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Exhibit 1: 2Q15 economic indicators

YoY% or otherwise specified	1H'15F	2Q'15F	1Q'15
GDP	7.0	7.0	7.0
CPI	1.3	1.3	1.2
PPI	(4.6)	(4.5)	(4.6)
Exports	0.8	(2.5)	4.7
Imports	(17.1)	(16.5)	(17.6)
Trade Balance (US\$/bn)	275.8	152.1	123.7
FAI (YTD%)	11.0	11.0	13.6
Industrial production	6.1	6.1	6.4
Retail Sales	10.5	10.2	10.6
M2	12.0	12.0	10.5
New loans (RMB/bn)	6,479.4	2,808.7	3,670.7
Aggregate financing (RMB/bn)	8,319.3	3,675.3	4,644

Source(s): NBS, PBOC, Bloomberg, ABCI Securities estimates

Exhibit 2: May/June economic indicators

YoY% or otherwise specified	June'15F*	May'15
Manufacturing PMI(%)	50.2*	50.2
Non-Manufacturing PMI (%)	53.8*	53.2
CPI	1.3	1.2
PPI	(4.4)	(4.6)
Exports	1.5	(2.5)
Imports	(15.5)	(17.6)
Trade Balance (US\$/bn)	58.4	59.5
FAI (YTD%)	11.0	11.4
Industrial production	6.2	6.1
Retail Sales	10.5	10.1
M2	12.0	10.8
New loans (RMB/bn)	1,200	900.8
Aggregate financing (RMB/bn)	1,400	1,219.6

* Forecasts, excluding Manufacturing PMI and Non-Manufacturing PMI

Source(s): NBS, PBOC, Bloomberg, ABCI Securities estimates

2Q15 data to reflect sluggishness

China posted a sluggish June Manufacturing PMI at 50.2%, staying flat against May's figure. Mild expansion of manufacturing activities in 1H15 indicated that the sector remains soft under the "new normal" economic environment and recovery in market demand is tepid. China has rolled out a flurry of stimulus measures since November 2014 to restore momentum and the economy has shown signs of stabilization. We expect economic indicators to improve gradually in coming months and forecast GDP growth for 2Q15E to be 7.0% YoY.

Inflation is not a concern. On the CPI front, slowing domestic demand for goods and services has lessened pricing pressure in China. We believe credit loosening measures implemented earlier have not cast serious impacts on inflation. Thus, we believe CPI inflation for June and 2Q15 would stay healthy at 1.3% YoY. Meanwhile, PPI deflation in the factory sector is a result of falling raw material prices and slowing inventory demand. In our view, decline in PPI will continue and reach 4.4% YoY in June.

Slow recovery in external trade sector. In June, PMI of New Export Order fell to 48.2 from 48.9 in May. The accelerating contraction of export orders indicates that major trading partners have not been restocking. PMI of imports rose slightly from 47.6% in May to 48.0% in June, indicating falling commodities prices may have stimulated demand for imported raw materials and consumer goods. For June, we expect exports to grow by 1.5% YoY while decline in imports growth to narrow to 15.5% YoY; trade balance for the month would reach US\$ 58.4bn.

FAI growth to decelerate further due to rebalancing in the real estate sector. Continued rebalancing in real estate sector becomes the major drag in FAI growth, although surging investment in infrastructure and railway have provided some help in reversing the FAI downtrend. We expect FAI for June to decelerate, with its YTD growth being scaled back slightly to 11.0% YoY.

Industrial production is likely to rebound. Production Index, the sub-index of the manufacturing PMI, stayed flat at 52.9% in June. We believe the stabilizing PMI signals that industrial output will likely increase. We expect industrial production for June to grow by 6.2% YoY and will continue to improve later this year.

Retail sales to improve steadily. Improvement in retail sales is expected to broaden as the economy regains footing. June retail sales are expected to grow by 10.5% YoY, driven by the government's continuous efforts in encouraging private consumption. Consumption is trending up, and demand for consumer discretionary and staples will continue to climb.

Monetary indicators point to a stable growth. We believe PBOC's recent efforts to inject liquidity would have a direct impact on the monetary data. The authority's flexible approach and the government's policies to restore a healthy credit growth would create a new economic dynamic. We expect M2 to increase by 12.0% YoY and new loans to reach RMB 1200bn in June.



