

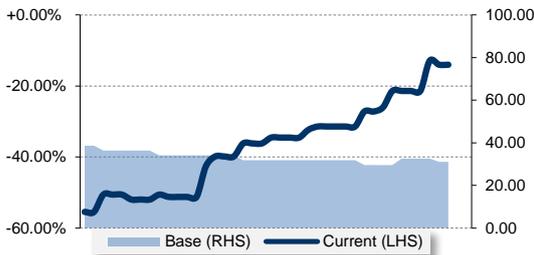
## China Currency Report

**CHINA ECONOMY** In a glance.

14-Apr-2014 (Monday)

Last Updated: 10:47PM (GMT +0800)

Figure 1: Fundamental Strength Index for last 40 days.

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

<b>INFLATION INDICATORS :</b>	<b>0.0</b>	<b>/ 18.2</b>
<b>GROWTH INDICATORS :</b>	<b>31.1</b>	<b>/ 48.5</b>
<b>EMPLOYMENT INDICATORS :</b>	-	-
<b>HOUSING INDICATORS :</b>	-	-
<b>BUSINESS SURVEY :</b>	<b>0.0</b>	<b>/ 33.3</b>
<b>CONSUMER SURVEY :</b>	-	-
<i>(automated comments)</i>		
<b>3 Months Outlook (Base)</b>	Weak	<b>31.06 / 100</b>
<b>Current Momentum</b>	Slightly Bearish	<b>-14.02%</b>

**RELATED NEWS (previous 3 days):**

Refer to risk sentiments for more information.

- 14/04/2014 (Bloomberg): Chinese property developers with the option to repurchase dollar-denominated bonds later this year may opt to do so amid falling yields, according to Western Asset Management Co.
- 11/04/2014 (Reuters): China will ease restrictions on overseas investments and scrap the need for approval for deals below \$1 billion starting from May, China's economic planner said in a statement. Beijing pushes its companies to expand overseas and diversify its \$4 trillion foreign exchange reserves investments.
- 10/04/2014 (Bloomberg): China's exports and imports unexpectedly fell. "It's surprising and disappointing to see that softness in China's March trade numbers," said Westpac. "It's a definite setback for what has been a very positive mood in global markets, and particularly in Asian currencies."

	Base Fundamental (Data of last 3 months)			Current Fundamental (Current data set)		
1. NZD	83.82	+0.00 *		CAD	+43.88%	-0.02% *
2. JPY	78.26	+0.00 *		NZD	+42.04%	+0.04% *
3. GBP	69.94	-0.00 *		USD	+31.65%	+2.65% *
4. USD	58.99	+0.00 *		<b>AUD</b>	<b>+29.22%</b>	<b>+0.02% *</b>
5. <b>AUD</b>	<b>56.25</b>	<b>+0.00 *</b>		JPY	+26.06%	-0.04% *
6. EUR	50.90	+0.00 *		GBP	+24.13%	+0.93% *
7. CAD	45.74	+0.00 *		EUR	+22.41%	+0.71% *

\* Day/day change - % range from +/- 10% (dependent on data availability)

**HA Research Comments:****MARKET:** China announced stimulus plan to build railroads, boost jobs. Market bullish on stimulus hope.**TECHNICAL:** -**CONCLUSION:** China's current fundamental weakness is evident.

Bearish Factors: (1) Recent Index very weak, (2) Base index weak. (3) Weakening trade data.

Bullish Factors: (1) Stimulus plan by PBOC supporting economy.

