

**ZEW/Fudan China Economic Panel: Results January 2018**

<b>Current economic situation</b>	<b>very good</b>		<b>good</b>		<b>normal</b>		<b>bad</b>		<b>very bad</b>		<b>balance</b>	
China	2.2	(- 5.2)	50.0	(+13.0)	41.3	(-10.6)	6.5	(+ 2.8)	0.0	(+/- 0.0)	24.0	(- 0.1)
Eurozone	4.7	(-)	51.2	(-)	37.1	(-)	7.0	(-)	0.0	(-)	26.8	(-)
USA	12.5	(- 7.5)	62.5	(+ 2.5)	25.0	(+ 5.0)	0.0	(+/- 0.0)	0.0	(+/-0.0)	43.8	(- 6.2)
<b>Economic expectation (1 Y)</b>	<b>improve</b>		<b>slightly improve</b>		<b>not change</b>		<b>slightly worsen</b>		<b>worsen</b>		<b>balance</b>	
China (CEP-Indicator)	4.3	(+ 0.7)	26.1	(+ 1.1)	37.0	(+19.2)	32.6	(-21.0)	0.0	(+/- 0.0)	1.1	(+11.8)
<b>GDP (growth rate) in %</b>	<b>2018Q1</b>		<b>2018Q2</b>		<b>2018</b>		<b>2018</b>		<b>2018</b>		<b>2019</b>	
China	6.7				6.7				6.6			6.5
Eurozone	2.5				2.5				2.5			2.4
USA	2.7				2.8				2.8			2.8
<b>Inflation (CPI) in %</b>			<b>3 months</b>				<b>1 year</b>					
China			1.8 (1.9)				2.0 (2.1)					
Eurozone			1.5				1.6					
USA			2.2 (2.4)				2.3 (2.2)					
<b>Wage Inflation in %</b>			<b>3 months</b>				<b>1 year</b>					
China			8.6				8.5					
Eurozone			1.6				1.7					
USA			2.8				2.9					
<b>Interest rates</b>			<b>3 months</b>				<b>1 year</b>					
SHIBOR (3 months)			4.9 (4.7)				4.9 (4.8)					
One-year deposit rate			1.5 (1.5)				1.6 (1.6)					
One-year lending rate			4.4 (4.4)				4.5 (4.4)					
<b>Stock market indices</b>			<b>3 months</b>				<b>1 year</b>					
SSE Composite Index			3.394 (3.369)				3.573 (3.376)					
Hang Seng Index			30.361 (29.397)				31.382 (43.679)					
Growth Enterprise Market Index (SZ)			1.123 (1.485)				1.162 (1.541)					
WTI Crude Oil (US-Dollar)			61 (58)				63 (59)					
<b>Monetary aggregate M2 (6 M)</b>	<b>increase</b>		<b>slightly increase</b>		<b>not change</b>		<b>slightly decrease</b>		<b>decrease</b>		<b>balance</b>	
China M2 growth rate	9.8	(+ 9.8)	53.7	(-11.5)	17.0	(+ 8.3)	19.5	(- 6.6)	0.0	(+/- 0.0)	26.9	(+ 7.3)
<b>Specific indicators China (1 Y)</b>	<b>increase</b>		<b>slightly increase</b>		<b>not change</b>		<b>slightly decrease</b>		<b>decrease</b>		<b>balance</b>	
Foreign exchange reserves	5.1	(+ 0.6)	46.2	(- 8.3)	20.5	(- 6.9)	28.2	(+14.6)	0.0	(+/- 0.0)	14.1	(-10.9)
