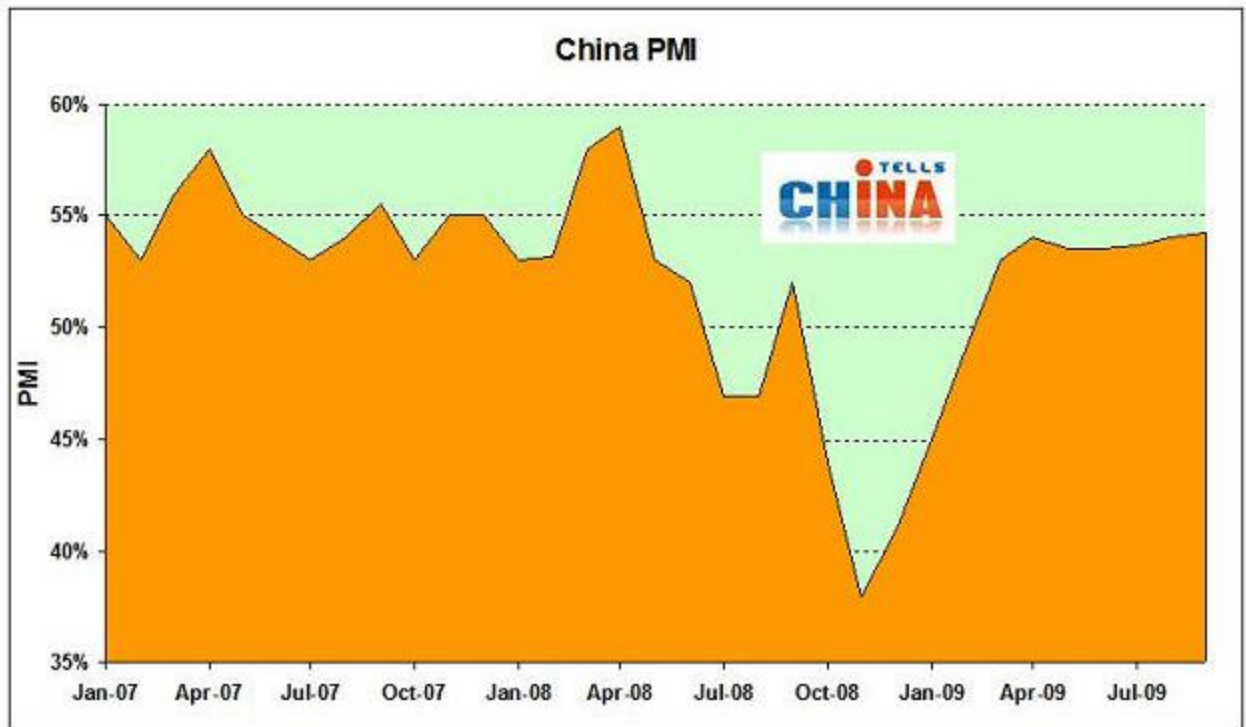




November 1, 2009 – November 30, 2009
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China's PMI in Oct rises to 55.2% (采购经理指数微升至 55.2)

