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Exhibit 1: February economic indicators

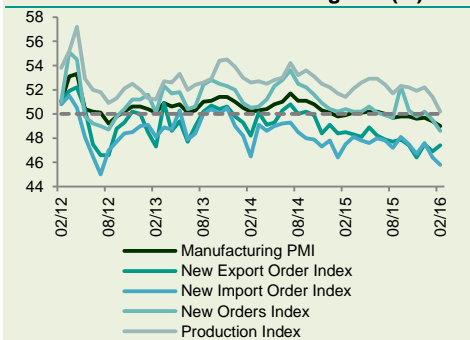
YoY% or otherwise specified	Feb'16*	Jan'16	2015
Manufacturing PMI(%)	49.0	49.4	49.7
Non-Manufacturing PMI (%)	52.7	53.5	54.4
CPI	1.5	1.8	1.4
PPI	(4.8)	(5.3)	(5.2)
Exports	(6.5)	(11.2)	(2.8)
Imports	(8.5)	(18.8)	(14.1)
Trade Balance (US\$/bn)	58.8	63.3	594.5
FAI (YTD%)**	10.1	-	10.0
Industrial production**	5.7	-	6.1
Retail Sales**	11.4	-	10.7
M2	13.8	14.0	13.3
New loans (RMB/bn)	1200.0	2510.0	11,719.9
Aggregate financing (RMB/bn)	1627.7	3420.0	15,410.0

* Forecast (excluding Manufacturing PMI and Non-Manufacturing PMI)

** Jan&Feb

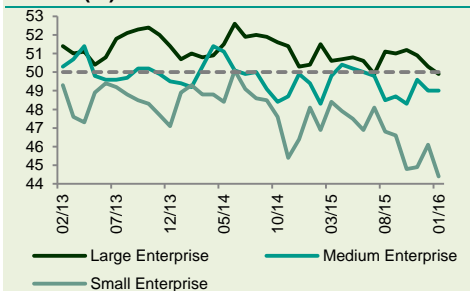
Source(s): NBS, PBOC, Bloomberg, ABCI Securities estimates

Exhibit 2: China's manufacturing PMI (%)



Source(s): NBS, Bloomberg, ABCI Securities

Exhibit 3: PMI for small-sized enterprises fell further (%)



Source(s): NBS, Bloomberg, ABCI Securities

Brace for challenges: February PMI hit three-year low

China's manufacturing PMI for February edged down from January's 49.4% to 49.0%. Most manufacturing sub-indices also worsened, reflecting that manufacturing activities are declining. For non-manufacturing PMI, February's figure fell to 52.7% from January's 53.5%, indicating that growth in services sector has moderated. In general, China's factories are still facing weak demand, raising concerns of a prolonged economic downturn. Amid the commencement of the 13th Five-Year Plan (FYP), we expect the Chinese government to deploy more aggressive monetary easing and pro-growth reforms to support the economic growth. We believe China's economic indicators to improve, reversing the downtrend of PMI over the next few months.

Latest PMI shows faltering manufacturing momentum. China's PMI for February fell to a three-year low at 49.0% from 49.4% in January. Falling commodity prices and sluggish market demand are main contributors of the slowdown. The New Order Index fell from 49.5% in January to 48.6% in February, reflecting contraction of domestic demand. In addition, the drop in Purchases of Input Index prompts us to believe that manufacturers are cautious on expansion due to uncertainty of the economic outlook. Weakening PMI in February indicates downward pressure on China's economy has been increasing and more stimulus measures will be needed to restore economic momentum in the short term.

PMI of small enterprises weakened further. PMI of small-sized enterprises (44.4% in February vs. 46.1% in January) demonstrated a weakening trend and remained below 50%, reflecting waning manufacturing activities. We believe more government supports for small-sized enterprises are needed to lift growth in coming months.

Pricing pressure weakens further. With the stagnation in economic activities and stable growth in food prices after the Spring festival, we believe CPI inflation for February will edge down to 1.5% YoY. The start of a restocking cycle by domestic and overseas retailers should support manufacturers' pricing power. Hence, decline in February's PPI is expected to narrow to 4.8% YoY.