FDI outflow (out of China)	14.6	(+ 5.5)	51.2	(-12.4)	14.7	(+ 1.0)	17.1	(+ 3.5)	2.4	(+ 2.4)	29.3	(- 4.8)
FDI inflow (into China)	7.3	(+ 2.8)	36.6	(+ 4.8)	14.7	(- 8.1)	39.0	(- 1.9)	2.4	(+ 2.4)	3.7	(+ 3.8)
Export activity	9.8	(- 3.8)	68.3	(+ 4.7)	17.0	(+12.4)	4.9	(-13.3)	0.0	(+/- 0.0)	41.5	(+ 5.2)
Import activity	12.2	(- 1.4)	43.9	(-15.2)	24.4	(+15.3)	19.5	(+ 1.3)	0.0	(+/- 0.0)	24.4	(- 9.7)
Private Consumption	14.6	(-)	58.5	(-)	22.0	(-)	4.9	(-)	0.0	(-)	41.4	(-)
Private Investment	7.3	(-)	41.5	(-)	24.4	(-)	24.4	(-)	2.4	(-)	13.5	(-)
Govt. Consumption	17.1	(-)	58.5	(-)	14.6	(-)	9.8	(-)	0.0	(-)	41.5	(-)
Debt Domestic	7.3	(-)	58.5	(-)	19.6	(-)	14.6	(-)	0.0	(-)	29.3	(-)
Debt Foreign	2.5	(-)	40.0	(-)	32.5	(-)	25.0	(-)	0.0	(-)	10.0	(-)
Employment rate	2.4	(+ 2.4)	26.8	(-14.1)	53.7	(+26.4)	17.1	(-14.7)	0.0	(+/- 0.0)	7.3	(+ 2.7)
Growth rate of new car registrations	9.8	(+ 0.7)	56.1	(- 3.0)	19.5	(+ 1.3)	12.2	(+ 3.1)	2.4	(- 2.1)	29.4	(- 0.2)
Total share of world trade	5.0	(+ 0.5)	60.0	(+ 5.5)	30.0	(- 1.9)	5.0	(- 4.1)	0.0	(+/- 0.0)	32.5	(+ 5.3)
<b>Exchange rates</b>			<b>3 months</b>				<b>1 year</b>					
Yuan / US-Dollar			6.54 (6.66)				6.66 (6.74)					
Yuan / Euro			7.69 (0.00)				7.75 (0.00)					
<b>Sectors (1 Y)</b>	<b>increase</b>		<b>slightly increase</b>		<b>not change</b>		<b>slightly decrease</b>		<b>decrease</b>		<b>balance</b>	
Retail banking	5.4	(- 3.7)	43.2	(-20.4)	32.5	(+23.4)	18.9	(+ 0.7)	0.0	(+/- 0.0)	17.6	(-14.2)
Investment banking	10.8	(- 2.8)	59.5	(+ 9.5)	16.2	(+ 2.5)	13.5	(- 4.7)	0.0	(- 4.5)	33.8	(+ 8.8)
Insurance	18.4	(-20.7)	63.2	(+19.7)	13.1	(+ 8.7)	5.3	(- 7.7)	0.0	(+/- 0.0)	47.4	(- 7.0)
Automotive	23.1	(+14.4)	41.0	(-15.5)	18.0	(- 3.8)	17.9	(+ 9.2)	0.0	(- 4.3)	34.7	(+ 6.4)
Chemical / Pharmaceutical	15.4	(+ 6.3)	59.0	(+13.5)	23.0	(+ 0.3)	2.6	(-20.1)	0.0	(+/- 0.0)	43.6	(+23.1)
Machinery / Engineering	13.2	(+ 4.5)	42.1	(- 1.4)	26.3	(+ 4.6)	18.4	(- 7.7)	0.0	(+/- 0.0)	25.1	(+ 7.7)
Electronics	12.8	(- 0.2)	48.7	(- 7.8)	23.1	(+ 5.6)	15.4	(+ 2.4)	0.0	(+/- 0.0)	29.5	(- 5.3)
Retail and commerce	12.8	(+ 3.7)	59.0	(- 9.2)	18.0	(+ 4.4)	5.1	(- 4.0)	5.1	(+ 5.1)	34.7	(- 4.0)
Construction	10.3	(- 3.3)	30.8	(+ 3.5)	23.0	(+ 4.8)	30.8	(- 1.0)	5.1	(- 4.0)	5.2	(+ 2.9)
Energy	18.4	(+ 0.2)	60.5	(+ 1.4)	10.6	(+ 1.5)	10.5	(- 3.1)	0.0	(+/- 0.0)	43.4	(+ 2.4)
