



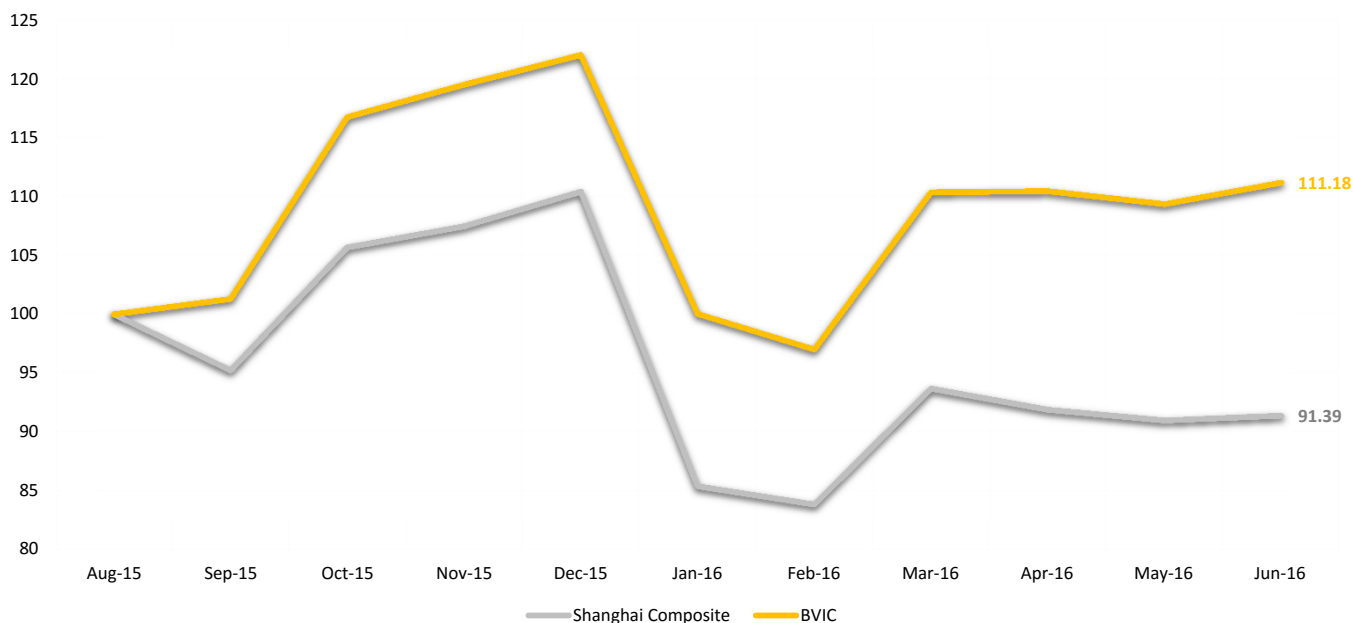
## Market commentary

The Shanghai Composite capped a 0.5% gain in June, closing at one point during the month above the psychologically important 3000 level for the first time since mid-April. China's benchmark stock index rose to a three-month high amid speculation state-backed institutions intervened in both the share and currency markets, and as the nation's pension funds prepared to invest in equities. The Shanghai Composite, which declined in early trading, is down 14 percent for the year amid yuan depreciation concerns. The economy expanded 6.6 percent, the slowest pace since 2009, in the second quarter, according to a Bloomberg survey before data due Friday. China's pension funds, which have about 2 trillion yuan (\$300 billion) for investment, may start deploying some of their holdings in securities including equities in the second half, according to China International Capital Corp. and CIMB Securities