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

UPCOMING FUNDAMENTAL EVENTS						
DATE	TIME	DETAILS	FORECAST	PREVIOUS	IMPACT	
14-Apr (Mon)	14th-15th	New Loans	1000B	645B	!!	
14-Apr (Mon)	14th-15th	M2 Money Supply y/y	13.10%	13.30%	!	
16-Apr (Wed)	10:00am	GDP q/y	7.40%	7.70%	!!!	
16-Apr (Wed)	10:00am	Industrial Production y/y	9.10%	8.60%	!!!	
16-Apr (Wed)	10:00am	Fixed Asset Investment ytd/y	18.10%	17.90%	!!	
PAST (20) ECONOMIC EVENTS:						
DATE	TIME	DETAILS	ACTUAL	FORECAST	PREV.	SCORE
11-Apr (Fri)	9:30am	CPI y/y	2.40%	2.50%	2.00%	➡ -2.27%
11-Apr (Fri)	9:30am	PPI y/y	-2.30%	-2.20%	-2.00%	⬇ -6.06%
10-Apr (Thu)	11:05am	Trade Balance	7.70	-90.00%	-23.00	⬆ +6.25%
03-Apr (Thu)	9:00am	Non-Manufacturing PMI	54.50	-	55.00	➡ -1.52%
01-Apr (Tue)	9:00am	Manufacturing PMI	50.30	50.10	50.20	⬆ +3.41%
01-Apr (Tue)	9:45am	HSBC Final Manufacturing PMI	48.00	48.50	48.5	⬇ -9.09%
24-Mar (Mon)	9:45am	HSBC Flash Manufacturing PMI	48.10	48.70	48.50	⬇ -9.09%
24-Mar (Mon)	10:00am	CB Leading Index m/m	0.90%	-	0.30%	➡ +1.14%
18-Mar (Tue)	10:00am	Foreign Direct Investment ytd/y	10.40%	-	16.10%	➡ +1.14%
13-Mar (Thu)	10:00am	Industrial Production y/y	8.60%	9.50%	9.70%	➡ -2.27%
13-Mar (Thu)	1:30pm	Fixed Asset Investment ytd/y	17.90%	19.50%	19.60%	➡ -1.52%
13-Mar (Thu)	1:30pm	Retail Sales y/y	11.80%	13.50%	13.60%	➡ +0.19%
10-Mar (Mon)	4:00am	New Loans	645.00	730.00	1320.00	➡ +2.27%
10-Mar (Mon)	4:00am	M2 Money Supply y/y	13.30%	13.20%	13.20%	➡ +1.14%
20-Jan (Mon)	10:00am	GDP q/y	7.70%	7.60%	7.80%	➡ +2.27%

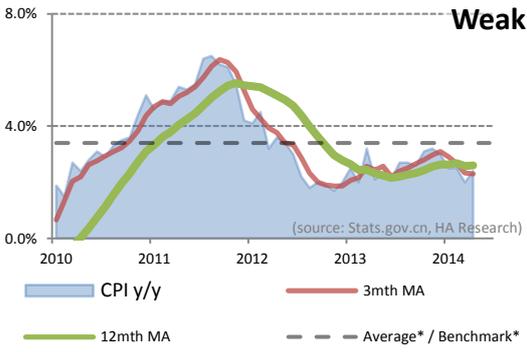
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China Currency Report

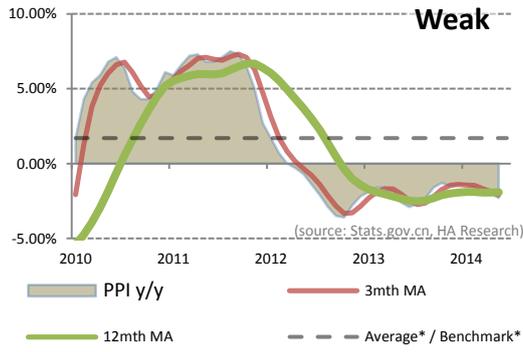
# INFLATION INDICATORS

(Fig2.1)



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

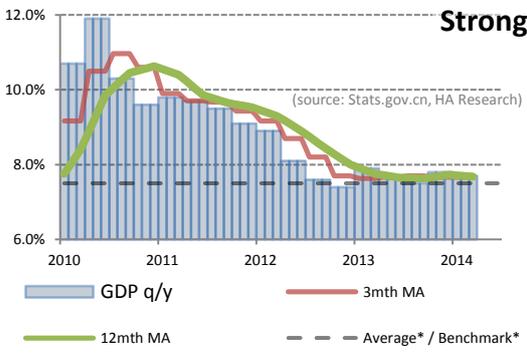
(Fig2.2)



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

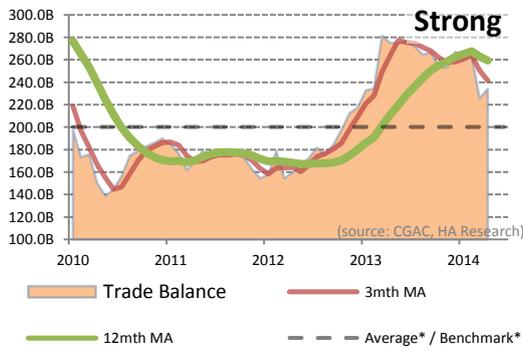
# GROWTH INDICATORS

(Fig2.3)



