



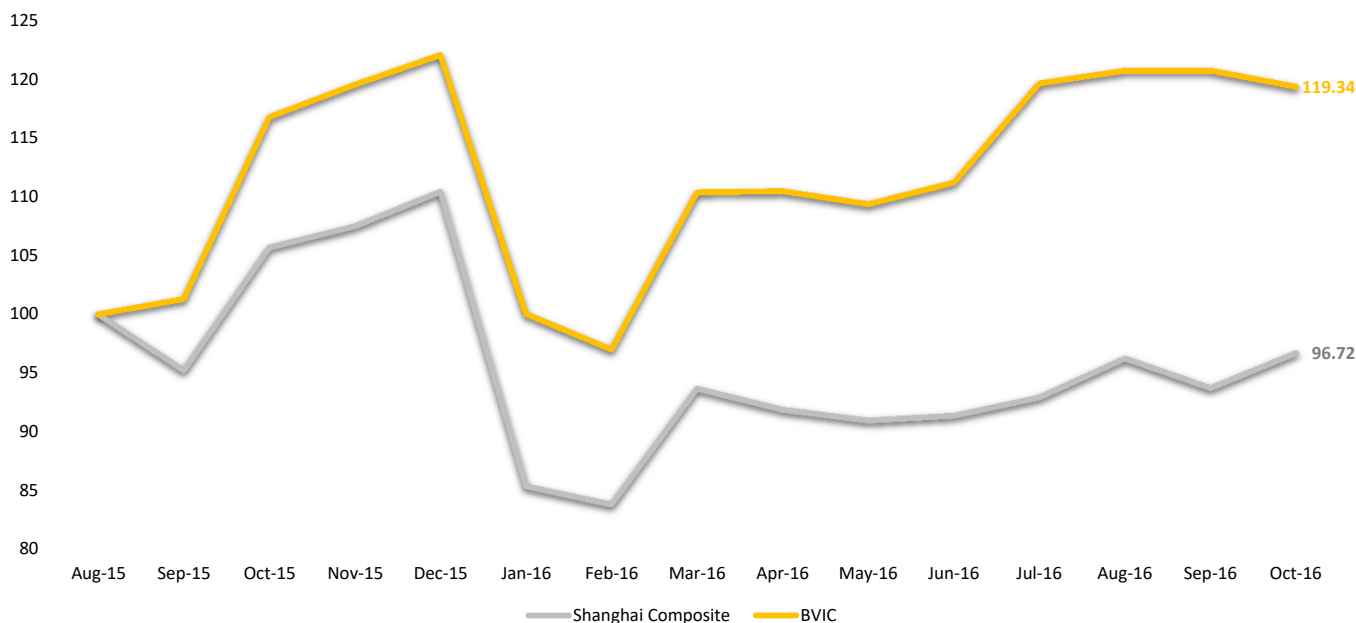
## Market commentary

The Shanghai Composite capped a 3.2% gain in October, as China stocks have rallied by more than 21% from its lows in January, entering an official "bull market". Although the index is still down 48% from its 2007 pre-financial crisis high, and 38% below another smaller peak set last June. Chinese investors are getting back into the market and bidding shares higher as they divert their money away from an overheated housing market that's becoming less and less affordable. Also adding to optimism was news that the long-awaited Shenzhen-HK stock link will go live on Nov. 21, according to Hong Kong media.

## Macro indicators

Indicator	Nxt. reporting date	Period	Q1 15	Q2 15	Q3 15	Q4 15	Q1 16	Q2 16	Q3 16
GDP (yoy)	20.01.2017	Q3 16	7.0%	7.0%	6.9%	6.8%	6.7%	6.7%	6.7%
Inflation (yoy)	20.01.2017	Q3 16	1.4%	1.4%	1.6%	1.6%	2.3%	1.9%	2.1%
Unemployment	20.01.2017	Q3 16	4.1%	4.1%	4.1%	4.1%	4.0%	4.1%	4.0%
Services PMI	20.01.2017	Q3 16	52.3	51.8	50.5	50.2	51.8	52.7	52.4
EUR/CNY			6.7	6.9	7.1	7.0	7.4	7.4	7.4
Brent oil			\$55.1	\$63.6	\$48.4	\$37.3	\$45.0	\$48.0	\$43.8

## 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	14.11.2016	Spring Airlines net profit falls 26% in 3Q
603885.SS	Juneyao Airlines	14.10.2016	Juneyao Airlines pax up 23% to 1.2m in Oct-2016
000069.SZ	Shenzhen Overseas	28.10.2016	Shenzhen Overseas Chinese Town's Q3 net profit up 24.2 pct
000895.SZ	Henan Shuanghui		
600741.SS	Huayu Automotive	27.10.2016	Huayu Automotive Systems' 9-month net profit up 12.1 pct
1057.HK	Zhejiang Shibao	24.10.2016	Zhejiang Shibao plans to raise up to 1.35 bln yuan in share private placement to fund projects
2238.HK	GAC Group	31.10.2016	Guangzhou Automobile Group, one of China's largest state-owned carmakers, saw its shares plunge the most since its initial public offering after announcing it was recalling thousands of vehicles produced by its joint venture in China
600104.SS	SAIC Motor	14.11.2016	Audi AG said on Monday that it was in talks with China's SAIC Motor Corp Ltd for a long-term collaboration
600066.SS	Zhengzhou Yutong Bus Co.	24.10.2016	Zhengzhou Yutong Bus' 9-mth net profit up 22.0 pct
1211.HK	BYD Co Ltd	11.11.2016	Growing E-Bus Market Could Give BYD Its Next Growth Spurt
600887.SS	Inner Mongolia Yili	23.10.2016	Inner Mongolia Yili Soars After Acquiring Stake In Shengmu Organic Milk
603288:CH	Foshan Haitian Flavouring	27.10.2016	Foshan Haitian Flavouring and Food's 9-month net profit up 10.8 pct
000333.SZ	Midea Group		
1033.HK	Sinopec SSC	19.10.2016	Sinopec Oilfield Services Corp, a listed unit of CNPC's upstream business, has forecast a nine-month net loss of 8.9 billion yuan (\$1.3 billion) due to low price
1766.HK	CRRC	11.11.2016	China is building the 'world's fastest' train that travels at half the speed of sound
0995.HK	Anhui Expressway		
CTRP.O	Ctrip.com International Ltd.	27.10.2016	China's Ctrip, already the globe's second largest online travel agency by market cap behind the Priceline Group and ahead of Expedia Inc., is working on a plan to sell trips from the U.S. to destinations around the world.