Information Technology	34.2	(- 6.7)	47.4	(+ 1.9)	7.9	(+ 3.4)	10.5	(+ 1.4)	0.0	(+/- 0.0)	52.7	(- 6.4)
Services	26.3	(-10.1)	55.3	(+ 5.3)	13.1	(+ 4.0)	5.3	(+ 0.8)	0.0	(+/- 0.0)	51.3	(- 7.9)
<b>Economic expectation (1 Y)</b>	<b>improve</b>		<b>slightly improve</b>		<b>not change</b>		<b>slightly worsen</b>		<b>worsen</b>		<b>balance</b>	
Beijing	5.0	(+ 5.0)	35.0	(-10.5)	42.5	(+10.7)	15.0	(- 3.2)	2.5	(- 2.0)	12.5	(+ 3.3)
Shanghai	5.0	(+ 0.5)	47.5	(- 2.5)	35.0	(- 1.4)	12.5	(+ 3.4)	0.0	(+/- 0.0)	22.5	(- 2.5)
Hong Kong	5.0	(+ 5.0)	15.0	(- 8.8)	52.5	(+ 9.6)	27.5	(- 5.8)	0.0	(+/- 0.0)	-1.3	(+ 3.5)
Guangzhou	10.3	(+ 5.5)	46.2	(+ 3.3)	30.7	(- 2.6)	12.8	(- 6.2)	0.0	(+/- 0.0)	27.0	(+10.2)
Shenzhen	28.2	(- 5.1)	41.0	(- 1.9)	18.0	(+ 3.7)	12.8	(+ 3.3)	0.0	(+/- 0.0)	42.3	(- 7.7)
Tianjin	12.8	(- 6.2)	38.5	(+14.7)	17.9	(- 6.0)	28.2	(- 5.1)	2.6	(+ 2.6)	15.4	(+ 1.1)
Chongqing	15.4	(- 3.6)	43.6	(+ 0.7)	20.5	(+ 1.4)	17.9	(- 1.1)	2.6	(+ 2.6)	25.7	(- 5.3)
<b>Real estate price expectation (1 Y)</b>	<b>increase</b>		<b>slightly increase</b>		<b>not change</b>		<b>slightly decrease</b>		<b>decrease</b>		<b>balance</b>	
Beijing	15.0	(+10.5)	27.5	(+ 9.3)	27.5	(- 8.9)	30.0	(- 6.4)	0.0	(- 4.5)	13.8	(+22.9)
Shanghai	17.5	(+13.0)	32.5	(+ 5.2)	25.0	(- 6.9)	25.0	(- 6.8)	0.0	(- 4.5)	21.3	(+23.6)
Hong Kong	15.8	(+11.3)	28.9	(-12.0)	31.6	(+13.4)	21.1	(- 6.2)	2.6	(- 6.5)	17.1	(+14.9)
Guangzhou	15.4	(+10.4)	28.2	(- 1.8)	38.5	(+ 3.5)	17.9	(- 7.1)	0.0	(- 5.0)	20.6	(+18.1)
Shenzhen	20.5	(+11.0)	20.5	(-12.8)	35.9	(+ 2.5)	23.1	(+ 4.1)	0.0	(- 4.8)	19.2	(+ 7.3)
Tianjin	12.8	(+ 3.3)	25.6	(+ 6.6)	28.3	(- 9.9)	28.2	(+ 4.4)	5.1	(- 4.4)	6.4	(+ 8.8)
Chongqing	10.3	(+10.3)	33.3	(+ 4.7)	41.0	(-11.4)	10.3	(+ 0.8)	5.1	(- 4.4)	16.7	(+16.6)

Note: 46 analysts participated in the January survey, which was conducted during the period 1/2-1/11/2018. The analysts were asked about their expectations for the respective time horizons (Y = year, M = month). Numbers displayed are percentages in case of directional forecasts (change compared to previous survey in parentheses) and numerical values in case of point forecasts (results of previous survey in parentheses). Balances refer to the weighted distributions from positive and negative assessments.