



Economics Weekly March 7, 2016

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Exhibit 1: Government's target for 2016

YoY% or otherwise specified	2016 target	2015	2015 target
GDP	6.5 - 7.0	6.9	7.0
CPI	3.0	3.0	3.0
Fiscal deficit (% of GDP)	3.0	3.5	2.3
FAI	10.5	10.0	15.0
Retail sales	11.0	10.7	13.0
Total trade	0.0	(7.0)	6.0
M2	13.0	13.3	12.0
Urban Unemployment rate (%)	Below 4.5	4.05	4.5
New jobs (million)	10.0	13.12	10.0

Source(s): Report on the work of Government, Bloomberg and ABCI Securities

China's NPC: 2016 growth between 6.5% and 7%

China's goal of maintaining a stable economic growth to ensure full employment, building a moderately prosperous society and accelerating structural reforms become the major emphasis of NPC in 2016. With China's economy entering a period of "new normal" of slower and sustainable growth, Premier Li Keqiang sets the GDP growth target at 6.5%-7.0% for 2016. The government vows to maintain a medium to high economic growth while ensuring proper economic transformation and sustainable development in the next five years. Based on the 13th Five-year Plan (2016-2020), China's effort to increase economic and social stability at home, strengthen massive economic reforms, ameliorate social inequality, ensure proper population policy, and protect environment will help revitalize growth momentum through quality, ensure the benefits of economic growth will be shared by a larger population, and improve the livelihood of citizens.

Targeting sustainable economic growth. China aims to liberalize the economy and pursue quality growth despite global economic turbulence and domestic slowdown. China's push for comprehensive changes in the social and economic realms will create ample of opportunities, replacing the old growth engines with new industries while alleviating China's overcapacity problems. Overall, China's economic growth has stabilized and the forward-looking economic indicators point to a sustainable growth in domestic demand.

China to pursue more aggressive macro loosening policies. China's economy is undergoing readjustments while bracing for the new norm of slower expansion. Despite the short-term economic turmoil, China is committed to pursuing reforms that will direct the economy toward a more sustainable route. Possible delay of the U.S. rate increase may neutralize capital outflow and render China's macro credit loosening more effective. Amid the commencement of the 13th Five-Year Plan (FYP), the Chinese government reasserts its stance of achieving medium to high economic growth through the deployment of aggressive monetary easing and pro-growth fiscal reforms.

Deficit at 3% of GDP to reduce tax burden on enterprises. Raising the targeted deficit target to 3% of GDP indicates the intention to reduce the tax burden of enterprises in order to encourage business to increase investment. The deficit target is in line with expectation that the government would ramp up its spending to counter the economic downturn. The projected increase in government deficit will primarily cover tax and fee reduction for enterprises; the major focus will be on expanding value-added tax (VAT) reform to all remaining sectors this year and reducing the tax load on services sector. These policies will cut the tax burden on enterprises and individuals by more than RMB 500 billion.

Greater capital market convergence continues. The Shanghai-Hong Kong stock connect is an important step in integrating China's A-share and Hong Kong stock markets. With plans to connect with the Shenzhen stock market in 2016, Hong Kong's stock exchange will finally link up with the two stock markets



in China, creating a platform for worldwide investors to access a much larger market. This will improve market efficiency and robustness of China's financial system, paving the way for the full opening of capital market.

Enhancing environmental protection for sustainable development. Pollution control and environmental protection are crucial to health and sustainable development in China. Hence, one of NPC's initiatives is to lower emissions of major water and air pollutants by 2% to 3% in 2016. This will help reduce the air concentration of PM2.5, a particulate matter smaller than 2.5 microns in diameter that is hazardous to health. Policies supportive of new energy and water conservation will be implemented to enhance environmental protection. To ensure sustainable economic and social development in the coming decades, greater investment would be seen in new energy and improving water conservation, waste treatment, as well as the irrigation and management systems.



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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	11.4	
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	10.1	
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	17,006.77	0.00	15.46	NYMEX WTI	USD/bbl	36.28	547,114	US Prime Rate	3.50	0.00
S&P 500	1,999.99	0.00	18.07	ICE Brent Oil	USD/bbl	38.89	227,389	US Discount Window	1.00	0.00
NASDAQ	4,717.02	0.00	28.54	NYMEX Natural Gas	USD/MMBtu	1.63	145,166	US Treasury (1 Yr)	0.2593	2.03
MSCI US	1,900.16	0.00	18.70	Australia Newcastle Steam Coal Spot fob ²	USD/Metric Tonne	61.80	N/A	US Treasury (5Yr)	1.3890	1.49
Europe				Basic Metals				US Treasury (10 Yr)	1.8811	0.70
FTSE 100	6,175.94	(0.38)	33.37	LME Aluminum Cash	USD/MT	1,604.75	20,855	Japan 10-Yr Gov. Bond	(0.05)	(0.50)
DAX	9,752.16	(0.73)	20.95	LME Aluminum 3 -mth. Rolling Fwd.	USD/MT	1,587.00	36,030	China 10-Yr Gov. Bond	2.9200	1.00
CAC40	4,437.74	(0.42)	20.60	CMX Copper Active	USD/lb.	5,036.75	16,876	ECB Rate (Refinancing)	0.05	0.00
IBEX 35	8,774.60	(0.42)	21.58	LME Copper 3- mth Rolling Fwd.	USD/MT	5,027.50	57,113	1-Month LIBOR	0.4380	(0.05)
FTSE MIB	18,150.43	(0.70)	1,471.22	Precious Metals				3 Month LIBOR	0.6335	(0.16)
Stoxx 600	340.64	(0.34)	25.19	CMX Gold	USD/T. oz	1,266.50	233,911	O/N SHIBOR	1.9510	0.10
MSCI UK	1,809.04	0.00	35.25	CMX Silver	USD/T. oz	15.59	51,901	1-mth SHIBOR	2.6960	(0.70)
MSCI France	126.46	0.00	20.71	NYMEX Platinum	USD/T. oz	997.70	14,609	3-mth HIBOR	0.5757	0.02
MSCI Germany	128.49	0.00	20.44	Agricultural Products				Corporate Bonds (Moody's)		
MSCI Italy	52.22	0.00	51.70	CBOT Corn	USD/bu	361.00	155,540	Aaa	3.89	1.00
Asia				CBOT Wheat	USD/bu	464.75	64,528	Baa	5.30	(2.00)
NIKKEI 225	16,911.32	(0.61)	18.63	NYB-ICE Sugar	USD/lb.	14.72	57,024			
S&P/ASX 200	5,142.81	1.04	23.26	CBOT Soybeans	USD/bu.	883.25	120,540			
HSI	20,159.72	(0.08)	9.04							
HSCEI	8,626.31	0.80	6.42							
CSI300	3,104.84	0.35	13.08							
SSE Composite	2,897.34	0.81	15.27							
SZSE Composite	1,741.65	2.03	40.09							
MSCI China	54.08	0.00	9.36							
MSCI Hong Kong	11,511.49	0.00	10.26							
MSCI Japan	834.01	0.00	14.80							
* 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	1.0948	1.4151	0.7413	113.56	0.9995	6.5157	7.7682			6.7250
Chg. WTD (%)	(0.52)	(0.55)	(0.35)	0.16	(0.68)	(0.12)	(0.07)			(0.09)

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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