



Economics Weekly April 2, 2014

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Exhibit 1: 1Q14 economic indicators

YoY% or otherwise specified	1Q'14*	2013
GDP	7.3	7.7
CPI	2.3	2.6
PPI	(1.8)	(1.7)
Exports	1.6	7.9
Imports	8.6	4.3
Trade Balance (US\$/bn)	11.6	230.3
FAI (YTD%)	18.3	20.6
Industrial production	8.8	9.9
Retail Sales	12.0	14.3
M2	13.5	13.8
New loans (RMB/bn)	2,814.5	8203.5

* Forecast

Source(s): Bloomberg, ABCI Securities

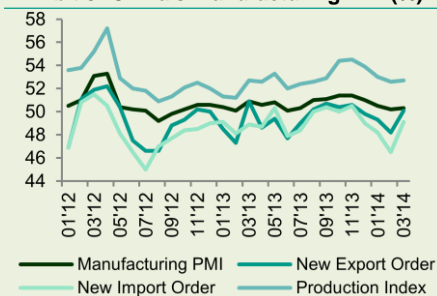
Exhibit 2: March economic indicators

YoY% or otherwise specified	Mar'14*	Jan-Feb'14
CPI	2.4	2.3
PPI	(1.9)	(1.8)
Exports	7.5	-1.6
Imports	5.5	10.0
Trade Balance (US\$/bn)	7.5	8.9
FAI (YTD%)	18.3	17.9
Industrial production	9.0	8.6
Retail Sales	12.5	11.8
M2	13.5	13.3
New loans (RMB/bn)	850	1964.5

* Forecast

Source(s): Bloomberg, ABCI Securities

Exhibit 3: China's manufacturing PMI (%)



Source(s): Bloomberg, ABCI Securities

March PMI signals gradual improvement

China's March manufacturing PMI beats expectation (50.1) to reach 50.3, indicating that economy is gaining traction after being temporarily weighed down by the holiday effects in January and February. We expect economic data will generally improve for March, and the uptrend to continue in a steady and gradual manner. Our forecast of 1Q14 GDP growth is 7.3% YoY.

FAI growth to pick up slowly. As the government is restructuring the economy to become more consumption-oriented, FAI has become less of a focus. In addition, the holiday and seasonal factors would also continue to exert negative impacts on FAI growth. Therefore, we expect FAI in March is unlikely to rebound significantly, and our YTD growth estimate is 18.3% YoY.

Industrial production growth is likely to decelerate. We expect industrial production for March to grow by a meager 9.0% YoY. The lackluster growth was caused by the government's efforts to reduce overcapacity in certain industries, enhance efficiency, and tackle environmental issues. The slowdown in economic activities during the first two months this year is also another reason for the lower estimate. Nonetheless, we expect industrial production to gradually improve later this year.

Further confirmation external trade sector revival. In March, the New Export Order Index and the New Import Order Index, which are sub-indices of the manufacturing PMI, rebounded significantly to reach 50.1 and 49.1. This rebound resonates with the HSBC China manufacturing PMI in March, which also indicates a pick-up in exports. We believe the recovery seen in the external trade sector is genuine. In particular, the revival of the export sector has been supported by the economic recovery among China's major trade partners. We anticipate that export and import would grow by 7.5% and 5.5% YoY, while trade balance would be US\$ 7.5bn for March.

Retail sales will steadily improve. March retail sales is expected to grow by 12.5% YoY, driven by the government's continuous efforts to encourage private consumption and normalization of consumption after the holiday. However, the government's determination to curb officials' spending will continue to exert downward pressure on retail sales.

Inflation is not a concern yet. Given the slowdown in economic activities in January and February, we believe inflation would have little change and should not be a serious concern. In our view, CPI would increase to 2.4% YoY, while PPI would decrease to -1.9% YoY.

M2 growth and new loans. We believe PBOC's recent efforts to withdraw liquidity would have a direct impact on the monetary data. The PBOC's flexible approach and the government's policy to restore healthy credit growth to rectify existing issues in the industrial sectors would create a new economic dynamic. We expect M2 growth to be 13.5% YoY and new loans to be RMB 850bn for March.



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China Economic Indicators

	2013											2014		
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar**
Real GDP (YoY%)	---	7.7	---	---	7.5	---	---	7.8	---	---	7.7	---	---	7.3
Export Growth (YoY%)	21.8	10.0	14.7	1.0	(3.1)	5.1	7.2	(0.3)	5.6	12.7	5.8	10.6	(18.1)	7.5
Import Growth (YoY%)	(15.2)	14.1	16.8	(0.3)	(0.7)	10.9	7.0	7.4	7.6	5.3	6.5	10.0	10.1	5.5
Trade Balance (USD/bn)	15.3	(0.9)	18.2	20.4	27.1	17.8	28.5	15.2	31.1	33.8	32.3	31.9	(22.99)	7.5
Retail Sales Growth (YoY%)	12.3*	12.6	12.8	12.9	13.3	13.2	13.4	13.3	13.3	13.7	13.6	11.8		12.5
Industrial Production (YoY%)	9.9*	8.9	9.3	9.2	8.9	9.7	10.4	10.2	10.3	10.0	9.7	8.6		9.0
PMI - Manufacturing (%)	50.1	50.9	50.6	50.8	50.1	50.3	51.0	51.1	51.4	51.4	51.0	50.5	50.2	50.3
PMI - Non-manufacturing (%)	54.5	55.6	54.5	54.3	53.9	54.1	53.9	55.4	56.3	56.0	54.6	53.4	55.0	---
FAI(YTD) (YoY%)	21.2*	20.9	20.6	20.4	20.1	20.1	20.3	20.2	20.1	19.9	19.6	17.9		18.3
CPI (YoY%)	3.2	2.1	2.4	2.1	2.7	2.7	2.6	3.1	3.2	3.0	2.5	2.5	2.0	2.4
PPI (YoY%)	(1.6)	(1.9)	(2.6)	(2.9)	(2.7)	(2.3)	(1.6)	(1.3)	(1.5)	(1.4)	(1.4)	(1.6)	(2.0)	(1.9)
M2(YoY%)	15.2	15.7	16.1	15.8	14.0	14.5	14.7	14.2	14.3	14.2	13.6	13.2	13.3	13.5
New Lending (RMB/bn)	620.0	1060.0	792.9	667.4	860.5	699.9	711.3	787.0	506.1	624.6	482.5	1320	644.5	850