External trade remains anemic. Contraction in the external trade sector continues, with the New Export Order Index and the New Import Order Index (the sub-indices of the manufacturing PMI) reaching 47.4% (vs. 46.9% in January) and 45.8% (vs. 46.4% in January) in February. We forecast exports and imports to contract by 6.5% YoY and 8.5% YoY for the month. Trade balance is estimated to be US\$ 58.8bn.

FAI growth to climb slowly. Improvement in the manufacturing sector is expected to lift growth in FAI. Surging investment in infrastructure and railways will help reverse the downtrend in FAI dragged by the low single-digit growth in real estate investment. Hence, we expect FAI in January-February to accelerate, with its YTD growth reaching 10.1% YoY.

Slowing industrial production. Sub-index of the manufacturing PMI,



the Production Index, edged down to 50.2% in February from 51.4% in January. We believe the weakening PMI and expanding decline in producer prices signal that growth in industrial output will moderate. We expect industrial production for January-February to edge up by 5.7% YoY.

Retail sales will improve steadily. Improvement in retail sales is expected to broaden as the economy recovers. January-February retail sales will grow by 11.4% YoY, driven by the Spring festival. Consumption is trending up, and demand for consumer discretionary and staples will continue to climb.

New loans, M2 growth and aggregate financing will moderate in February. We believe monetary indicators for February will moderate. New bank loans will fall to RMB 12,000bn; aggregate financing will reach RMB 162.77bn and M2 growth will reach 13.8% YoY.



China Economic Indicators

	2014		2015												2016	
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb*
Real GDP (YoY%)	---	7.3	---	---	7.0	---	---	7.0	---	---	6.9	---	---	6.8	---	---
Export Growth (YoY%)	4.7	9.7	(3.2)	48.3	(15.0)	(6.4)	(2.5)	2.8	(8.3)	(5.5)	(3.7)	(6.9)	(6.8)	(1.4)	(11.2)	(6.5)
Import Growth (YoY%)	(6.7)	(2.4)	(19.7)	(20.5)	(12.7)	(16.2)	(17.6)	(6.1)	(8.1)	(13.8)	(20.4)	(18.8)	(8.7)	(7.6)	(18.8)	(8.5)
Trade Balance (USD/bn)	54.5	49.6	60.0	60.6	3.1	34.1	59.49	46.6	43.0	60.2	60.3	61.6	54.1	60.9	63.3	58.8
Retail Sales Growth (YoY%)	11.7	11.9	10.7	10.2	10.0	10.1	10.6	10.5	10.8	10.9	11.0	11.2	11.1	11.1	11.4	
Industrial Production (YoY%)	7.2	7.9	6.8	5.6	5.9	6.1	6.8	6.0	6.1	5.7	5.6	6.2	5.9	5.7		
PMI - Manufacturing (%)	50.3	50.1	49.8	49.9	50.1	50.1	50.2	50.2	50.0	49.7	49.8	49.8	49.6	49.7	49.4	49.0
PMI - Non-manufacturing (%)	53.9	54.1	53.7	53.9	53.7	53.4	53.2	53.8	53.9	53.4	53.4	53.1	53.6	54.4	53.5	52.7
FAI(YTD) (YoY%)	15.8	15.7	13.9	13.5	12.0	11.4	11.4	11.2	10.9	10.3	10.2	10.2	10.0	10.0	10.1	
CPI (YoY%)	1.4	1.5	0.8	1.4	1.4	1.5	1.2	1.4	1.6	2.0	1.6	1.3	1.5	1.6	1.8	1.5
PPI (YoY%)	(2.7)	(3.3)	(4.3)	(4.8)	(4.6)	(4.6)	(4.6)	(4.8)	(5.4)	(5.9)	(5.9)	(5.9)	(5.9)	(5.9)	(5.3)	(4.8)
M2(YoY%)	12.3	12.2	10.8	12.5	11.6	10.1	10.8	11.8	13.3	13.3	13.1	13.5	13.7	13.3	14.0	13.8
New Lending (RMB/bn)	852.7	697.3	1,470	1,020	1,180	707.9	900.8	1,280.6	1,480	809.6	1,050	513.6	708.9	597.8	2,510	1200.0
Aggregate Financing (RMB bn)	1,146.3	1,690	2,047	1,356	1,241	1,056	1,236	1,833	742	1,082	1,300	476.7	1,020	1,815.1	3,420	1627.7

