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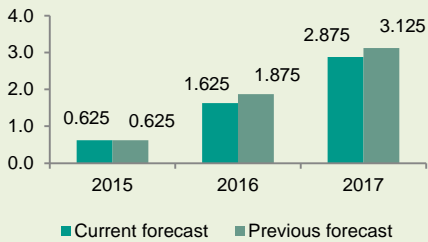
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Exhibit 1: Forecasts for the Fed fund rates(%)



Source: The U.S Federal Reserve, ABCI Securities

Exhibit 2: Forecasts for economic indicators

(%)	2015	2016	2017	Long run
Real GDP	1.8-2.0	2.4-2.7	2.1-2.5	2.0-2.3
Unemployment rate	5.2-5.3	4.9-5.1	4.9-5.1	5.0-5.2
PCE inflation	0.6-0.8	1.6-1.9	1.9-2.0	2.0
Core PCE inflation	1.3-1.4	1.6-1.9	1.9-2.0	N/A

Source: The U.S Federal Reserve, ABCI Securities

U.S. rate hike: Taking a gradual route

As expected, the U.S. Federal Reserve (the Fed) keeps the target range of the Fed fund rates between 0% and 0.25%, indicating the economic rebound in the world's largest economy has not been strong enough to support an interest rate hike in June. The Fed's stance of maintaining the year-end Fed fund rate target at 0.625% implies the current near-zero interest rate is retained for now; a hike may occur later this year when further improvement in the labor market and higher inflation are evident. In our view, the U.S. economy has been reviving after a winter swoon and economic activities are slowly gathering momentum to substantiate a rate increase before the end of 2015.

Stagnant economic momentum in 1H15 suggests a delay in possible rate hike to September. The less-than-sanguine data in 1Q15 with a stubbornly low inflation, weak energy prices, a strong USD, an economic turbulence in Europe, and an uneven recovery worldwide have deferred the rate hike cycle to 2H15. The Fed lowers the GDP growth forecast for 2015 from 2.3%~2.7% to 1.8%~2.0%. A strong USD (+4.3% YTD YoY) that hampered export growth and poor weather conditions in 1Q15 resulted in an economic contraction of 0.7%; consumer spending was weakened as a consequence. With Europe's QE and deflating commodity prices worldwide, we believe USD will continue to strengthen and inflationary pressure will be negligible. Sluggish growth in the global economy may weaken growth in the U.S., pressuring the Fed to delay commencing the rate hike. Based on the latest data, the Fed's announcements, as well as uncertainties in the domestic and global economies, we believe the earliest rate hike will ensue in September 2015.

Implications of a delayed rate hike in the U.S. The global business environment is facing an increasingly complicated monetary scenario. The U.S. may adopt the low interest rates for a longer period to support the job market. This is in line with the credit loosening programs in Asia and Europe targeting to stimulate growth and revive investment sentiment. Capital markets in Asia will remain robust as global liquidity continues to be directed to the region amid the low interest rate environment.

China to pursue more aggressive macro loosening policies. China's economy is undergoing readjustments while bracing for the new norm of slower expansion. ECB's QE and rate cuts by several countries, such as India, New Zealand, Norway, and Russia, further released liquidity into the regional economies, exerting more pressure on China to ease policy further to sustain momentum and avoid a severe downturn. Possible delay of the U.S.'s rate increase, however, may neutralize capital outflow and render China's macro credit loosening more effective. We expect the Chinese government to deploy more aggressive monetary easing and pro-growth reforms to support the economy in the coming months.



China Economic Indicators

	2014												2015				
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Real GDP (YoY%)	---	---	7.4	---	--	7.5	--	---	7.3	---	---	7.3	---	---	7.0	---	---
Export Growth (YoY%)	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	(15.0)	(6.4)	(2.5)
Import Growth (YoY%)	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)	(12.7)	(16.2)	(17.6)
Trade Balance (USD/bn)	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	3.1	34.1	159.49
Retail Sales Growth (YoY%)	11.8		12.2	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
Industrial Production (YoY%)	8.6		8.8	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
PMI - Manufacturing (%)	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	50.1	50.1	50.2
PMI - Non-manufacturing (%)	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	53.7	53.4	53.2
FAI(YTD) (YoY%)	17.9		17.6	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
CPI (YoY%)	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	1.4	1.5	1.2
PPI (YoY%)	(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)	(4.6)	(4.6)	(4.6)
M2(YoY%)	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	12.5	11.6	10.1	10.8
New Lending (RMB/bn)	1,320	644.5	1,050	774.7	870.8	1,080	385.2	270.25	857.2	548.3	852.7	697.3	1,470	1,020	1,180	707.9	900.8
Aggregate Financing (RMB bn)	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	2,050	1,350	1,181	1,050	1,220