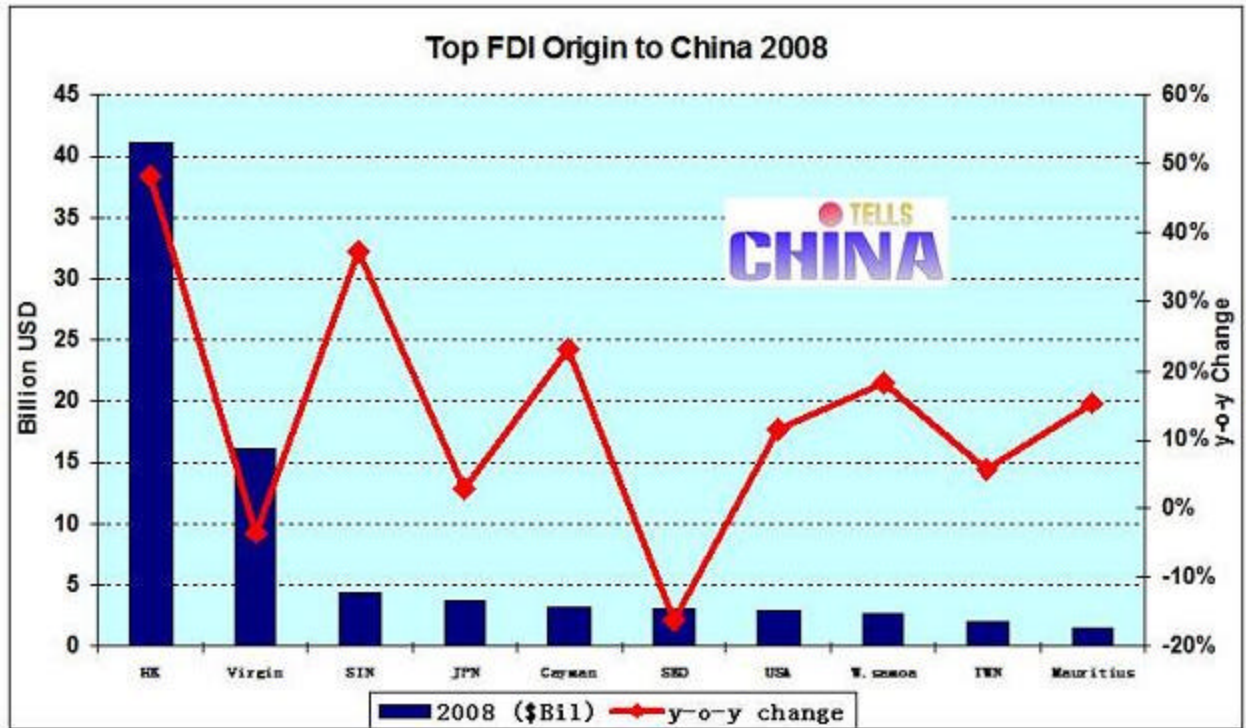


China's PMI in October rises to 55.2%, according to latest data released by CFLP (See [Article from Chinaview](#)). Such a read is the highest since May 2008. PMI is one of the indicators to gauge the health of manufacturing sector. A PMI above 50% indicates that the industry is growing at a decent pace with healthy demand. China's PMI has been above 50% since March 2009.