## Macro indicators

Indicator	Nxt. reporting date	Period	Q1 15	Q2 15	Q3 15	Q4 15	Q1 16	Q2 16
GDP (yoy)	20.10.2016	Q3 16	7.0%	7.0%	6.9%	6.8%	6.7%	6.7%
Inflation (yoy)	20.10.2016	Q1 16	1.4%	1.4%	1.6%	1.6%	2.3%	1.9%
Unemployment	20.10.2016	Q1 16	4.1%	4.1%	4.1%	4.1%	4.0%	4.1%
Services PMI	20.10.2016	Q1 16	52.3	51.8	50.5	50.2	51.8	52.7
EUR/CNY			6.7	6.9	7.1	7.0	7.4	7.4
Brent oil			\$55.1	\$63.6	\$48.4	\$37.3	\$45.0	\$48.0

## Bernstein Value Index China



**BVIC** Bernstein Value Index China is an equal-weighted index compiled of 18-20 Chinese consumer value plays selected using Bernstein's proprietary long-term value screening indicators.

**SH COMP** The SSE Composite Index is a stock market index of all stocks (A shares and B shares) that are traded at the Shanghai Stock Exchange.



## Index constituents news

Ticker	Name	Date	Recent Key News and Events
601021.SS	Spring Airlines		
603885.SS	Juneyao Airlines		
000069.SZ	Shenzhen Overseas		
000895.SZ	Henan Shuanghui		
600741.SS	Huayu Automotive		
1057.HK	Zhejiang Shibao	1.07.2016	Says its controlling shareholder that a Zhejiang-based group co's stake in the co decreased to 47.49 percent from 52.36 percent
2238.HK	GAC Group	8.07.2016	China's passenger-vehicle sales expanded at a faster pace in the first half as rising demand for crossovers, SUVs and new-energy vehicles widened the nation's lead as the world's biggest auto market.
600104.SS	SAIC Motor	6.07.2016	China's e-commerce giant Alibaba and SAIC Motor, the country's biggest carmaker, have launched on Wednesday, July 6, the Roewe RX5, a sports utility vehicle (SUV) dubbed by the two companies as "the world's first mass-produced car on the Internet"
600066.SS	Zhengzhou Yutong Bus Co.	4.07.2016	Zhengzhou Yutong Bus' June sales up 21.2 pct y/y
1211.HK	BYD Co Ltd	15.07.2016	Samsung Electronics Co., the world's largest maker of phones and memory chips, said it's in talks with BYD Co. about investing in the Chinese electric-car manufacturer.
600887.SS	Inner Mongolia Yili		
603288.SS	Foshan Haitian Flavouring		
000333.SZ	Midea Group	15.07.2016	China's Midea lifts stake in German robotics firm Kuka to 76.38 percent
1033.HK	Sinopec SSC	12.07.2016	Says it expects H1 net loss to widen to 4.5 billion yuan (\$673.33 million) from 1.4 billion yuan year ago
1766.HK	CRRC	22.06.2016	CRRC on Tuesday reported 32.08 billion yuan (\$4.87 billion) worth of orders for January to June. The market was disappointed by the result, which fell short of the year-earlier tally of around 100 billion yuan
0995.HK	Anhui Expressway		
CTRP.O	Ctrip.com International Ltd.	12.07.2016	Ctrip is now the absolute monopolistic force in online travel in China. For the first quarter of 2016, Ctrip reported total revenues of RMB4.4 billion (US\$682 million), an 80% increase year-on-year primarily due to the Qunar deal. Ctrip's scale makes it almost impossible for any start-up to compete



