1.6	2.0
PPI	(5.9)	(5.9)
Exports	(3.7)	(5.5)
Imports	(20.4)	(13.8)
Trade Balance (US\$/bn)	60.3	60.2
FAI (YTD%)	10.3	10.9
Industrial production	5.7	6.1
Retail Sales	10.9	10.8
M2	13.1	13.3
New loans (RMB/bn)	1,050	809.6
Aggregate financing (RMB/bn)	1,300	1,080.0

Source(s): Bloomberg, ABCI Securities

Exhibit 3: China's FAI growth (YTD YoY %)



Source(s): NBS, Bloomberg, ABCI Securities

China GDP to bottom out

China's GDP growth dipped to 6.9% YoY in 3Q15, in line with our forecast but missing the government's target of 7.0% and the market expectation of 6.8%. Growth in investment and consumption, the two key drivers of the economy, were the main culprits behind the weakened quarterly growth. Stagnation observed in 3Q15 has already prompted policymakers to implement policies to accelerate reforms and stimulate growth. We are of the view that economic growth would advance steadily to reach 7.0% YoY for 4Q15 and the government's full-year target of 7.0% YoY for 2015.

Further decline in FAI growth. In September, YTD FAI growth was slowed to 10.3% YoY, signaling that investment continues to dampen on economic restructuring. In general, the economic slowdown is holding back corporate investment. The decreasing YTD FAI growth in real estate is weighing on the overall FAI growth (+2.6% YoY in September vs. +3.5% YoY in August). The relatively high growth in infrastructure FAI, however, indicates the government's supportive measures are at work. We expect the government's new policies will help reverse the downtrend in 4Q15.

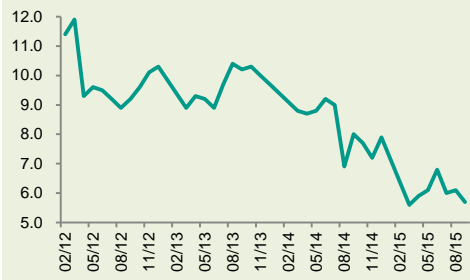
No improvement for industrial production. Industrial production growth fell from 6.1% YoY in August to 5.7% YoY in September. In particular, the 3.1% YoY decline in daily electricity output in September (August: 1.0% YoY growth) and 0.5% YoY growth in daily crude oil processing volume (August: 6.5% YoY growth) indicate the manufacturing industry is still facing great uncertainties. Many industries within the manufacturing sector also showed faltering growth in September. Nonetheless, as the government continues to implement policies to boost economic growth, we believe industrial production would stabilize in the coming months.

Retail sales growth remained stable. Growth in September's retail sales reached 10.9% YoY, slightly higher than August's 10.8% YoY. We observe strength in the traditional retail space, as the September's retail sales growth was boosted by the "Cultural and office appliances" and "Communication appliances" categories, which increased by 23.2% YoY and 42.2% YoY, as compared to 15.6% YoY and 29.0% YoY in August. However, mixed signals were seen in online retail sales, as growth in this category recorded a YoY decline of 50.10% despite a MoM growth of 15.64%. We believe retail sales growth would maintain its uptrend in 4Q15, as a slew of holidays, including the Golden Week Holiday, Singles Day, and other year-end festivities will be marked by sales promotions and consumers' purchasing desire will typically rise during the festive seasons.

External trade sector remained weak. In September, decline in export growth narrowed to 3.7% YoY from August's 5.5% YoY, indicating Christmas shipments are picking up. Exports slid in 3Q15, with the decline widening to 5.9% YoY vs. 2.0% YoY in 2Q15. We believe surging demand for China's exports from major trading partners for holidays will drive up China's exports in 4Q15. For imports, weak domestic demand and falling commodities prices further deepened the decline to 20.4% YoY in September vs. 13.8% YoY in August, reflecting the torpid economic conditions in China.

