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CURRENCY REPORT.

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CONTACTS:

Henry KH ANG
Henry.KH.Ang@live.com

Singapore

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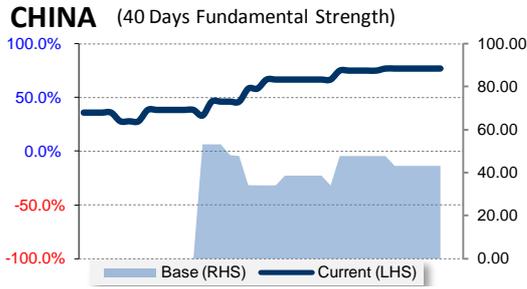
CHINA ECONOMY In a glance.

18-Nov-2013 (Monday)

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



Figure 1: Fundamental Strength Index for last 40 days.



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.)

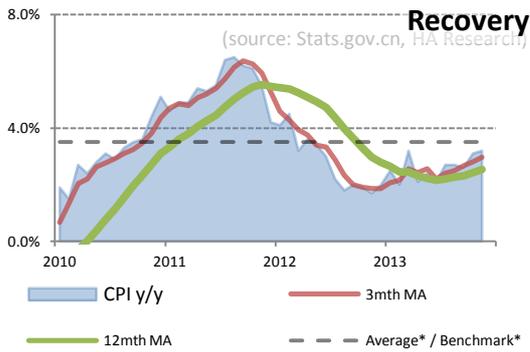
For disclaimer & more information on the calculation methodology, please refer to the back cover of this document.



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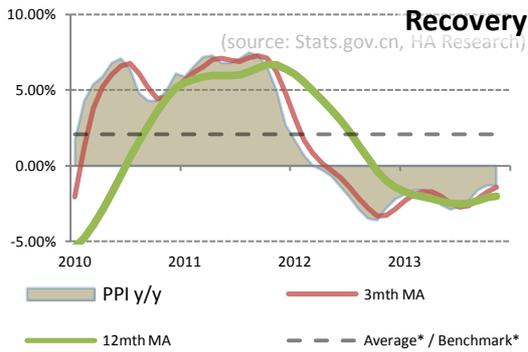
INFLATION INDICATORS

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



Consumer Price Index Change in the price of goods and services purchased by consumers.

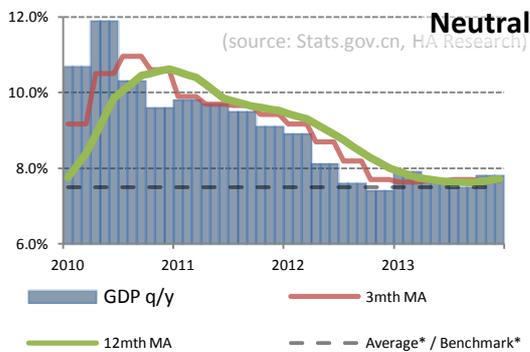
(Fig2.2) PPI in recovery from 2012-2013 low, still weak.



Producer Price Index Change in the price of goods purchased and sold by producers;

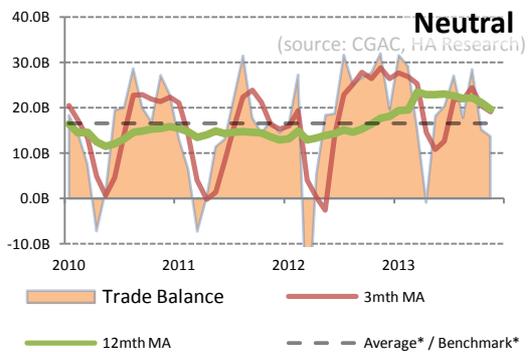
GROWTH INDICATORS

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



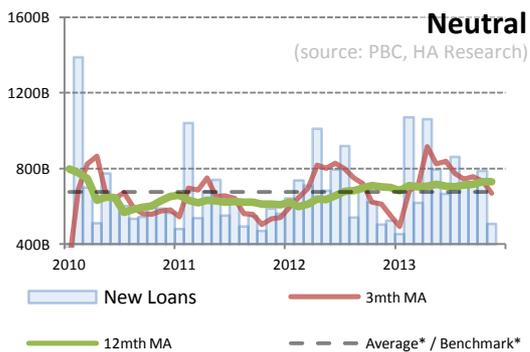
Gross Domestic Product Change in the inflation-adjusted value of all goods and services produced by the economy;