## Index constituents performance

Ticker	Name	Industry	Share price 31.10.16			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		43.2		40.1	65.7	8%	-34%	4.7	0.5	23.2x	26.7x	22.2x	4.6x	20.0%	0.5%	
603885.SS	Juneyao Airlines	Airlines		25.4		21.1	39.8	21%	-36%	4.4	0.6	21.3x	24.4x	19.7x	4.3x	18.0%	0.9%	
000069.SZ	Shenzhen Overseas	Amusement Parks		6.9		5.9	9.9	18%	-30%	7.7	2.3	8.9x	11.2x	10.2x	1.4x	24.6%	1.0%	
000895.SZ	Henan Shuanghui	Animal Slaughtering		22.9		16.3	25.7	41%	-11%	10.3	-0.1	12.3x	17.1x	16.6x	5.8x	11.9%	3.8%	
600741.SS	Huayu Automotive	Auto parts		16.5		12.3	17.9	34%	-8%	7.1	-2.3	4.0x	9.9x	9.3x	1.4x	7.9%	5.1%	
1057.HK	Zhejiang Shibao	Auto parts	11.4	46.6	309%	6.5	12.7	77%	-10%	0.1	0.0	11.1x	15.6x	na	0.6x	7.2%	1.1%	
2238.HK	GAC Group	Automobiles	9.4	23.1	146%	6.2	12.1	52%	-23%	2.5	-1.8	1.5x	2.8x	2.6x	0.4x	9.1%	2.2%	
600104.SS	SAIC Motor	Automobiles		23.7		17.6	24.7	35%	-4%	35.5	-6.8	4.3x	8.3x	8.3x	1.4x	6.8%	5.8%	
600066.SS	Zhengzhou Yutong Bus Co.	Automobiles		21.6		17.5	24.0	23%	-10%	6.5	0.2	10.6x	12.1x	11.8x	4.0x	13.6%	6.9%	
1211.HK	BYD Co Ltd	Automobiles	50.6	56.2	11%	32.1	57.3	58%	-12%	5.5	4.3	5.5x	14.5x	14.3x	1.3x	14.3%	0.8%	
600887.SS	Inner Mongolia Yili	Dairy Products		18.0		12.5	19.5	44%	-8%	14.8	-1.9	15.4x	20.3x	20.4x	5.0x	10.2%	2.8%	
603288.CH	Foshan Haitian Flavouring	Food Ingredients		31.3		25.0	37.1	25%	-16%	11.5	-0.4	25.3x	31.8x	29.3x	9.2x	26.6%	1.9%	
000333.SZ	Midea Group	Household Appliances		27.2		16.8	29.6	62%	-8%	23.7	1.8	10.2x	12.0x	12.0x	3.0x	12.8%	2.9%	
1033.HK	Sinopec SSC	Integrated Oil & Gas	1.6	3.9	144%	1.4	2.4	16%	-33%	0.4	2.4	neg	nm	neg	0.2x	-11.7%	0.0%	
1766.HK	CRRC	Locomotive Engines	7.0	9.3	32%	6.5	10.7	9%	-34%	3.7	1.4	1.4x	2.3x	2.6x	0.3x	10.8%	2.5%	
0995.HK	Anhui Expressway	Toll roads	6.3	13.1	108%	5.3	7.1	18%	-12%	0.4	0.0	2.2x	2.9x	4.0x	0.3x	51.7%	4.2%	
CTRP.O	Ctrip.com International Ltd.	Travel agents		44.2		35.5	57.4	24%	-23%	20.0	2.1	14.8x	56.2x	neg	2.6x	11.2%	0.0%	
600519.SS	Kweichow Moutai	Wineries		318.0		195.5	326.8	63%	-3%	54.2	-8.4	14.1x	24.1x	22.8x	5.8x	64.3%	2.0%	
000858.SZ	Wuliangye Yibin	Wineries		35.0		22.3	38.8	57%	-10%	18.0	-4.6	11.0x	19.9x	18.6x	2.9x	37.3%	2.4%	
600061.SS	SDIC Essence	Yarn Goods		15.9		14.6	31.8	9%	-50%	8.0	-5.4	5.4x	18.9x	na	2.2x	34.4%	1.3%	
<b>Bernstein Value Index China</b>												<b>10.2x</b>	<b>14.5x</b>	<b>11.9x</b>	<b>1.8x</b>	<b>12.4%</b>	<b>2.6%</b>	

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