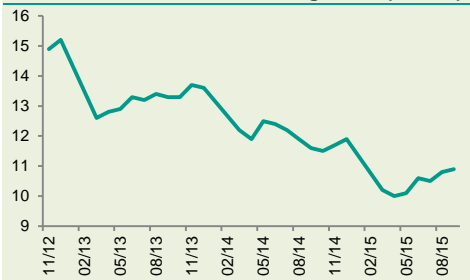


Exhibit 4: China's industrial production growth (YoY %)



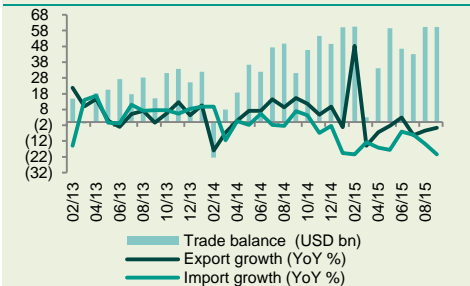
Source(s): NBS, Bloomberg, ABCI Securities

Exhibit 5: China's retail sales growth (YoY %)



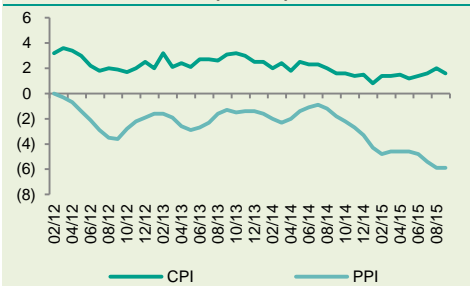
Source(s): NBS, Bloomberg, ABCI Securities

Exhibit 6: China's external trade



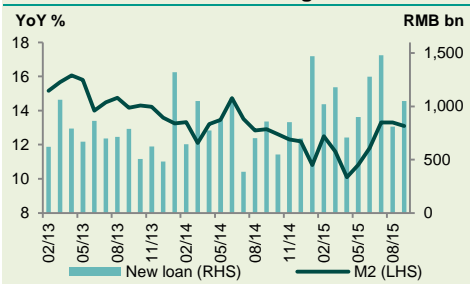
Source(s): China Customs, Bloomberg, ABCI Securities

Exhibit 7: CPI & PPI (YoY %)



Source(s): NBS, Bloomberg, ABCI Securities

Exhibit 8: New loans and M2 growth



Source(s): PBOC, Bloomberg, ABCI Securities

September CPI eases amid waning economic momentum. CPI moderated to 1.6% YoY in September against August's 2.0%. Increase in food prices turned milder after the mid-autumn festival. In addition, the decline of PPI stayed flat at 5.9% YoY. The index has fallen for 43 months in a row, signaling overcapacity in China's factories and declining commodity prices. We expect PPI to remain subdued on extended weakness in global commodity prices. The deflationary spiral will likely continue with China's producer prices deflating in coming months.

Monetary data reflected impact of credit easing. New loans and M2 growth were RMB 1.05tr and 13.1% YoY in September (August: RMB 809.6bn and 13.3% YoY) The rebound in new loans signals that credit has been growing faster than expected amid continuous credit easing. Also noteworthy is that trust loan in total social financing (first three quarters of 2015) continued to decline as its share in aggregate financing dropped to 0.5% in September, reflecting the government's efforts to manage shadow banking risks. For 4Q15, we expect monetary policy will remain accommodative to spur economic recovery.



China Economic Indicators

	2014							2015								
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Real GDP (YoY%)	7.5	--	---	7.3	---	---	7.3	---	---	7.0	---	---	7.0	---	---	6.9
Export Growth (YoY%)	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)	(5.5)	(3.7)
Import Growth (YoY%)	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)	(13.8)	(20.4)
Trade Balance (USD/bn)	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	60.2	60.3
Retail Sales Growth (YoY%)	12.4	12.2	11.9	11.6	11.5	11.7	11.9	10.7		10.2	10.0	10.1	10.6	10.5	10.8	10.9
Industrial Production (YoY%)	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	6.1	5.7
PMI - Manufacturing (%)	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	49.7	49.8
PMI - Non-manufacturing (%)	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	53.4	53.4
FAI(YTD) (YoY%)	17.3	17.0	16.5	16.1	15.9	15.8	15.7	13.9		13.5	12.0	11.4	11.4	11.2	10.9	10.3
CPI (YoY%)	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	2.0	1.6
PPI (YoY%)	(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)	(5.9)	(5.9)
M2(YoY%)	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	13.3	13.1
New Lending (RMB/bn)	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	809.6	1,050
Aggregate Financing (RMB bn)	1,970	273.7	957.7	1,135.5	662.7	1,146.3	1,690	2,047	1,356	1,241	1,056	1,236	1,833	742	1,082	1,300