中国采购经理指数在 10 月份达到 55.2%，显示制造业继续稳步增长。采购经理指数是衡量经济健康程度的指标之一，一般来讲，如果采购经理指数超过 50%，则

显示行业正在扩张，反之则显示生产收缩。从今年 3 月份以来，中国采购经理指数持续在 50%以上。

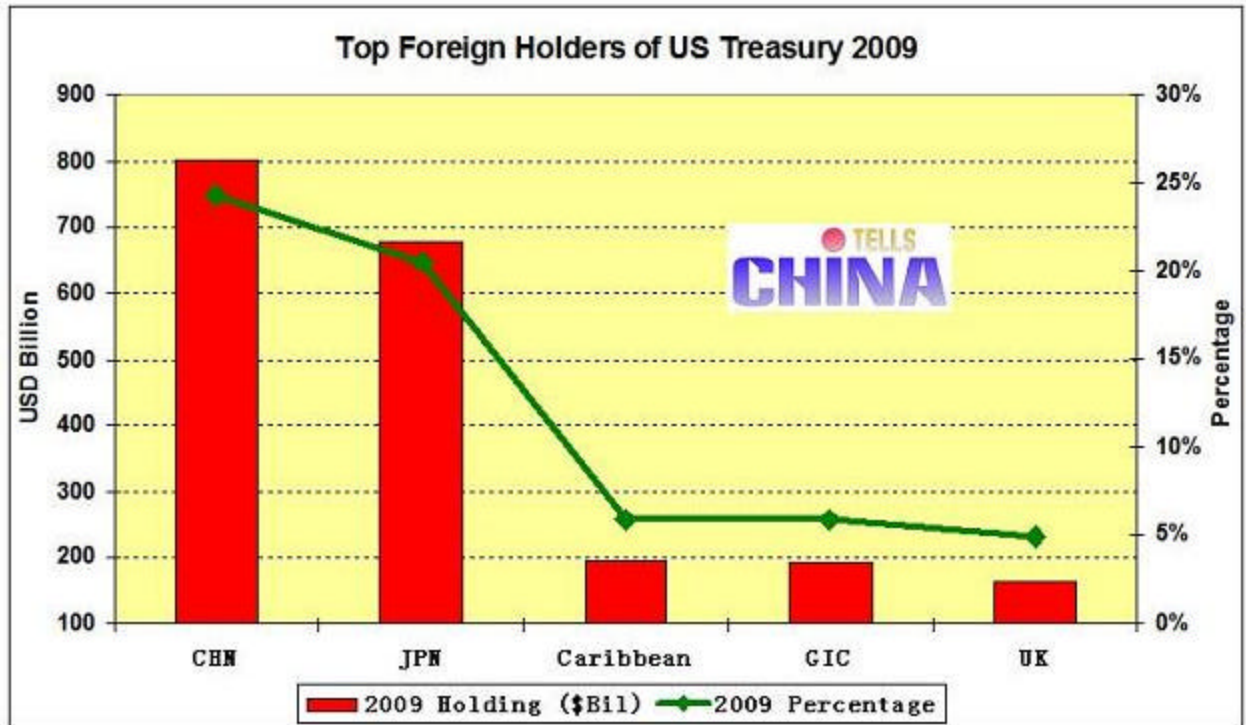
Hong Kong is China's Top FDI Origin (直接外资主要来自香港)



Hong Kong is China's top non-financial FDI (Foreign Direct Investment) Origin. According to the stats from China's Bureau of Statistics, Hong Kong invested about 41 Billion USD into mainland China in 2008, a 48% increase from that of last year. The second biggest origin is Virgin Island, amounting to about 16 Billion USD. Other main origins are Singapore, Japan, Cayman Island, South Korea and USA etc. Taiwan is also among the top ten origins.

香港是在中国进行直接外资投资最大的原产地。在 2008 年香港总共对大陆进行直接投资约 410 亿美元，远远超出其他投资大国。在对中国投资最多的十大国家地区中，也包括维京和开曼群岛，以及日本，美国，新加坡和韩国。香港对大路的直接投资主要受惠于一些优惠政策，以及地理位置靠近，交通方便，语言相通，文化习俗相近等等。

China is US Treasury Top Holder (中国是美国最大债主)



China surpassed Japan to become the top holder of US Treasury Securities. According to the latest data from US Treasury, as of June 2009, China holds more than 800 Billion USD in US Treasury, which is about 25% of total US Treasury Security. China's total foreign reserve is about 2 Trillion (See [Graph HERE](#)). Therefore holdings of US Treasury accounts for about 40% of China's total reserve. The second biggest holder is Japan, holding about 670 Billion USD. The other big holders are Caribbean Banking Centers, Gulf Oil Exporters and UK.

中国在 2009 年超越日本成为美国国债最大的持有国。据美国财政部统计资料显示，中国在 09 年持有美国国债约 8 千亿美元，占有美国总国债的 25% 左右。按照中国外汇总储备 2 万亿美元左右的水平，大约 40% 投在美国国债之中，因此美国国债的升贬值对中国外汇储备的安全性至关重要。

[美国的社会主义道路\(Is America more Socialized than China?\)](#)

Nov 1

Posted by [Wushu](#) in [From China \(内部思潮\)](#), [Macro China \(国际视点\)](#) | [No Comments](#) | [Edit](#)



