

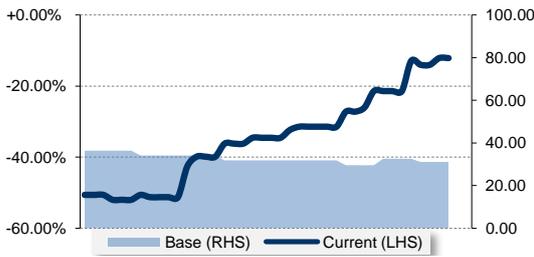
China Currency Report

CHINA ECONOMY In a glance.

16-Apr-2014 (Wednesday)

Last Updated: 07:51AM (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	-12.12%

RELATED NEWS (previous 3 days):

Refer to risk sentiments for more information.

16/04/2014

15/04/2014 (Bloomberg): China, Australia's biggest trading partner, reported its broadest measure of new credit fell 19 percent and growth in M2 money supply slowed to 12.1 percent from 13.3 percent. The data underscored risks of a deeper slowdown for the world's second-biggest economy.

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.

	Base Fundamental (Data of last 3 months)			Current Fundamental (Current data set)		
1. NZD	83.82	+0.00 *		CAD	+39.89%	-0.01% *
2. JPY	78.26	+0.00 *		NZD	+38.37%	-3.63% *
3. GBP	68.67	+0.00 *		USD	+35.26%	-0.04% *
4. USD	57.55	+0.00 *		AUD	+29.22%	+0.02% *
5. AUD	56.25	+0.00 *		JPY	+26.06%	-0.04% *
6. EUR	50.90	+0.00 *		EUR	+23.54%	+0.04% *
7. CAD	45.74	+0.00 *		GBP	+22.47%	-0.03% *

* 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. Pending GDP data (16th Apr)

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	
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%	!!	
16-Apr (Wed)	10:00am	NBS Press Conference			!!	
16-Apr (Wed)	10:00am	Retail Sales y/y	11.90%	11.80%	!	
PAST (20) ECONOMIC EVENTS:						
DATE	TIME	DETAILS	ACTUAL	FORECAST	PREV.	SCORE
15-Apr (Tue)	4:00am	New Loans	1050B	1000.00	645.00	↑ +6.06%
15-Apr (Tue)	4:00am	M2 Money Supply y/y	12.10%	13.10%	13.30%	→ -0.76%
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%
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 / 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)
Inflation	Fixed Asset Investment ytd/y	Weak	0 / 31.1 / 48.5
	CPI y/y	Weak	0
	M2 Money Supply y/y	Weak	0 (Very Weak)
	PPI y/y	Weak	0 / 18.2
			31.06 / 100.00

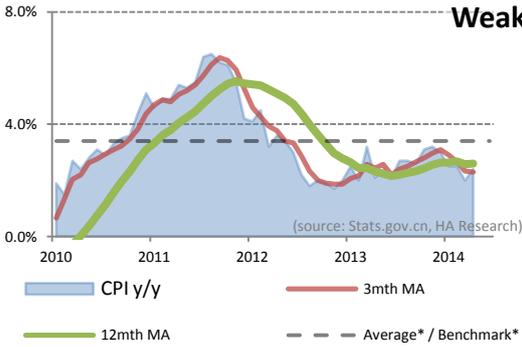
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China Currency Report