China Economic Indicators

	2014											2015					
	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun*	
Real GDP (YoY%)	7.4	---	--	7.5	--	---	7.3	---	---	7.3	---	---	7.0	---	---	7.0	
Export Growth (YoY%)	(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)	1.5	
Import Growth (YoY%)	(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)	(15.5)	
Trade Balance (USD/bn)	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	59.49	58.4	
Retail Sales Growth (YoY%)	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	10.5	
Industrial Production (YoY%)	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	6.2	
PMI - Manufacturing (%)	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	50.2	
PMI - Non-manufacturing (%)	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	53.8	
FAI(YTD) (YoY%)	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	11.0	
CPI (YoY%)	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	1.3	
PPI (YoY%)	(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)	(4.4)	
M2(YoY%)	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	12.0	
New Lending (RMB/bn)	1,050	774.7	870.8	1,080	385.2	702.5	857.2	548.3	852.7	697.3	1,470	1,020	1,180	707.9	900.8	1,200	
Aggregate Financing (RMB bn)	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	1,400	

* Forecasts (excluding Manufacturing PMI & Non-Manufacturing PMI)

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	17,683.58	(0.26)	15.24	NYMEX WTI	USD/bbl	52.98	(6.94)	355,915	US Prime Rate	3.25	0.00
S&P 500	2,068.76	(0.39)	18.24	ICE Brent Oil	USD/bbl	57.08	(5.37)	226,329	US Discount Window	0.75	0.00
NASDAQ	4,991.94	(0.34)	30.01	NYMEX Natural Gas	USD/MMBtu	2.77	(1.98)	130,914	US Treasury (1 Yr)	0.2291	(1.53)
MSCI US	1,983.33	(0.39)	18.88	Australia Newcastle Steam Coal Spot fob ²	USD/Metric Tonne	61.80	N/A	N/A	US Treasury (5Yr)	1.5628	(6.87)
Europe				Basic Metals				US Treasury (10 Yr)	2.2940	(8.83)	
FTSE 100	6,526.09	(0.91)	20.53	LME Aluminum Cash	USD/MT	1,652.25	(1.15)	20,154	Japan 10-Yr Gov. Bond	0.4580	(3.00)
DAX	10,912.44	(1.32)	17.61	LME Aluminum 3 -mth. Rolling Fwd.	USD/MT	1,695.00	(0.88)	31,867	China 10-Yr Gov. Bond	3.5900	(5.00)
CAC40	4,712.91	(1.98)	24.32	CMX Copper Active	USD/lb.	5,579.50	(2.92)	11,599	ECB Rate (Refinancing)	0.05	0.00
IBEX 35	10,563.90	(2.00)	19.41	LME Copper 3- mth Rolling Fwd.	USD/MT	5,590.00	(2.93)	38,022	1-Month LIBOR	0.1884	0.18
FTSE MIB	21,794.09	(3.17)	N/A	Precious Metals				3 Month LIBOR	0.2843	0.26	
Stoxx 600	379.46	(1.03)	22.66	CMX Gold	USD/T. oz	1,166.30	0.24	135,141	O/N SHIBOR	1.1760	1.70
MSCI UK	1,916.91	(0.77)	20.89	CMX Silver	USD/T. oz	15.59	0.18	43,629	1-mth SHIBOR	3.1810	(9.30)
MSCI France	132.75	(1.92)	25.25	NYMEX Platinum	USD/T. oz	1,061.70	(2.06)	12,996	3-mth HIBOR	0.3874	(0.07)
MSCI Germany	142.29	(1.45)	17.73	Agricultural Products				Corporate Bonds (Moody's)			
MSCI Italy	61.61	(4.21)	N/A	CBOT Corn	USD/bu	420.75	(1.81)	212,372	Aaa	4.26	(7.00)
Asia				CBOT Wheat	USD/bu	588.25	(0.38)	122,895	Baa	5.26	(4.00)
NIKKEI 225	20,376.59	(0.79)	23.09	NYB-ICE Sugar	USD/lb.	12.43	1.06	76,181			
S&P/ASX 200	5,581.42	0.78	20.41	CBOT Soybeans	USD/bu.	1,007.25	(2.23)	164,520			
HSI	24,975.31	(4.18)	10.37								
HSCEI	11,827.30	(6.20)	8.64								
CSI300	3,928.00	1.08	17.16								
SSE Composite	3,727.13	1.09	19.03								
SZSE Composite	1,932.83	(7.89)	47.41								
MSCI China	69.63	(4.10)	10.83								
MSCI Hong Kong	13,378.79	(2.82)	9.56								
MSCI Japan	991.81	(1.90)	18.24								

* 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	1.0995	1.5534	0.7437	122.77	0.9463	6.2096	7.7552	6.2755
Chg. WTD (%)	(1.07)	(0.23)	(1.14)	0.02	(0.62)	(0.07)	(0.03)	(0.42)

Note:

1. Data sources: Bloomberg, National Bureau of Statistics of China, ABCIS (updated on date of report)
2. 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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