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CURRENCY REPORT.

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CHINA ECONOMY

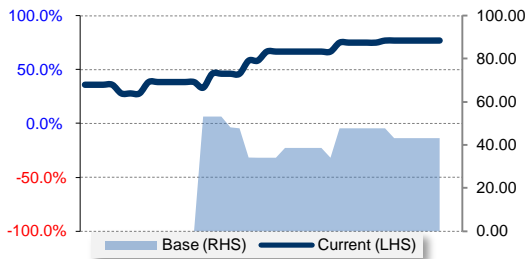
In a glance.

18-Nov-2013 (Monday)

Last Updated: 08:52AM (GMT +0800)



Figure 1: Fundamental Strength Index for last 40 days.

CHINA (40 Days Fundamental Strength)**BASE SUMMARY:**

INFLATION INDICATORS :	4.5	/ 18.2
GROWTH INDICATORS :	15.9	/ 45.5
EMPLOYMENT INDICATORS :	-	-
HOUSING INDICATORS :	-	-
BUSINESS SURVEY :	22.7	/ 36.4
CONSUMER SURVEY :	-	-

BASE STRENGTH :	STALE	43.18	/ 100
SHORT-TERM STRENGTH :	BULLISH	76.92%	

CHINA ECONOMY PAINTING RECOVERY, STILL BELOW YEARS HIGH.

China Fundamentals Moderate (43.18/100); Recent momentum VERY BULLISH at 76.92%.

(Fig2.1) Inflation nearing 3.50% benchmark at 3.20%. (Fig2.2) PPI in recovery from 2012-2013 low, still weak. (Fig2.3) GDP remains inline with PBOC 7.50% target at 7.80% (Fig2.4) International trade remains in general surplus trend. Recent decline. (Fig2.5) New loans remained on trend, but recently fell to 506b. (Fig2.6) Industrial Production seemed to bottomed at 10% range. (Fig3.1) Government spending seemed to have bottomed at 20% range. (Fig3.2) PMI indicating Manufacturing sector bottomed, at 51.4. (Fig3.3) China Services PMI also suggest expansion at 56.3. (Fig3.4) HSBC PMI surveys result also indicated expansion.

Conclusion: Chinese economy painting recovery picture, surveys indicating expansion as well as recovery started. However, good to noted that growth, inflation and domestic activities remains well below 3-5 years high.

Table 1: Pending Fundamental Events for China & Past 15 economic data release.

UPCOMING FUNDAMENTAL EVENTS					
DATE	TIME	DETAILS	FORECAST	PREVIOUS	IMPACT
19-Nov Tuesday	19th-20th	Foreign Direct Investment ytd/y	-	6.20%	!
20-Nov Wednesday	10:00am	CB Leading Index m/m	-	0.90%	!
21-Nov Thursday	9:45am	HSBC Flash Manufacturing PMI	50.90	50.90	!!!
PAST ECONOMIC EVENTS:					
DATE	TIME	DETAILS	ACTUAL	FORECAST	PREVIOUS
11-Nov Monday	4.00am	New Loans	506.00	581.00	787.00
11-Nov Monday	4.00am	M2 Money Supply y/y	14.30%	14.20%	14.20%
09-Nov Saturday	9:30am	CPI y/y	3.20%	3.30%	3.10%
09-Nov Saturday	9:30am	PPI y/y	-1.50%	-1.30%	-1.30%
09-Nov Saturday	10:00am	Industrial Production y/y	10.30%	10.20%	10.20%
09-Nov Saturday	1:30pm	Fixed Asset Investment ytd/y	20.10%	20.20%	20.20%
09-Nov Saturday	1:30pm	Retail Sales y/y	13.30%	13.40%	13.30%
08-Nov Friday	11:05am	Trade Balance	31.10	23.50	15.20
03-Nov Sunday	9:00am	Non-Manufacturing PMI	56.30	-	55.40
01-Nov Friday	9:00am	Manufacturing PMI	51.40	51.20	51.10
01-Nov Friday	9:45am	HSBC Final Manufacturing PMI	50.90	50.70	50.9
24-Oct Thursday	9:45am	HSBC Flash Manufacturing PMI	50.90	50.50	50.20
22-Oct Tuesday	10.00am	CB Leading Index m/m	0.90%	-	0.80%
18-Oct Friday	10:00am	GDP q/y	7.80%	7.80%	7.50%
17-Oct Thursday	10.00am	Foreign Direct Investment ytd/y	6.20%	-	6.40%

Reports are distributed on Bi-Daily basis (Tuesdays, Thursdays and Saturdays.)