金融危机以来，美国政府陆续成为美国几家最大的公司的最大股东，比如花旗银行（43%），美国银行等等。同时美国政府也出手挽救了一些濒临破产的公司，如通用汽车，克莱斯勒等等。这是否以为着美国政府正在走社会主义道路？美国这个资本主义阵营里的老大哥是否要抛弃私有化，跑步奔向马克思主义？经济学家叶檀和 陈志武就此展开讨论（点击[此处阅读原文](#)）。目前看来，奥巴马总统属于保守左派似乎没有什么疑问，美国政府的保护主义倾向应该会越来越严重，很可能走向罗斯福当年的老路。照此以往，世界经济通过开放 贸易和自由竞争来走出衰退的希望几乎为零。中国如果保持人民币对美元的锁定汇率，可能还能保住出口对国民经济产值的贡献。一旦人民币汇率被迫重调，管中窥 豹判断美国政府的政策导向，中国出口受到限制几乎板上钉钉。

America is the most powerful state in the camp of world capitalism. However, the current Obama administration shows a strong signal of socializing the country. For example, American government now is the biggest shareholder of some big financial institutions such as Citi, AIG, BOA, and big manufacturers such as GM. Why shall the government save these companies? Shouldn't the government allow them to go down like what they did to Lehman Brother? It is a big question and debate not only in America but also in other countries. After all, due to globalization and world presense of multinational corporations, a butterfly's move in America could could have an impact on almost any corner of the planet.

China and US Trade Talks ahead (中美即将就双边贸易进行磋商)



China and US has a bilateral trade relationship worth about 400 Billion USD a year. This is higher than any other trading volume between any two countries in the world. This year, China and US trade volume has decreased to 144 Billion USD during Jan-Aug due to a lot of reasons. Both countries want to improve the trading relationship and erase the conflict (See [Article about China and US Trade Dispute Here](#)). During Obama's visit to China in second half November the two governments are expected to discuss

all these issues (See [Article from Business Week Here](#)). On American Government's agenda there is a long wish list, such as more open Chinese market to medical, media product, IT product etc, and less protectionistic call from China government to buy 'made in China' (Isn't American government to first to call for 'buy America?'), and the exchange rate of RMB. On China's side, the list is at least long: unjustified tariff on China tires and steel pipe, security of China's holding in US Treasury and USD reserve, American government's tendency to be protectionist, and the commitment from American government to curb the CO2 emission to protect the environment.

中美即将就双边贸易问题展开一系列的会谈。目前美国商贸部长和国会议员先行和中国国务院部级高干进行磋商，为 11 月底的胡奥会谈投石问路。两个国家都有一长串问题要互相探讨，希望对方给与合作。目前看来，如果两国政府领导抱着开放合作的心态，那么很可能达成许多双赢协议。但是如果有一方有保护主义倾向，那么可能会谈的结果甚至让局势变得更差。

China's Industrial Production and FAI continues healthy growth (工业产值和固定资产投资继续大幅增长)



China's Industrial production and Fixed Asset Investment continues healthy growth in Sept 09. The industrial production increased 12.9% y-o-y in September, which is the highest in the last 12 months. It seems the stimulus program is having a very positive impact on manufacturers and the production is not affected hugely despite a slow down in export. The Fixed Asset investment, in the meanwhile, grew 35% y-o-y.

China has always relied heavily on Fixed Asset investment instead of consumption for its GDP growth. Most of such Fixed Asset Investment comes from Government investments in heavy industries such as railway and power grid.

中国的工业产值和固定资产投资在 9 月份继续快速增长。这和中央宽松的 财政和货币政策密不可分。在一般情况下，如果出口经济受打击，工厂存货增加，制造商理应减少生产并且优先清理存货。但是中央的刺激政策给了制造商一根生命线，以至于在欧美日等外部需求不振的情况下工厂还能继续开工。这样做的好处是保住了就业，但是潜在的威胁是这么多过剩产能总有一天不能被疲弱的需求消化。目前看来最大的希望还是欧美复苏，这样中国巨大的产能才有可能被外部需求吸收。

China Money Growth Tops World (银根放的很松)