## Index constituents performance

Ticker	Name	Industry	Share price 30.06.16			Performance				Mcap EURb	Net Debt EURb	EV/EBITDA TTM	P/E			P/B TTM	EBITDA% TTM	Div yld N12M
			HKX	SSE	Diff.	LTM Low	LTM High	% off L	% off H				TTM	2016F	TTM			
601021.SS	Spring Airlines	Airlines		47.9		40.1	70.0	20%	-31%	5.2	0.4	21.2x	26.6x	21.1x	5.6x	24.0%	0.3%	
603885.SS	Juneyao Airlines	Airlines		26.3		20.5	39.8	28%	-34%	4.5	0.9	23.6x	27.3x	19.4x	8.8x	19.5%	1.1%	
000069.SZ	Shenzhen Overseas	Amusement Parks		6.4		5.9	11.1	9%	-42%	7.1	3.1	9.0x	11.1x	9.6x	1.4x	25.0%	1.0%	
000895.SZ	Henan Shuanghui	Animal Slaughtering		20.9		15.4	24.2	36%	-14%	9.3	-0.1	11.5x	15.6x	14.2x	3.8x	12.5%	5.9%	
600741.SS	Huayu Automotive	Auto parts		14.0		11.8	19.4	19%	-28%	5.9	-2.1	3.5x	9.2x	8.2x	1.2x	8.4%	5.3%	
1057.HK	Zhejiang Shibao	Auto parts	9.2			5.1	15.4	79%	-41%	0.1	0.0	4.5x	12.7x	na	0.5x	15.6%	1.5%	
2238.HK	GAC Group	Automobiles	9.3	22.4	142%	4.7	10.5	96%	-12%	2.4	-1.2	4.4x	4.2x	2.9x	0.5x	7.0%	2.9%	
600104.SS	SAIC Motor	Automobiles		19.0		14.0	24.7	36%	-23%	28.2	-6.4	3.3x	6.9x	6.7x	1.1x	7.1%	6.4%	
600066.SS	Zhengzhou Yutong Bus Co.	Automobiles		19.8		15.2	23.5	31%	-16%	5.9	-0.1	10.4x	12.4x	11.0x	3.3x	13.0%	7.2%	
1211.HK	BYD Co Ltd	Automobiles	46.5	63.7	37%	27.0	51.5	72%	-10%	4.9	4.2	12.2x	13.0x	15.0x	1.1x	7.2%	0.0%	
600887.SS	Inner Mongolia Yili	Dairy Products		16.7		12.5	19.5	33%	-15%	13.6	-0.9	16.0x	20.7x	19.6x	4.7x	9.7%	3.1%	
603288.SS	Foshan Haitian Flavouring	Food Ingredients		30.4		25.0	37.1	22%	-18%	11.1	-0.6	25.2x	31.8x	27.4x	10.3x	26.8%	1.9%	
000333.SZ	Midea Group	Household Appliances		23.7		15.6	29.6	53%	-20%	20.4	2.2	9.8x	11.4x	10.9x	2.8x	12.7%	3.9%	
1033.HK	Sinopec SSC	Integrated Oil & Gas	1.7	3.8	126%	1.4	3.2	22%	-46%	0.4	1.9	neg	nm	neg	0.1x	-0.9%	0.0%	
1766.HK	CRRC	Locomotive Engines	6.9	9.2	33%	6.5	11.0	7%	-37%	3.5	2.5	2.5x	2.2x	2.4x	0.3x	7.5%	1.5%	
0995.HK	Anhui Expressway	Toll roads	6.1	14.3	133%	5.3	7.9	16%	-22%	0.3	0.0	2.2x	2.7x	3.8x	0.3x	53.9%	1.6%	
CTRP.O	Ctrip.com International Ltd.	Travel agents		41.2		27.3	57.4	51%	-28%	17.3	0.1	9.0x	18.0x	neg	2.3x	16.6%	0.0%	
600519.SS	Kweichow Moutai	Wineries		285.8		166.2	326.8	72%	-13%	48.3	-5.9	13.6x	22.4x	20.6x	5.2x	66.1%	2.4%	
000858.SZ	Wuliangye Yibin	Wineries		32.5		22.3	38.8	46%	-16%	16.6	-3.6	10.4x	18.0x	17.5x	2.7x	39.0%	2.9%	
600061.SS	SDIC Essence	Yarn Goods		17.8		11.8	34.0	51%	-48%	8.9	-5.9	2.4x	14.6x	na	2.5x	56.0%	0.0%	
<b>Bernstein Value Index China</b>												<b>9.0x</b>	<b>12.7x</b>	<b>10.9x</b>	<b>1.8x</b>	<b>12.9%</b>	<b>2.6%</b>	

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