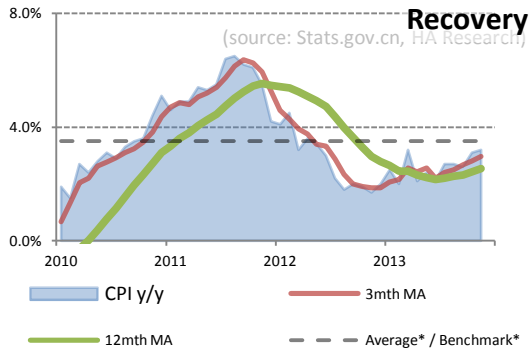
For disclaimer & more information on the calculation methodology, please refer to the back cover of this document.



INFLATION INDICATORS

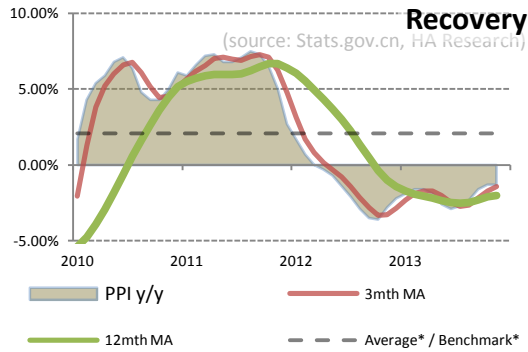


(Fig2.1) Inflation nearing 3.50% benchmark at 3.20%.



Consumer Price Index November: **3.20%** Previous: 3.10%
Change in the price of goods and services purchased by consumers.

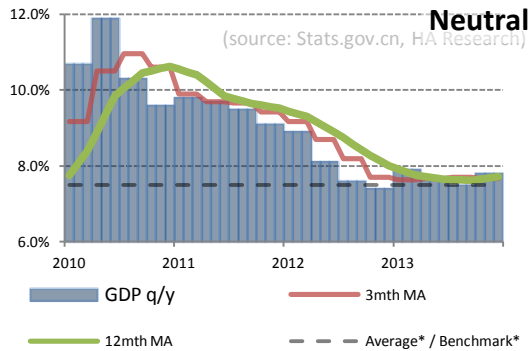
(Fig2.2) PPI in recovery from 2012-2013 low, still weak.



Producer Price Index November: **-1.30%** Previous: -1.30%
Change in the price of goods purchased and sold by producers;

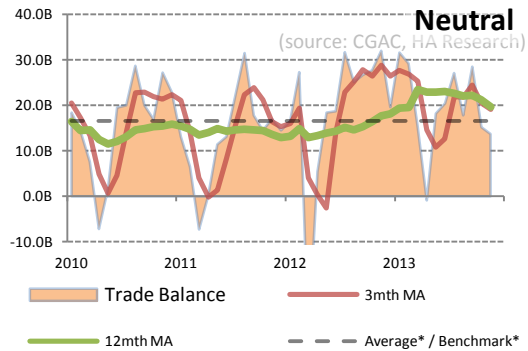
GROWTH INDICATORS

(Fig2.3) GDP remains inline with PBOC 7.50% target at 7.80%



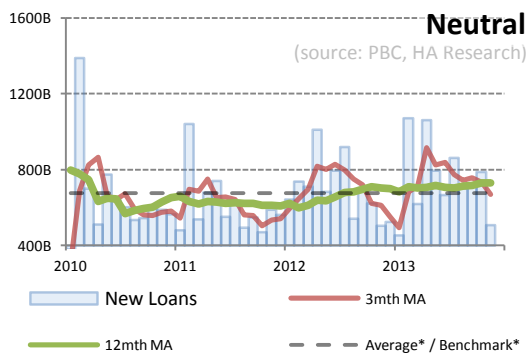
Gross Domestic Product November: **7.80%** Previous: 7.80%
Change in the inflation-adjusted value of all goods and services produced by the economy;

(Fig2.4) International trade remains in general surplus trend. Recent decline.



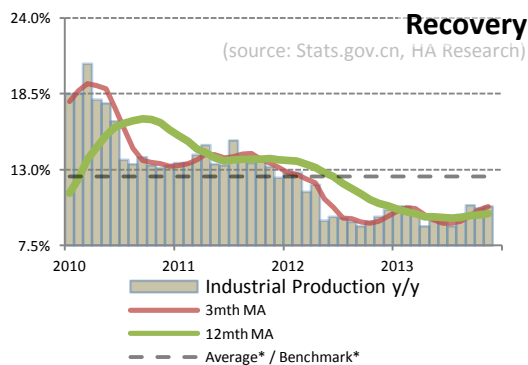
Trade Balance November: **13.7B** Previous: 15.2B
Difference in value between imported and exported goods during the previous month;

(Fig2.5) New loans remained on trend, but recently fell to 506b.



New Loans November: **506B** Previous: 787B
Value of new yuan-denominated loans issued to consumers and businesses during the previous month;

(Fig2.6) Industrial Production seemed to bottomed at 10% range.