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	17,215.97	0.00	15.16	NYMEX WTI	USD/bbl	46.83	(0.91)	358,272		0.25	0.00
S&P 500	2,033.11	0.00	18.06	ICE Brent Oil	USD/bbl	49.93	(1.05)	116,245	US Prime Rate	3.25	0.00
NASDAQ	4,886.69	0.00	27.83	NYMEX Natural Gas	USD/MMBtu	2.46	1.19	146,022	US Discount Window	0.75	0.00
MSCI US	1,942.33	0.00	18.70	Australia Newcastle Steam Coal Spot fob ²	USD/Metric Tonne	61.80	N/A	N/A	US Treasury (1 Yr)	0.2087	0.00
Europe				Basic Metals				US Treasury (5Yr)			
FTSE 100	6,369.04	(0.14)	23.04	LME Aluminum Cash	USD/MT	1,548.25	0.00	11,163	US Treasury (10 Yr)	2.0334	0.00
DAX	10,180.72	0.76	16.09	LME Aluminum 3 -mth. Rolling Fwd.	USD/MT	1,572.50	0.00	29,807	Japan 10-Yr Gov. Bond	0.3320	1.20
CAC40	4,722.13	0.41	20.70	CMX Copper Active	USD/lb.	5,304.25	0.00	6,229	China 10-Yr Gov. Bond	3.0900	(18.0)
IBEX 35	10,269.20	0.37	18.91	LME Copper 3- mth Rolling Fwd.	USD/MT	5,285.00	0.00	32,913	ECB Rate (Refinancing)	0.05	0.00
FTSE MIB	22,492.76	0.69	N/A	Precious Metals				1-Month LIBOR			
Stoxx 600	364.84	0.47	21.36	CMX Gold	USD/T. oz	1,173.00	(0.85)	150,502	3 Month LIBOR	0.3172	(0.35)
MSCI UK	1,864.37	0.00	23.67	CMX Silver	USD/T. oz	15.90	(1.36)	43,429	O/N SHIBOR	1.9020	0.30
MSCI France	132.40	0.00	20.99	NYMEX Platinum	USD/T. oz	1,013.00	(1.05)	12,872	1-mth SHIBOR	3.0570	(0.90)
MSCI Germany	132.47	0.00	16.03	Agricultural Products				3-mth HIBOR			
MSCI Italy	64.04	0.00	N/A	CBOT Corn	USD/bu	374.00	(0.73)	137,172	Corporate Bonds (Moody's)		
Asia				CBOT Wheat	USD/bu	486.75	(1.12)	59,929	Aaa	3.93	(6.00)
NIKKEI 225	18,131.23	(0.88)	18.91	NYB-ICE Sugar	USD/lb.	14.38	0.77	67,339	Baa	5.33	(5.00)
S&P/ASX 200	5,269.71	0.03	19.44	CBOT Soybeans	USD/bu.	898.00	(0.03)	164,465			
HSI	23,075.61	0.04	9.85								
HSCEI	10,688.54	0.48	7.53								
CSI300	3,534.18	0.00	14.34								
SSE Composite	3,386.70	(0.14)	16.89								
SZSE Composite	1,969.64	0.14	44.72								
MSCI China	63.53	0.00	9.67								
MSCI Hong Kong	12,559.39	0.00	10.02								
MSCI Japan	916.32	0.00	15.51								

* 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	1.1364	1.5469	0.7304	119.34	0.9528	6.3604	7.7501	6.5165
Chg. WTD (%)	0.14	0.20	0.55	0.08	0.09	(0.10)	(0.00)	(0.05)

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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