INFLATION INDICATORS

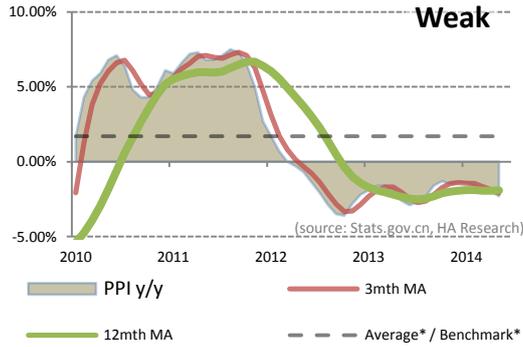
(Fig2.1) **Weak**



April: **2.40%** Previous **2.00%**

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

(Fig2.2) **Weak**

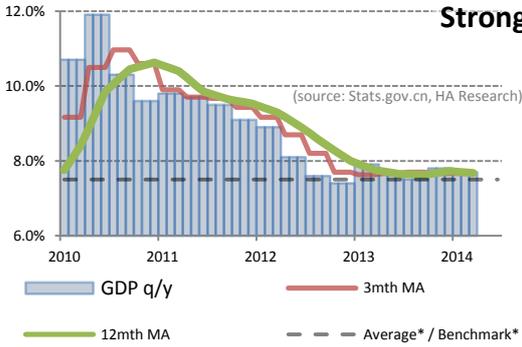


April: **-2.00%** Previous **-2.00%**

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

GROWTH INDICATORS

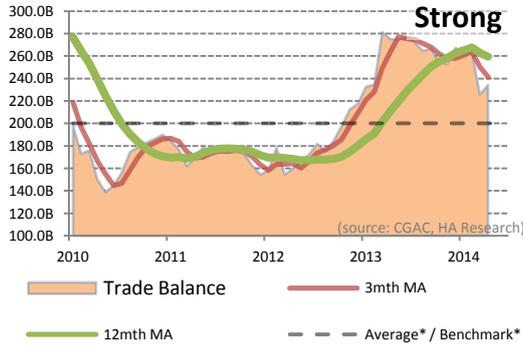
(Fig2.3) **Strong**



April: **Pending** Previous **7.70%**

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

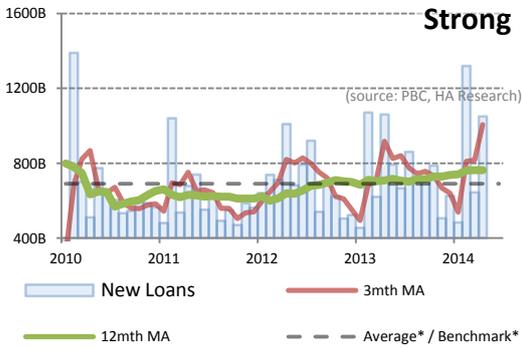
(Fig2.4) **Strong**



April: **234.3B** Previous **225.7B**

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

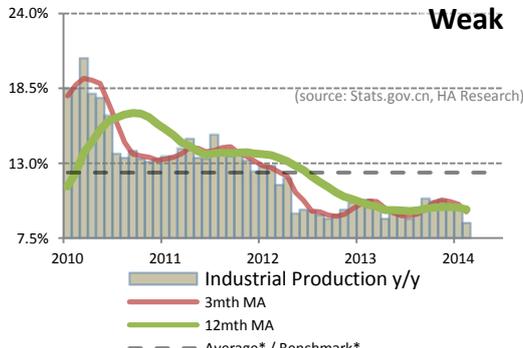
(Fig2.5) **Strong**



April: **1050B** Previous **645B**

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

(Fig2.6) **Weak**



April: **Pending** Previous **0.00%**

Industrial Production Change in the total inflation-adjusted value of output produced by manufacturers, mines, and utilities;

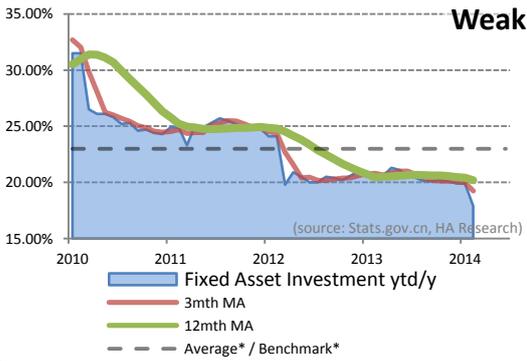
Average* / Benchmark* is a derivation of the following considerations: (1) moving averages across data used in the chart period; (2) Mandated target of Central Bank; (3) Market consensus benchmark; (4) Combination of either.

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).

China Currency Report

GROWTH INDICATORS (continued)

(Fig3.1)

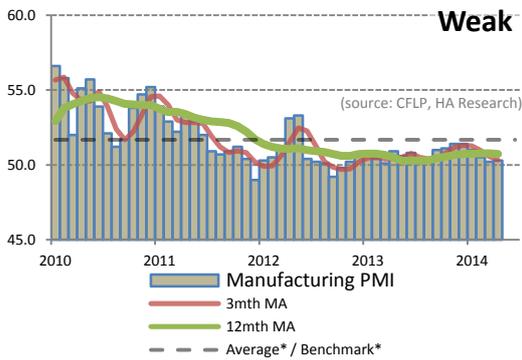


April: **Pending** **Previous** 0.00%

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

BUSINESS SURVEY

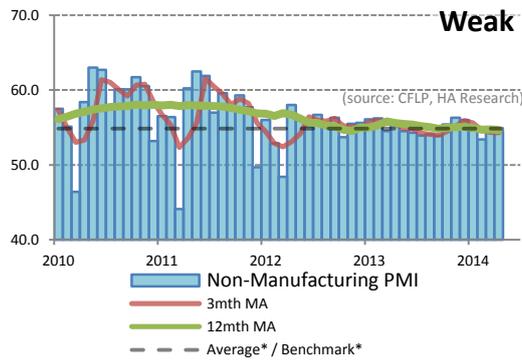
(Fig3.2)



April: **50.3** **Previous** 50.2

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

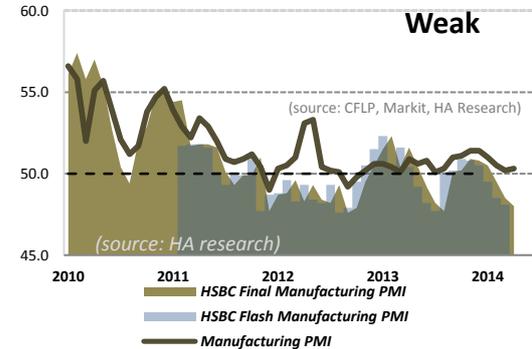
(Fig3.3)



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.

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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