Industrial Production November: **10.30%** Previous: 10.20%
Change in the total inflation-adjusted value of output produced by manufacturers, mines, and utilities;

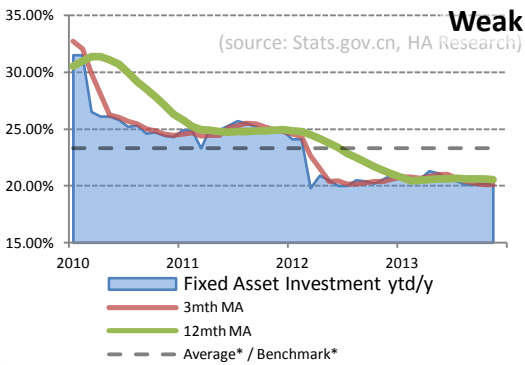
Average* / Benchmark* is a derivation of the following considerations: (1) moving averages across data used in the chart period; (2) Mandated target of Central Bank; (3) Market consensus benchmark; (4) Combination of either.

Figure/Chart annotations All figures/charts provided in this report are annotated in Figure(Page).(Chart #) format. Example Figure2.1 represents: Figure in (Page 2).(Chart 1 in page 2).



GROWTH INDICATORS (continued)

(Fig3.1) Government spending seemed to have bottomed at 20% range.

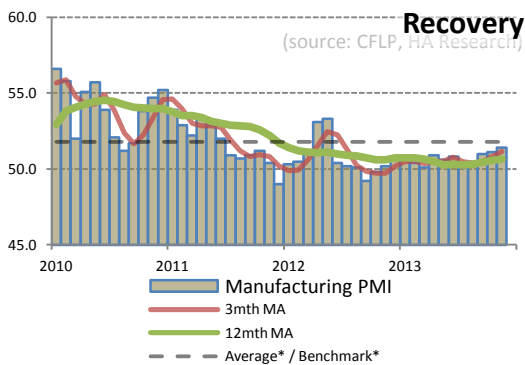


November: **20.10%** Previous 20.20%

FA Investments Change in spending on non-rural capital investments such as factories, roads, power grids, and property;

BUSINESS SURVEY

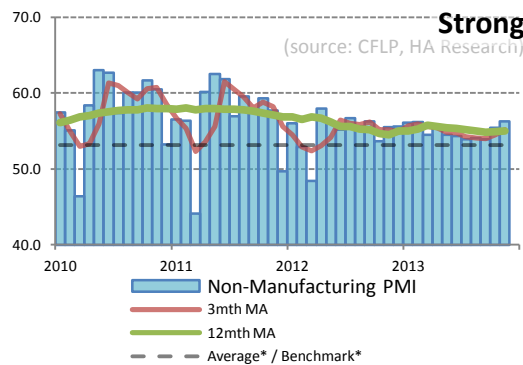
(Fig3.2) PMI indicating Manufacturing sector bottomed, at 51.4.



November: **51.4** Previous 51.1

Manufacturing PMI Level of a diffusion index based on surveyed purchasing managers in the manufacturing industry;

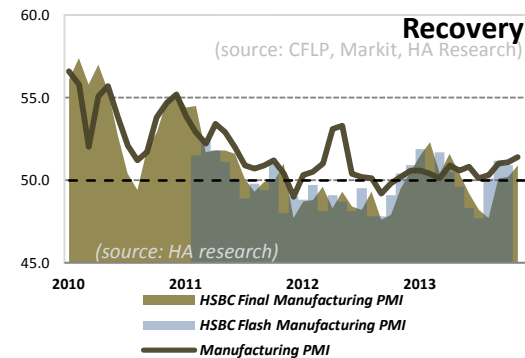
(Fig3.3) China Services PMI also suggest expansion at 56.3.



November: **56.3** Previous 55.4

Non-Manu. PMI Level of a diffusion index based on surveyed purchasing managers in the services industry;

(Fig3.4) HSBC PMI surveys result also indicated expansion.



November: **50.9** Previous 50.2

HSBC Manu. PMI Survey of 430 purchasing manager to rate business condition, jobs, production, orders, inventories..etc.

Average* / Benchmark* is a derivation of the following considerations: (1) moving averages across data used in the chart period; (2) Mandated target of Central Bank; (3) Market consensus benchmark; (4) Combination of either.

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BASE FUNDAMENTAL STRENGTH, BENCHMARK, SHORT-TERM STRENGTH INDEX (40 DAYS FUNDAMENTAL STRENGTH), CURRENCY DIFFERENTIALS (BASE, CURRENT) AND DERIVATION OF ITS SCORING IS FROM A COMPUTER-GENERATED CALCULATION MODEL. IT TAKES ALLOCATED FUNDAMENTAL DATA AND ITS RELATIVE STRENGTH, AVERAGES AS BASIS. STRENGTH OF FUNDAMENTAL DATA (PAST AND CURRENT) ARE STATISTICALLY ALLOCATED (PRE-DETERMINED BASIS) TO ARRIVE IN THE FORMULATED SCORING.

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