

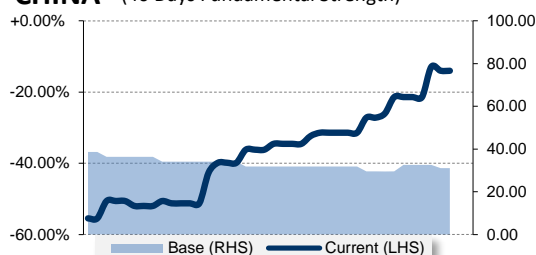
China Currency Report

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:**

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

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 *		AUD	+29.22% +0.02% *
5. AUD	56.25	+0.00 *		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 & 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%

BASE FUNDAMENTAL DATA RESULTS			
Type	CNY Fundamental Data	Strength	Total
Business Survey	Manufacturing PMI	Weak	0
	Non-Manufacturing PMI	Weak	0
	HSBC Flash Manufacturing PMI	Weak	0 (Very Weak)
	HSBC Final Manufacturing PMI	Weak	0 0.0 / 33.3
Growth	Industrial Production y/y	Weak	0
	New Loans	Strong	6.061
	Retail Sales y/y	Recovery	0.758
	Foreign Direct Investment ytd/y	Strong	3.03
	CB Leading Index m/m	Strong	3.03
	GDP q/y	Strong	9.091
	Trade Balance	Strong	9.091 (Strong)
	Fixed Asset Investment ytd/y	Weak	0 31.1 / 48.5
Inflation	CPI y/y	Weak	0
	M2 Money Supply y/y	Weak	0 (Very Weak)
	PPI y/y	Weak	0 0.0 / 18.2
			31.06 100.00

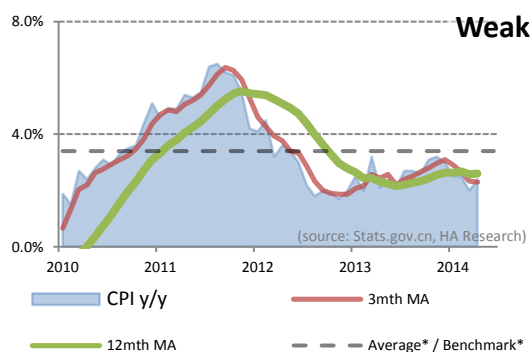
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China Currency Report

INFLATION INDICATORS

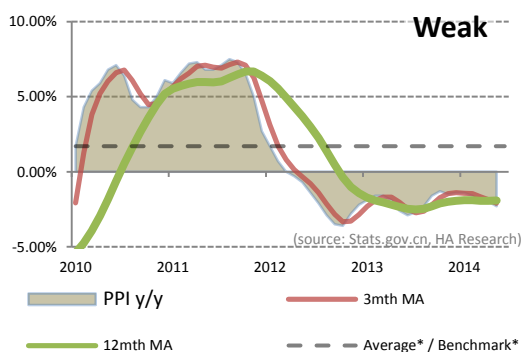
(Fig2.1)



April:	2.40%	Previous	2.00%
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Consumer Price Index Change in the price of goods and services purchased by consumers.

(Fig2.2)

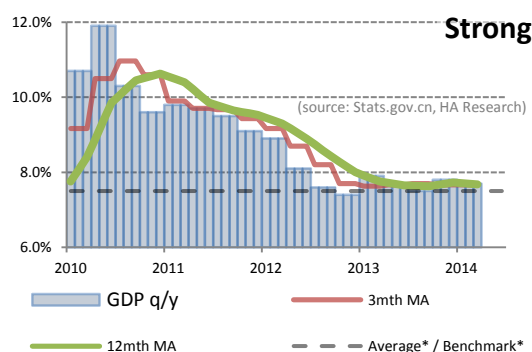


April:	-2.00%	Previous	-2.00%
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Producer Price Index Change in the price of goods purchased and sold by producers;

GROWTH INDICATORS

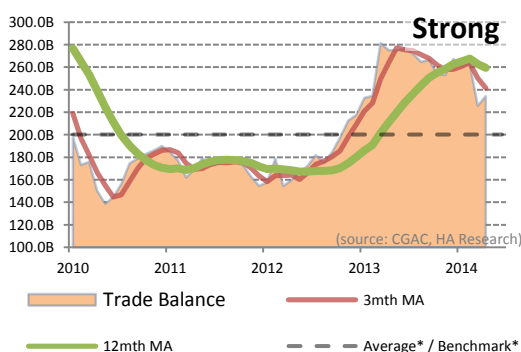
(Fig2.3)



April:	Pending	Previous	7.70%
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Gross Dom. Product Change in the inflation-adjusted value of all goods and services produced by the economy;

