

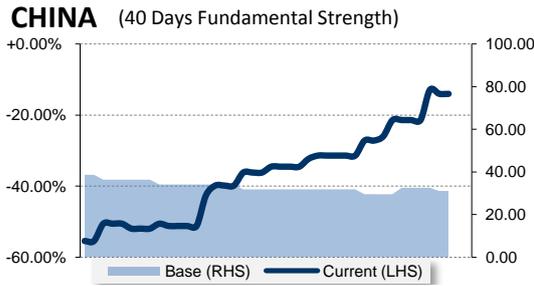
China Currency Report

CHINA ECONOMY In a glance.

14-Apr-2014 (Monday)

Last Updated: 08:23AM (GMT +0800)

Figure 1: Fundamental Strength Index for last 40 days.

**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

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 *		AUD	+29.22% +0.02% *
4. USD	58.99	+0.00 *		USD	+29.01% +0.01% *
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	+21.73% +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.

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 / 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 / 18.2
			31.06 / 100.00

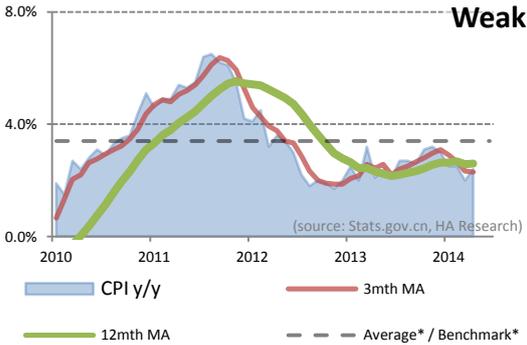
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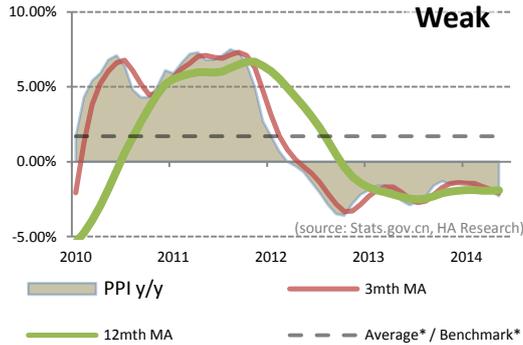
INFLATION INDICATORS

(Fig2.1)



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

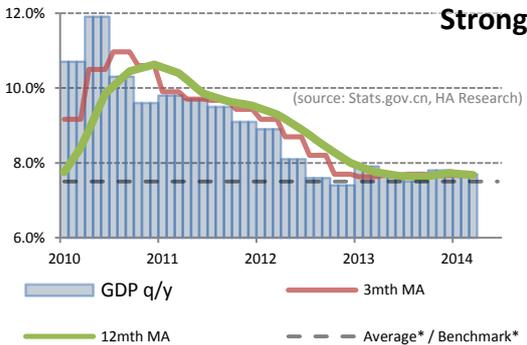
(Fig2.2)



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

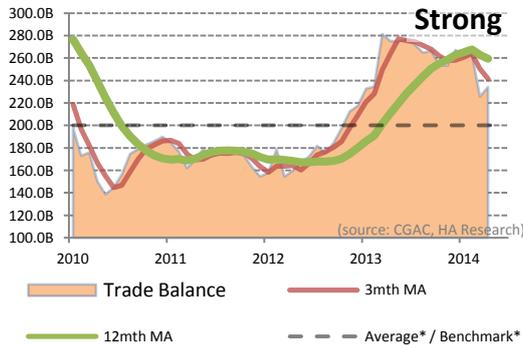
GROWTH INDICATORS

(Fig2.3)



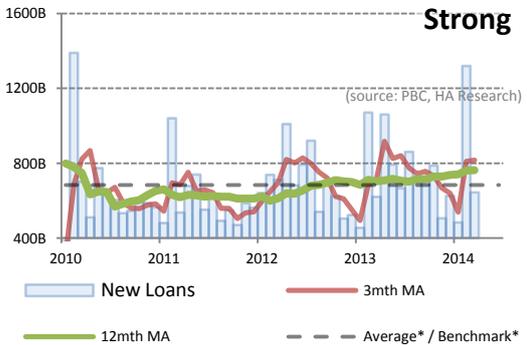
Gross Dom. Product Change in the inflation-adjusted value of all goods and services produced by the economy;