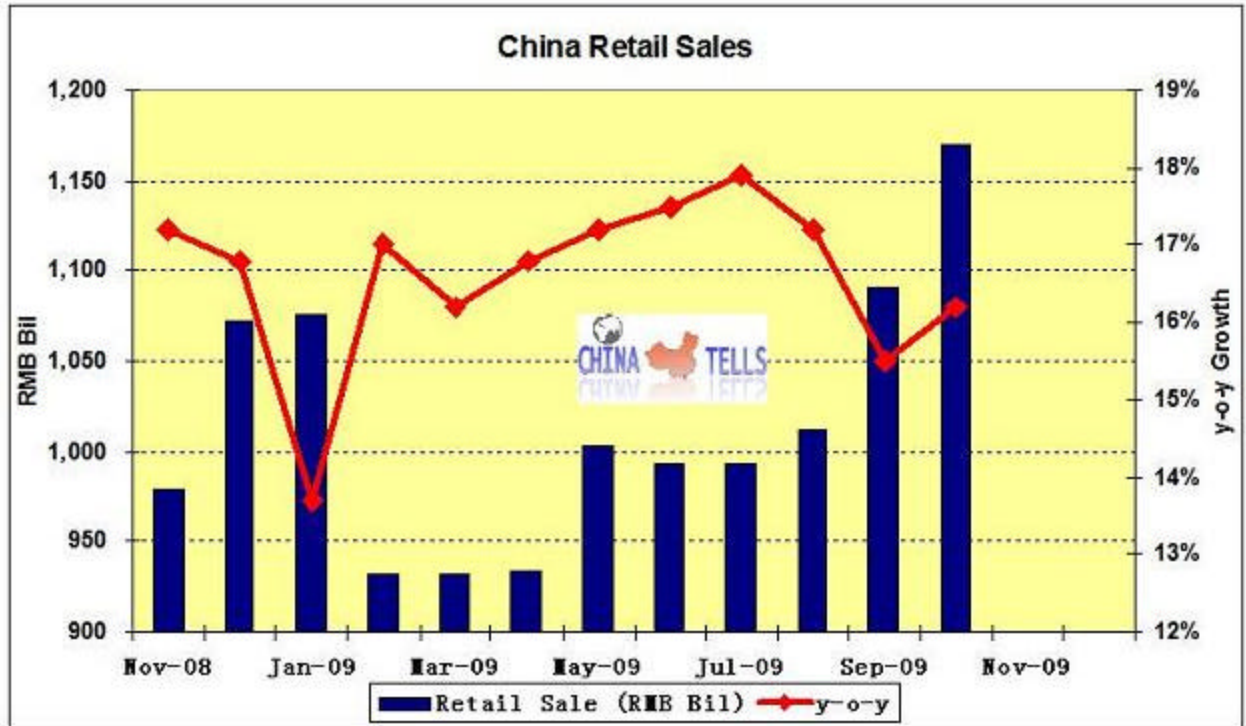


China government and central bank continues with the loose monetary policy in Sept 09. According to data from People's Bank of China, China's M2 grew 29.3% y-o-y in Sept, and China's RMB Loan grew 34.2% y-o-y. China's money supply has been growing at more than 15% since Q4 2008. Such a growth is one of the fastest in the world. The government seems to be aware of the loose growth and potential caveat such as asset bubble and inflation threaten and start to think of tightening the tap. IT is estimated that the money growth in Q4 09 shall slow down.