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	17,935.74	0.21	15.49	NYMEX WTI	USD/bbl	60.26	0.50	300,919		0.25	0.00
S&P 500	2,100.44	0.30	18.57	ICE Brent Oil	USD/bbl	64.47	0.94	170,634	US Prime Rate	3.25	0.00
NASDAQ	5,064.88	0.27	30.30	NYMEX Natural Gas	USD/MMBtu	2.83	2.98	165,298	US Discount Window	0.75	0.00
MSCI US	2,014.29	0.31	19.21	Australia Newcastle Steam Coal Spot fob ²	USD/Metric Tonne	61.80	N/A	N/A	US Treasury (1 Yr)	0.2342	(2.04)
Europe				Basic Metals				US Treasury (5Yr)			
FTSE 100	6,657.22	(1.88)	20.91	LME Aluminum Cash	USD/MT	1,665.50	(2.12)	39,488	US Treasury (10 Yr)	2.2683	(12.4)
DAX	10,886.37	(2.77)	17.51	LME Aluminum 3 -mth. Rolling Fwd.	USD/MT	1,704.50	(1.98)	36,136	Japan 10-Yr Gov. Bond	0.4490	(6.90)
CAC40	4,755.52	(2.97)	24.53	CMX Copper Active	USD/lb.	5,738.00	(2.76)	12,402	China 10-Yr Gov. Bond	3.6500	1.00
IBEX 35	10,748.20	(2.56)	18.81	LME Copper 3- mth Rolling Fwd.	USD/MT	5,745.00	(2.82)	42,719	ECB Rate (Refinancing)	0.05	0.00
FTSE MIB	22,032.87	(3.69)	68.98	Precious Metals				1-Month LIBOR			
Stoxx 600	380.79	(2.21)	22.08	CMX Gold	USD/T. oz	1,196.20	1.44	106,572	3 Month LIBOR	0.2863	0.02
MSCI UK	1,960.96	(1.56)	21.35	CMX Silver	USD/T. oz	16.28	2.88	42,045	O/N SHIBOR	1.2020	9.80
MSCI France	135.13	(2.21)	25.71	NYMEX Platinum	USD/T. oz	1,093.30	(0.32)	14,457	1-mth SHIBOR	3.3080	25.10
Asia				Agricultural Products				3-mth HIBOR			
NIKKEI 225	19,990.82	(2.04)	22.62	CBOT Corn	USD/bu	365.00	1.74	149,721	Corporate Bonds (Moody's)		
S&P/ASX 200	5,524.89	(0.37)	20.16	CBOT Wheat	USD/bu	495.50	(2.94)	47,848	Aaa	4.15	(1.00)
HSI	26,694.66	(2.15)	11.09	NYB-ICE Sugar	USD/lb.	11.87	(1.66)	82,915	Baa	5.06	(3.00)
HSCEI	13,263.37	(5.15)	9.65	CBOT Soybeans	USD/bu.	936.25	3.54	95,365	Note:		
CSI300	4,930.55	(7.58)	21.51	1. Data sources: Bloomberg, National Bureau of Statistics of China, ABCIS (updated on date of report)							
SSE Composite	4,785.36	(7.37)	24.03	2. Australia Newcastle Steam Coal Spot fob is the Australia Newcastle 6700 kc GAD fob Steam Coal Spot price published by McCloskey							
SZSE Composite	2,913.60	(7.23)	71.74								
MSCI China	76.38	(3.21)	11.80								
MSCI Hong Kong	13,979.15	(0.75)	9.99								
MSCI Japan	1,001.97	(1.18)	18.40								

Currency

	Euro/USD	GBP/USD	AUD/USD	USD/JPY	USD/CHF	USD/CNY	USD/HKD	USD/CNY NDF 12-mth Spot pr.
Spot Rate	1.1396	1.5902	0.7785	122.73	0.9171	6.2081	7.7527	6.2428
Chg. WTD (%)	1.15	2.19	0.70	0.54	1.28	0.00	0.00	0.14



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 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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