(Fig2.4)



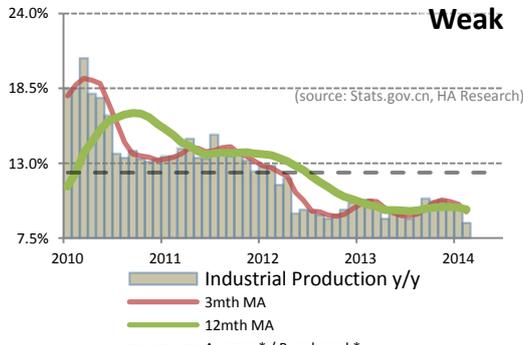
Trade Balance Difference in value between imported and exported goods during the previous month;

(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.

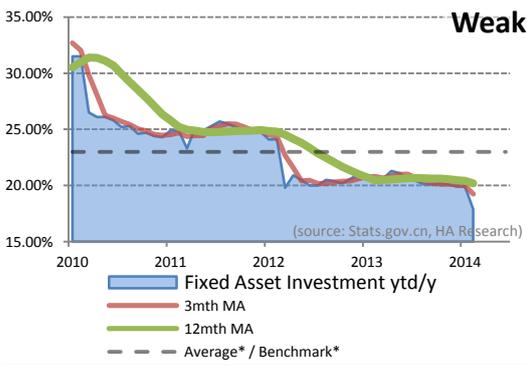
Figure/Chart annotations All figures/charts provided in this report are annotated in Figure(Page).(Chart #) format. Example Figure2.1 represents: Figure in (Page 2).(Chart 1 in page 2).

GROWTH INDICATORS



China Currency Report GROWTH INDICATORS (continued)

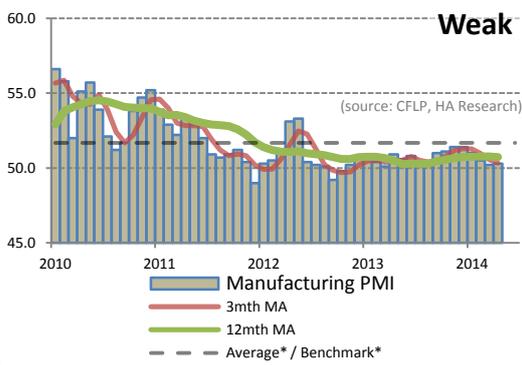
(Fig3.1)



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

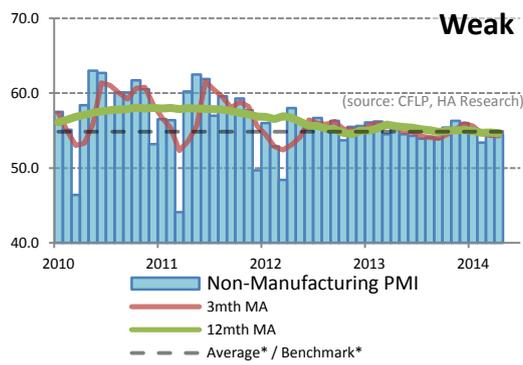
BUSINESS SURVEY

(Fig3.2)



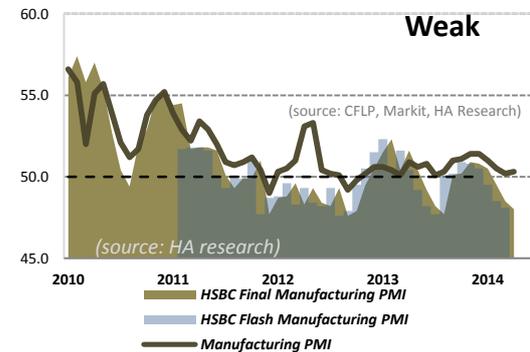
April:	50.3	Previous	50.2
Manufacturing PMI	Level of a diffusion index based on surveyed purchasing managers in the manufacturing industry;		

(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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