

**ZEW/Fudan China Economic Panel: Results October 2016**

<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	3.1	(+ 0.4)	15.6	(+12.9)	65.7	(- 1.9)	15.6	(- 8.7)	0.0	(- 2.7)	3.1	(+13.9)				
Eurozone	0.0	(+/- 0.0)	3.8	(- 1.9)	61.6	(+13.1)	30.8	(-12.1)	3.8	(+ 0.9)	-17.3	(+ 4.2)				
USA	0.0	(- 5.7)	34.6	(+ 8.9)	61.6	(+ 1.6)	3.8	(- 4.8)	0.0	(+/- 0.0)	15.4	(+ 1.1)				
<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)	3.0	(+ 0.3)	33.3	(+ 6.3)	30.3	(- 4.9)	27.3	(- 2.4)	6.1	(+ 0.7)	-0.1	(+ 4.0)				
<b>GDP (growth rate) in %</b>	<b>2016Q4</b>				<b>2017Q1</b>				<b>2016</b>				<b>2017</b>			
China	6.6				6.6				6.6				6.4			
Eurozone	1.6				1.6				1.5				1.6			
USA	0.9				0.9				1.0				1.2			
<b>Inflation (CPI) in %</b>	<b>3 months</b>								<b>1 year</b>							
China	2.0 (1.5)								2.2 (1.7)							
Eurozone	0.4 (0.2)								0.4 (0.3)							
USA	1.4 (1.0)								1.5 (1.1)							
<b>Interest rates</b>	<b>3 months</b>								<b>1 year</b>							
SHIBOR (3 months)	2.8 (2.6)								2.7 (2.5)							
One-year deposit rate	1.5 (1.3)								1.5 (1.2)							
One-year lending rate	4.3 (3.8)								4.3 (3.6)							
<b>Stock market indices</b>	<b>3 months</b>								<b>1 year</b>							
SSE Composite Index	3.107 (3.107)								3.254 (3.457)							
Hang Seng Index	23.472 (23.817)								23.824 (24.799)							
Growth Enterprise Market Index (SZ)	1.651 (1.743)								1.726 (1.828)							
WTI Crude Oil (US-Dollar)	51 (44)								54 (48)							
<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	11.1	(+ 2.3)	55.6	(- 3.2)	14.8	(- 8.8)	14.8	(+ 6.0)	3.7	(+ 3.7)	27.8	(- 6.0)				
<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	0.0	(- 2.9)	24.1	(+12.3)	10.4	(- 4.3)	58.6	(- 3.2)	6.9	(- 1.9)	-24.2	(+ 6.7)				
FDI outflow (out of China)	34.5	(+ 7.2)	41.4	(- 7.1)	10.3	(+ 1.3)	13.8	(+ 4.7)	0.0	(- 6.1)	48.3	(+ 7.4)				
FDI inflow (into China)	0.0	(+/- 0.0)	35.7	(+ 8.4)	14.3	(-13.0)	46.4	(+ 4.0)	3.6	(+ 0.6)	-9.0	(+ 1.6)				
Export activity	6.9	(+ 4.0)	51.7	(+ 0.3)	10.4	(- 9.6)	27.6	(+ 1.9)	3.4	(+ 3.4)	15.6	(- 0.2)				
Import activity	6.9	(+ 1.2)	51.7	(+ 6.0)	13.9	(- 6.1)	24.1	(- 4.5)	3.4	(+ 3.4)	17.3	(+ 3.0)				
Domestic consumption	10.0	(- 7.1)	46.7	(- 7.6)	16.7	(+ 2.4)	23.3	(+11.9)	3.3	(+ 0.4)	18.4	(-17.3)				
Employment rate	3.4	(+ 3.4)	13.8	(- 9.7)	48.4	(+ 7.2)	24.1	(- 8.3)	10.3	(+ 7.4)	-12.1	(- 4.7)				
Growth rate of new car registrations	3.4	(- 6.0)	41.4	(- 8.6)	31.1	(+ 6.1)	13.8	(- 1.8)	10.3	(+10.3)	6.9	(-19.7)				
Total share of world trade	0.0	(- 6.1)	57.1	(+20.7)	32.2	(- 7.1)	10.7	(- 4.5)	0.0	(- 3.0)	23.2	(+ 9.5)				
<b>Exchange rates</b>	<b>3 months</b>								<b>1 year</b>							
Yuan / US-Dollar	6.79 (6.33)								6.99 (6.49)							
US-Dollar / Euro	1.10 (0.88)								1.09 (0.85)							
