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Exhibit 1: 2Q14 economic indicators preview

YoY% or otherwise specified	2Q'14F*	1Q'14
GDP	7.6	7.7
CPI	2.5	2.3
PPI	(1.0)	(2.0)
Exports	5.4	(3.4)
Imports	2.0	1.6
Trade Balance (US\$/bn)	85.8	16.6
FAI (YTD%)	17.5	17.6
Industrial production	8.8	8.7
Retail Sales	12.4	12.0
M2	13.4	12.1
New loans (RMB/bn)	2645.5	3014.5
Aggregate financing (RMB/bn)	4402.5	5600.0

* Forecast

Source(s): Bloomberg, ABCI Securities

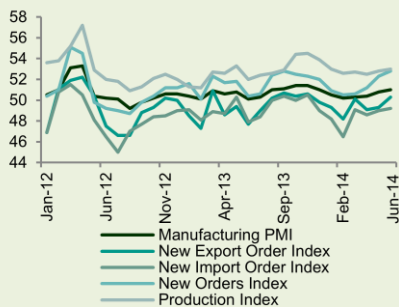
Exhibit 2: June economic indicators preview

YoY% or otherwise specified	Jun'14F*	May'14
PMI - Manufacturing	51.0	50.8
CPI	2.6	2.5
PPI	(1.0)	(1.4)
Exports	8.8	7.0
Imports	7.5	(1.6)
Trade Balance (US\$/bn)	31.4	35.9
FAI (YTD%)	17.5	17.2
Industrial production	9.0	8.8
Retail Sales	12.8	12.5
M2	13.4	13.4
New loans (RMB/bn)	1000.0	870.8
Aggregate financing (RMB/bn)	1,452.5	1,400

* Forecast, excluding PMI - Manufacturing

Source(s): Bloomberg, ABCI Securities

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



Source(s): Bloomberg, ABCI Securities

Upbeat PMI in June sparks further optimism

China's newly released manufacturing PMI for June reached its 6-month high to reach 51.0. This is in line with market expectation (51.0), reinforcing the belief that China's economy is gaining traction. Based on the upbeat data and the government's deployment of mini-stimulus measures, we expect key economic indicators for June will strengthen gradually. Our GDP growth forecast for 2Q14 is set at 7.6% YoY.

Pricing pressure to remain mild. With the uptick in economic activities and accelerated growth in food prices, we believe CPI inflation for June would edge up to 2.6% YoY. Continuous improvement in manufacturing PMI signals the start of a restocking cycle that enhances manufacturers' pricing power. Hence, decline in PPI is expected to narrow further to 1.0% YoY for June.

External trade sector demonstrates more recovery signs. Sub-indices of the manufacturing PMI, the New Export Order Index and the New Import Order Index, advanced to 50.3 and 49.2 in June, as opposed to 49.3 and 49.0 in May. This indicates a pick-up in external trade. We anticipate that export and import will grow by 8.8% and 7.5% YoY, while trade balance will reach US\$ 31.4bn for June.

FAI growth to accelerate. Improvements in the manufacturing sector are expected to lift growth in FAI, which we believe has already bottomed. Going forward, surging investment in infrastructure and railways will help reverse the downtrend of FAI. Hence, we expect FAI for June is likely to rebound with its YTD growth hitting 17.5% YoY.

Industrial production growth to edge up. Driven by surging manufacturing production bolstered by increased domestic and exports orders, we expect industrial production in June to grow by 9.0% YoY. We believe the rising PMI and narrowing decline in producer prices are good indications that industrial output is likely to increase in the future.

Retail sales to improve steadily. Improvement in retail sales are expected to broaden as the economy regains poise. Consumption is trending up, and demand for consumer discretionary and staples will continue to climb. We expect retail sales in June to climb 12.8% YoY.

New loans and aggregate financing will rise, while M2 growth will remain stable. PBOC's targeted liquidity easing in April and June, together with the smaller-than-expected repos conducted in recent weeks, has injected ample liquidity into the banking system and helped stimulate economic activities. We believe monetary indicators for June will improve. New bank loans will rise to RMB 1000bn; aggregate financing will reach RMB 1.45tr~; and M2 growth will maintain stable at 13.4% YoY.