* Forecast (excluding PMI - Manufacturing & PMI - Non-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	0.50	0.00	
DJIA	16,516.50	(0.74)	15.01	NYMEX WTI	USD/bbl	34.11	4.06	592,452	US Prime Rate	3.50	0.00
S&P 500	1,932.23	(0.81)	17.49	ICE Brent Oil	USD/bbl	36.82	4.90	211,862	US Discount Window	1.00	0.00
NASDAQ	4,557.95	(0.71)	38.89	NYMEX Natural Gas	USD/MMBtu	1.70	(5.19)	79,387	US Treasury (1 Yr)	0.2084	(3.06)
MSCI US	1,834.97	(0.81)	18.04	Australia Newcastle Steam Coal Spot fob ²	USD/Metric Tonne	61.80	N/A	N/A	US Treasury (5Yr)	1.2318	(0.80)
Europe				Basic Metals				US Treasury (10 Yr)	1.7486	(1.37)	
FTSE 100	6,111.01	0.25	30.48	LME Aluminum Cash	USD/MT	1,596.25	1.22	19,510	Japan 10-Yr Gov. Bond	(0.06)	0.50
DAX	9,592.05	0.83	20.82	LME Aluminum 3 -mth. Rolling Fwd.	USD/MT	1,573.00	0.83	42,579	China 10-Yr Gov. Bond	2.9000	(1.00)
CAC40	4,365.61	1.18	20.27	CMX Copper Active	USD/lb.	4,705.50	(0.23)	11,265	ECB Rate (Refinancing)	0.05	0.00
IBEX 35	8,514.10	1.98	21.05	LME Copper 3- mth Rolling Fwd.	USD/MT	4,695.00	(0.23)	52,861	1-Month LIBOR	0.4385	0.50
FTSE MIB	17,723.50	1.37	862,331.52	Precious Metals				3 Month LIBOR	0.6351	1.69	
Stoxx 600	334.86	1.00	25.39	CMX Gold	USD/T. oz	1,239.60	1.57	213,819	O/N SHIBOR	1.9680	(8.00)
MSCI UK	1,778.67	0.05	31.86	CMX Silver	USD/T. oz	14.88	1.09	51,727	1-mth SHIBOR	2.7950	1.00
MSCI France	123.62	0.90	20.27	NYMEX Platinum	USD/T. oz	937.90	2.49	12,688	3-mth HIBOR	0.5810	(1.02)
MSCI Germany	124.44	(0.06)	19.98	Agricultural Products				Corporate Bonds (Moody's)			
MSCI Italy	50.19	0.74	N/A	CBOT Corn	USD/bu	358.25	(0.35)	189,553	Aaa	3.88	(8.00)
Asia				CBOT Wheat	USD/bu	453.75	0.33	73,576	Baa	5.32	0.00
NIKKEI 225	16,085.51	(0.64)	17.72	NYB-ICE Sugar	USD/lb.	14.36	2.57	86,536			
S&P/ASX 200	4,922.25	0.87	22.27	CBOT Soybeans	USD/bu.	864.00	0.06	133,992			
HSI	19,407.46	0.22	8.69								
HSCEI	8,068.29	0.42	6.01								
CSI300	2,930.69	(0.59)	12.37								
SSE Composite	2,733.17	(1.23)	14.44								
SZSE Composite	1,681.47	(3.17)	38.86								
MSCI China	50.76	(1.28)	8.82								
MSCI Hong Kong	10,967.07	(1.08)	9.78								
MSCI Japan	785.62	(1.10)	13.93								
* 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	1.0861	1.3943	0.7180	113.18	1.0005	6.5479	7.7726			6.7555	
Chg. WTD (%)	(0.67)	0.52	0.76	0.72	(0.37)	(0.11)	0.06			0.53	

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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