<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	4.3	(+ 4.3)	52.2	(+ 7.8)	17.5	(- 8.5)	13.0	(-12.9)	13.0	(+ 9.3)	10.9	(+ 5.3)				
Investment banking	13.0	(+ 1.9)	56.5	(+ 8.4)	17.5	(- 1.1)	8.7	(- 6.1)	4.3	(- 3.1)	32.6	(+12.2)				
Insurance	21.7	(- 0.5)	43.5	(-15.8)	21.8	(+10.7)	8.7	(+ 5.0)	4.3	(+ 0.6)	34.8	(-11.5)				
Automotive	0.0	(-14.3)	50.0	(+ 3.6)	20.8	(- 7.8)	25.0	(+17.9)	4.2	(+ 0.6)	8.3	(-22.1)				
Chemical / Pharmaceutical	8.7	(- 5.6)	21.7	(-28.3)	52.2	(+23.6)	17.4	(+10.3)	0.0	(+/- 0.0)	10.9	(-24.9)				
Machinery / Engineering	4.3	(- 2.8)	34.8	(- 4.5)	30.5	(- 5.2)	26.1	(+ 8.2)	4.3	(+ 4.3)	4.4	(-13.4)				
Electronics	8.7	(-13.5)	39.1	(-12.8)	26.2	(+ 7.7)	21.7	(+14.3)	4.3	(+ 4.3)	13.1	(-31.4)				
Retail and commerce	13.0	(- 1.8)	34.8	(-13.3)	34.8	(+12.5)	17.4	(+ 2.6)	0.0	(+/- 0.0)	21.7	(- 9.8)				
Construction	12.5	(- 1.3)	25.0	(+11.2)	25.0	(-16.4)	25.0	(- 2.6)	12.5	(+ 9.1)	0.0	(- 3.5)				
Energy	13.0	(+ 5.6)	30.4	(+ 8.2)	34.9	(- 2.2)	13.0	(-16.6)	8.7	(+ 5.0)	13.0	(+13.0)				
Information Technology	37.5	(-18.1)	33.3	(+/- 0.0)	16.7	(+ 5.6)	12.5	(+12.5)	0.0	(+/- 0.0)	47.9	(-24.4)				
Services	43.5	(+18.5)	26.1	(-31.0)	13.0	(- 4.9)	17.4	(+17.4)	0.0	(+/- 0.0)	47.9	(- 5.7)				
<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	17.4	(+ 9.4)	34.8	(+ 2.8)	26.1	(-17.9)	21.7	(+ 5.7)	0.0	(+/- 0.0)	24.0	(+ 8.0)				
Shanghai	17.4	(+ 9.4)	39.1	(- 4.9)	26.2	(-13.8)	13.0	(+ 5.0)	4.3	(+ 4.3)	26.2	(+ 0.2)				
Hong Kong	8.7	(+ 8.7)	17.4	(+ 2.0)	34.8	(-11.3)	34.8	(- 3.7)	4.3	(+ 4.3)	-4.3	(+ 7.3)				
Guangzhou	21.7	(+17.7)	43.5	(+ 3.5)	17.4	(-26.6)	17.4	(+ 5.4)	0.0	(+/- 0.0)	34.8	(+16.8)				
Shenzhen	21.7	(+ 9.7)	43.5	(- 0.5)	21.8	(-10.2)	13.0	(+ 1.0)	0.0	(+/- 0.0)	37.0	(+ 9.0)				
Tianjin	13.0	(+ 5.0)	39.1	(+15.1)	13.2	(-38.8)	30.4	(+14.4)	4.3	(+ 4.3)	13.1	(+ 1.1)				
Chongqing	26.1	(- 1.9)	34.8	(+18.8)	13.1	(-38.9)	21.7	(+17.7)	4.3	(+ 4.3)	28.4	(- 5.6)				
<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	12.5	(- 2.9)	45.8	(- 8.0)	12.5	(- 6.8)	29.2	(+21.5)	0.0	(- 3.8)	20.8	(-13.9)				
Shanghai	12.5	(- 2.9)	45.8	(- 8.0)	16.7	(- 2.6)	25.0	(+17.3)	0.0	(- 3.8)	22.9	(-11.8)				
Hong Kong	8.3	(+ 4.6)	29.2	(+ 3.3)	33.3	(+ 7.3)	29.2	(- 7.8)	0.0	(- 7.4)	8.3	(+17.6)				
Guangzhou	16.7	(+16.7)	29.2	(-32.3)	29.1	(+ 5.9)	25.0	(+13.5)	0.0	(- 3.8)	18.8	(- 2.4)				
Shenzhen	20.8	(- 2.3)	25.0	(-13.5)	25.0	(+ 9.6)	29.2	(+10.0)	0.0	(- 3.8)	18.7	(-10.3)				
Tianjin	8.7	(+ 8.7)	43.5	(-10.3)	13.0	(-17.9)	34.8	(+23.3)	0.0	(- 3.8)	13.1	(- 4.3)				
Chongqing	16.7	(+ 9.0)	50.0	(+/- 0.0)	12.5	(-22.1)	20.8	(+13.1)	0.0	(+/- 0.0)	31.3	(+ 2.4)				

Note: 33 analysts participated in the October survey, which was conducted during the period 10/17-11/2/2016. 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.