* January and February aggregate

** Forecast

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	
U.S.				Energy				US Fed Fund Rate	0.25	0.00	
DJIA	16,457.66	0.82	15.43	NYMEX WTI	USD/bbl	101.27	(0.39)	192,895	US Prime Rate	3.25	0.00
S&P 500	1,872.34	0.79	17.28	ICE Brent Oil	USD/bbl	107.52	(0.51)	160,857	US Discount Window	0.75	0.00
NASDAQ	4,198.99	1.04	31.48	NYMEX Natural Gas	USD/MMBtu	4.39	(2.14)	61,769	US Treasury (1 Mth)	0.0304	0.51
MSCI US	1,792.01	0.81	17.50	Australia Newcastle Steam Coal Spot fob ²	USD/Metric Tonne	73.05	N/A	N/A	US Treasury (5 Yr)	1.7349	(1.30)
Europe				Basic Metals				US Treasury (10 Yr)	2.7443	2.35	
FTSE 100	6,636.23	0.31	17.32	LME Aluminum Cash	USD/MT	1,744.25	1.64	34,158	Japan 10-Yr Gov. Bond	0.6200	(0.60)
DAX	9,620.95	0.35	18.49	LME Aluminum 3 -mth. Rolling Fwd.	USD/MT	1,785.00	1.54	39,678	China 10-Yr Gov. Bond	4.5100	1.00
CAC40	4,430.70	0.44	26.49	CMX Copper Active	USD/lb.	6,652.00	(0.51)	8,887	ECB Rate (Refinancing)	0.25	0.00
IBEX 35	10,429.10	0.97	18.50	LME Copper 3- mth Rolling Fwd.	USD/MT	6,645.00	(0.37)	53,810	1-Month LIBOR	0.1510	(0.08)
FTSE MIB	21,838.97	1.58	N/A	TSI CFR China Iron Ore Fines Index ³	USD	116.80	4.01	N/A	3 Month LIBOR	0.2281	(0.53)
Stoxx 600	336.02	0.68	20.21	Precious Metals				O/N SHIBOR	2.8660	11.60	
MSCI UK	1,944.04	(0.26)	17.06	CMX Gold	USD/T. oz	1,285.60	(0.67)	108,574	1-mth SHIBOR	4.6000	(16.9)
MSCI France	123.22	(0.36)	25.73	CMX Silver	USD/T. oz	19.84	0.23	36,003	3-mth HIBOR	0.3707	(0.22)
MSCI Germany	130.42	(0.28)	18.30	Agricultural Products				Corporate Bonds (Moody's)			
MSCI Italy	62.30	0.71	N/A	CBOT Corn	USD/bu	505.50	2.74	139,664	Aaa	4.31	(8.00)
Asia				NYMEX Platinum	USD/T. oz	1,426.70	1.39	14,345	Baa	4.98	(9.00)
NIKKEI 225	14,791.99	0.65	20.15	CBOT Wheat	USD/bu	690.50	(0.72)	55,682			
S&P/ASX 200	5,389.17	0.41	19.61	NYB-ICE Sugar	USD/lb.	17.69	(1.61)	57,916			
HSI	22,448.54	1.74	10.52	CBOT Soybeans	USD/bu.	1,480.50	3.06	72,989			
HSCEI	10,098.28	0.96	7.35								
CSI300	2,163.12	0.52	9.90								
SSE Composite	2,047.46	0.28	9.92								
SZSE Composite	1,057.01	1.23	27.27								
MSCI China	59.52	0.74	8.87								
MSCI Hong Kong	11,788.57	0.55	11.82								
MSCI Japan	740.19	1.41	14.72								

Note:

- Data sources: Bloomberg Finance LP, 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
- TSI CFR China Iron Ore Fines Index is calculated with the 62% Fe specification, spot price

Currency

	Euro/USD	GBP/USD	AUD/USD	USD/JPY	USD/CHF	USD/CNY	USD/HKD	USD/CNY NDF 12-Mth
Spot Rate	1.3797	1.6646	0.9236	103.38	0.8829	6.2068	7.7575	6.2255
Chg. WTD (%)	0.33	0.05	(0.12)	(0.53)	0.44	0.09	0.00	(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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