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



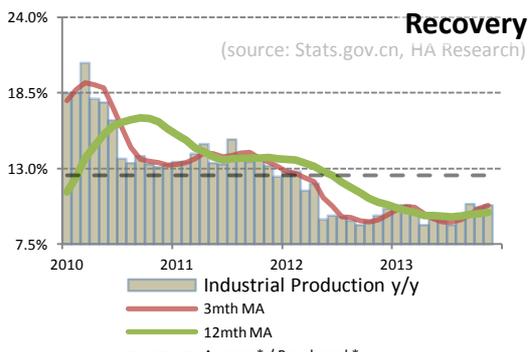
Trade Balance Difference in value between imported and exported goods during the previous month;

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



New Loans 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 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.

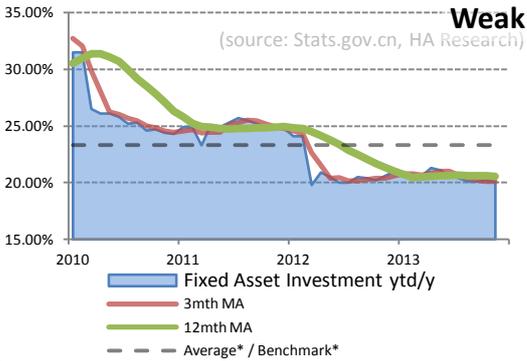
Figure/Chart annotations All figures/charts provided in this report are annotated in Figure(Page).(Chart #) format. Example Figure2.1 represents: Figure in (Page 2).(Chart 1 in page 2).



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GROWTH INDICATORS (continued)

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

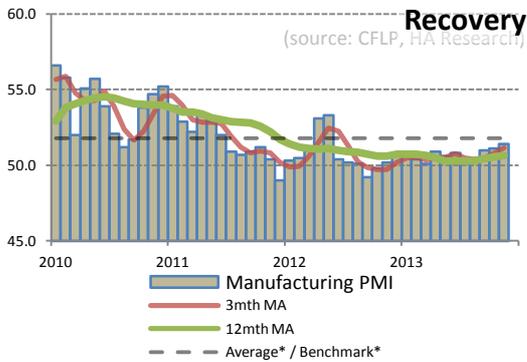


November: **20.10%** Previous 20.20%

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

BUSINESS SURVEY

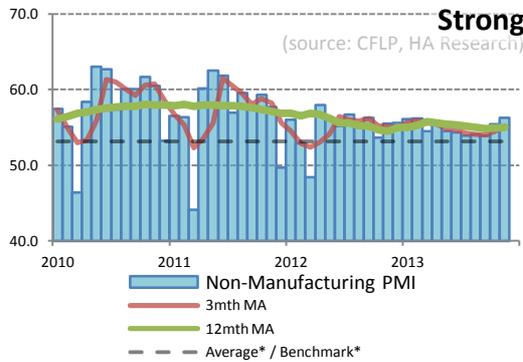
(Fig3.2) PMI indicating Manufacturing sector bottomed, at 51.4.



November: **51.4** Previous 51.1

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

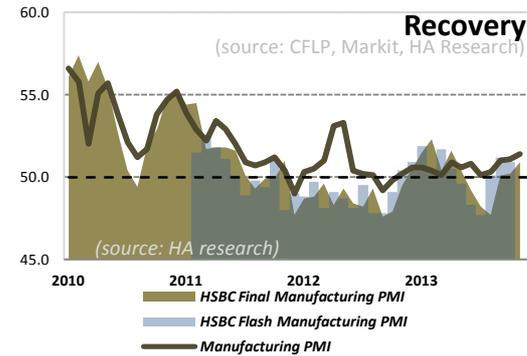
(Fig3.3) China Services PMI also suggest expansion at 56.3.



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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