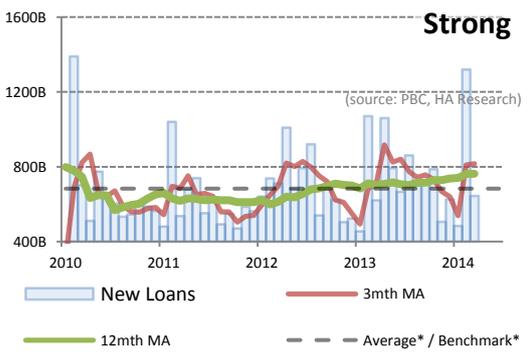
**Gross Domestic Product** Change in the inflation-adjusted value of all goods and services produced by the economy;

(Fig2.4)



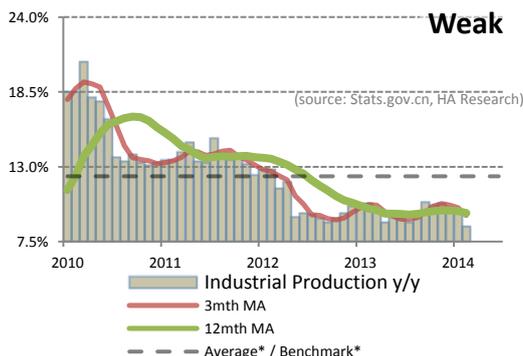
**Trade Balance** Difference in value between imported and exported goods during the previous month;

(Fig2.5)



**New Loans** Value of new yuan-denominated loans issued to consumers and businesses during the previous month;

(Fig2.6)



**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.

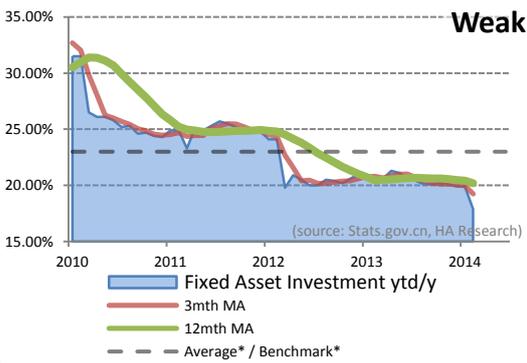
Figure/Chart annotations All figures/charts provided in this report are annotated in Figure(Page).(Chart #) format. Example Figure2.1 represents: Figure in (Page 2).(Chart 1 in page 2).

# GROWTH INDICATORS



## China Currency Report GROWTH INDICATORS (continued)

(Fig3.1)

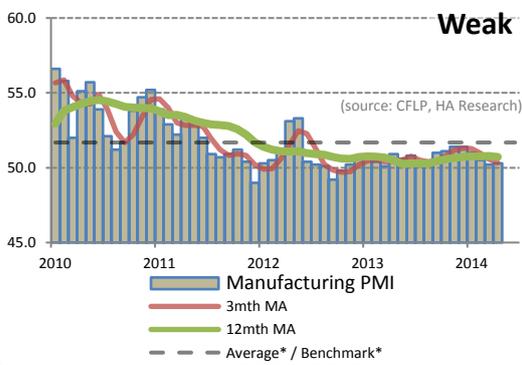


April: **Pending** Previous 0.00%

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

## BUSINESS SURVEY

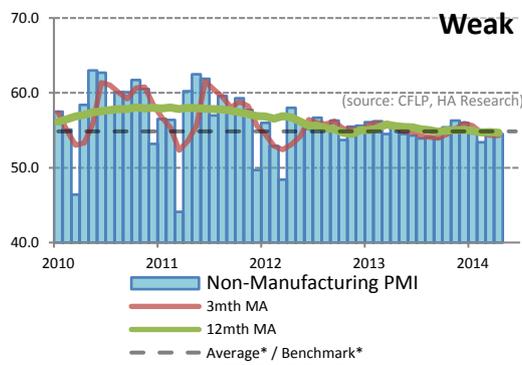
(Fig3.2)



April: **50.3** Previous 50.2

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

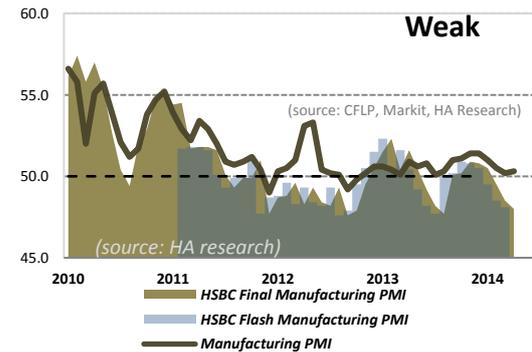
(Fig3.3)



April: **54.5** Previous 55.0

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

(Fig3.4)



April: **48.0** Previous 48.5

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

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