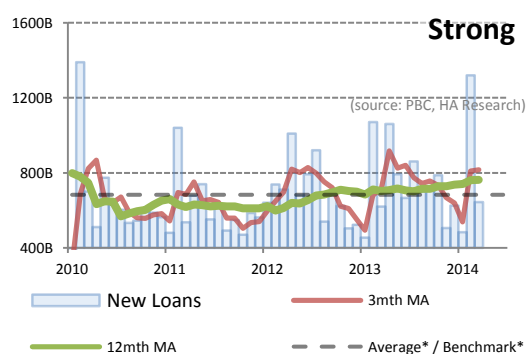
(Fig2.4)



April:	234.3B	Previous	225.7B
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Trade Balance Difference in value between imported and exported goods during the previous month;

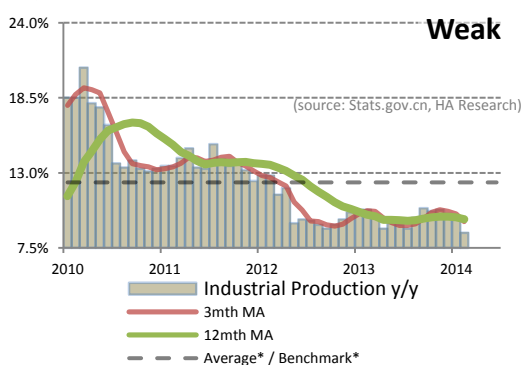
(Fig2.5)



April:	Pending	Previous	645B
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New Loans Value of new yuan-denominated loans issued to consumers and businesses during the previous month;

(Fig2.6)



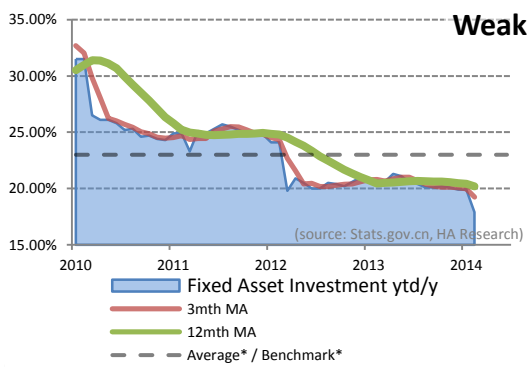
April:	Pending	Previous	0.00%
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Industrial Production Change in the total inflation-adjusted value of output produced by manufacturers, mines, and utilities;

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.

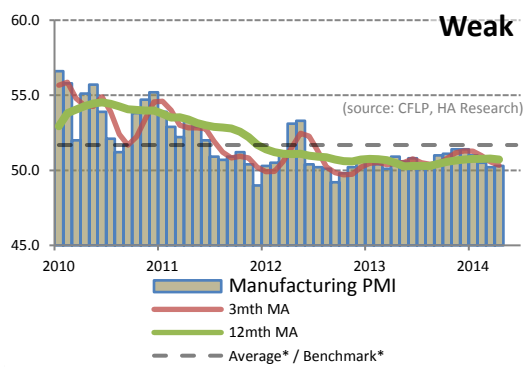
Figure/Chart annotations All figures/charts provided in this report are annotated in Figure(Page).(Chart #) format. Example Figure2.1 represents: Figure in (Page 2).(Chart 1 in page 2).

GROWTH INDICATORS

China Currency Report**GROWTH INDICATORS** (continued)**(Fig3.1)**

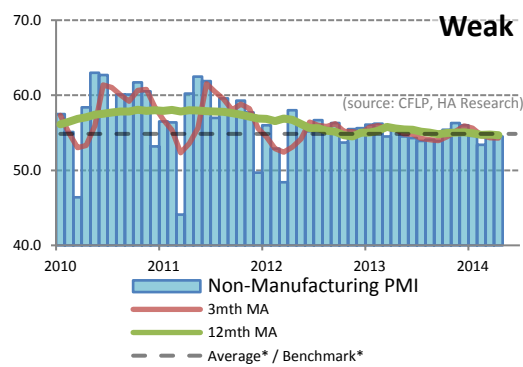
April:	Pending	Previous	0.00%
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FA Investments Change in spending on non-rural capital investments such as factories, roads, power grids, and property;

BUSINESS SURVEY**(Fig3.2)**

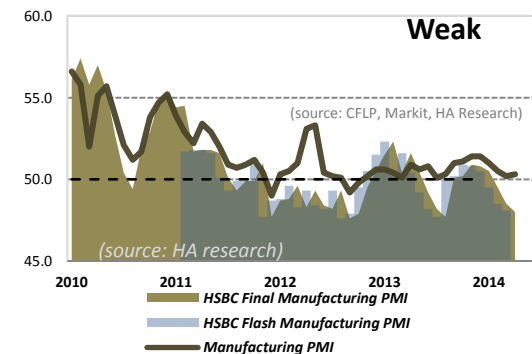
April:	50.3	Previous	50.2
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Manufacturing PMI Level of a diffusion index based on surveyed purchasing managers in the manufacturing industry;

(Fig3.3)

April:	54.5	Previous	55.0
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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
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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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