China Economic Indicators

	2013								2014					
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun*
Real GDP (YoY%)	---	7.5	---	---	7.8	---	---	7.7	---	---	7.4	---	---	7.6
Export Growth (YoY%)	1.0	(3.1)	5.1	7.2	(0.3)	5.6	12.7	5.8	10.6	(18.1)	(6.6)	0.9	7.0	8.8
Import Growth (YoY%)	(0.3)	(0.7)	10.9	7.0	7.4	7.6	5.3	6.5	10.0	10.1	(11.3)	0.8	(1.6)	7.5
Trade Balance (USD/bn)	20.4	27.1	17.8	28.5	15.2	31.1	33.8	32.3	31.9	(23.0)	7.7	18.5	35.9	31.4
Retail Sales Growth (YoY%)	12.9	13.3	13.2	13.4	13.3	13.3	13.7	13.6	11.8		12.2	11.9	12.5	12.8
Industrial Production (YoY%)	9.2	8.9	9.7	10.4	10.2	10.3	10.0	9.7	8.6		8.8	8.7	8.8	9.0
PMI - Manufacturing (%)	50.8	50.1	50.3	51.0	51.1	51.4	51.4	51.0	50.5	50.2	50.3	50.4	50.8	51.0
PMI - Non-manufacturing (%)	54.3	53.9	54.1	53.9	55.4	56.3	56.0	54.6	53.4	55.0	54.5	54.8	55.5	55.8
FAI(YTD) (YoY%)	20.4	20.1	20.1	20.3	20.2	20.1	19.9	19.6	17.9		17.6	17.3	17.2	17.5
CPI (YoY%)	2.1	2.7	2.7	2.6	3.1	3.2	3.0	2.5	2.5	2.0	2.4	1.8	2.5	2.6
PPI (YoY%)	(2.9)	(2.7)	(2.3)	(1.6)	(1.3)	(1.5)	(1.4)	(1.4)	(1.6)	(2.0)	(2.3)	(2.0)	(1.4)	(1.0)
M2(YoY%)	15.8	14.0	14.5	14.7	14.2	14.3	14.2	13.6	13.2	13.3	12.1	13.2	13.4	13.4
New Lending (RMB/bn)	667.4	860.5	699.9	711.3	787.0	506.1	624.6	482.5	1,320	644.5	1,050	774.7	870.8	1000.0
Aggregate Financing (RMB bn)	1,187.1	1,037.5	819.1	1,584	1,411.3	864	1,226.9	1,232.2	2,580	938.7	2,081.3	1,550	1,400.0	1,452.5

* Forecast, excluding PMI - 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							
DJIA	16,956.07	0.62	15.86	NYMEX WTI	USD/bbl	105.41	(0.31)	202,156		0.25	0.00				
S&P 500	1,973.32	0.63	18.08	ICE Brent Oil	USD/bbl	112.17	(1.00)	195,901		3.25	0.00				
NASDAQ	4,458.65	1.38	35.58	NYMEX Natural Gas	USD/MMBtu	4.45	0.86	55,902		0.75	0.00				
MSCI US	1,888.35	0.67	18.51	Australia Newcastle Steam Coal Spot fob ²	USD/Metric Tonne	70.35	N/A	N/A		0.0152	0.51				
Europe				Basic Metals				US Treasury (1 Mth)							
FTSE 100	6,821.33	0.94	19.65	LME Aluminum Cash	USD/MT	1,854.25	0.24	28,252		1.6545	1.64				
DAX	9,930.00	1.17	18.42	LME Aluminum 3 -mth. Rolling Fwd.	USD/MT	1,884.00	(0.05)	28,354		2.5521	1.81				
CAC40	4,460.67	0.53	26.12	CMX Copper Active	USD/lb.	7,038.50	1.04	11,769		0.5610	(0.30)				
IBEX 35	11,022.50	0.57	23.76	LME Copper 3- mth Rolling Fwd.	USD/MT	7,020.00	1.08	48,964		4.0900	2.00				
FTSE MIB	21,591.41	1.27	323.9	TSI CFR China Iron Ore Fines Index ³	USD	94.20	(0.74)	N/A		0.15	(10.0)				
Stoxx 600	345.84	1.13	22.03	Precious Metals				ECB Rate (Refinancing)							
MSCI UK	2,006.38	0.69	19.70	CMX Gold	USD/T. oz	1,326.40	0.48	124,957		0.1552	0.37				
MSCI France	125.03	0.54	26.56	CMX Silver	USD/T. oz	21.07	(0.30)	45,739		0.2318	(0.28)				
MSCI Germany	131.93	0.85	18.54	NYMEX Platinum	USD/T. oz	1,508.70	1.92	12,619		3.0200	13.50				
MSCI Italy	62.51	1.25	N/A	Agricultural Products				O/N SHIBOR							
Asia				CBOT Corn	USD/bu	421.50	(5.76)	124,579		1-mth SHIBOR	4.8910	(12.1)			
NIKKEI 225	15,369.97	1.82	20.20	CBOT Wheat	USD/bu	571.00	(3.83)	53,736		3-mth HIBOR	0.3829	0.57			
S&P/ASX 200	5,455.40	0.19	19.39	NYB-ICE Sugar	USD/lb.	17.76	(3.06)	70,165		Corporate Bonds (Moody's)					
HSI	23,549.62	1.41	11.00	CBOT Soybeans	USD/bu.	1,149.25	(6.41)	112,844		Aaa	4.15	(2.00)			
HSCEI	10,448.17	1.36	7.66										Baa	4.71	(3.00)
CSI300	2,170.87	0.96	9.97										Note:		
SSE Composite	2,059.42	1.12	10.04										1. Data sources: Bloomberg Finance LP, National Bureau of Statistics of China, ABCIS (updated on date of report)		
SZSE Composite	1,106.94	1.84	27.83										2. Australia Newcastle Steam Coal Spot fob is the Australia Newcastle 6700 kc GAD fob Steam Coal Spot price published by McCloskey		
MSCI China	61.56	0.28	9.44										3. TSI CFR China Iron Ore Fines Index is calculated with the 62% Fe specification, spot price		
MSCI Hong Kong	12,570.59	(0.19)	12.73												
MSCI Japan	783.97	1.73	14.98												

Currency

	Euro/USD	GBP/USD	AUD/USD	USD/JPY	USD/CHF	USD/CNY	USD/HKD	USD/CNY NDF 12-Mth
Spot Rate	1.3664	1.7148	0.9457	101.52	0.8886	6.2091	7.7503	6.2280
Chg. WTD (%)	0.11	0.66	0.32	(0.10)	0.25	0.14	0.01	0.07



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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