中国货币供给量在 09 年快速增长。M2 和人民币贷款的增速双双在九月 超过 25% 以上。这样的增速在国际范围也属罕见。中央政府在年初开始大力推行刺激政

策，目前的增长应该还属于刺激政策的惯性效应。但是过量增长也引发政府对资产泡沫的担忧。目前看来政府可能会在接下来的几个月减缓贷款的发放量。

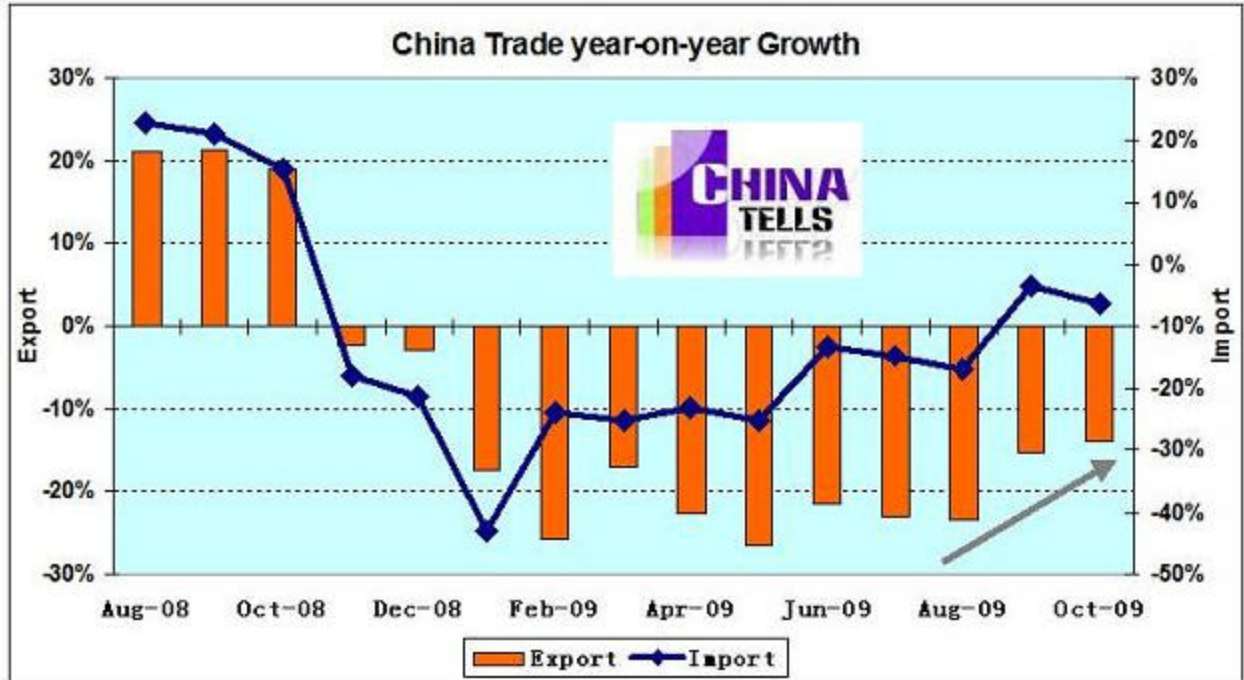
China Retail Sales Oct up 16.2% (10月零售增长 16.2%)



China's Retail Sales shows strong growth in October (See [Article from China Daily](#)). The total retail sales amounted to RMB 1170 Billion which is 16.2% up from that of last year. China's Retail sale had a slow start in the beginning of the year. However, starting from May 09 the retail sale continues to surprise the media with super strong growth, including Auto Sales (See [Graph from Chinatells](#)). China government vows to encourage domestic consumption demand and change the economic structure of over dependent on export. Such a structural change is also welcomed by international community.

中国 10 月份零售业增长达到 1 万 1 千 700 亿人民币，同比增长 16.2%。中国的零售业自从 5 月份开始便连连上涨，在几个行业，比如汽车销售，房地产等等出现小高潮。当然这种热潮是真实的需求反映还是货币政策吹起的泡沫很难区分。如果消费者物价指数有显著增加的话那估计就会引起央行的注意了。

China Import and Export growth mixed in Oct (10月进出口喜忧参半)



China's Export continue to slow down in Oct 09 by 13.8% y-o-y. However, such a reduction is an improvement from that in Sept (See [graph from Chinatells](#)). In the meanwhile, Import continues the negative growth at -6.4% y-o-y, slightly slower than that of Sept. China's Export and Import starts to show negative growth from Dec 08 mainly due to the recessive growth in US and EU. China government reacted with aggressive monetary easing and pegging of foreign exchange rate. So far the export pace is still lagging behind that of '08, but the slow down has waned and recovery back to the black seems right around the corner. Such an outlook shall be very supportive to China government's goal to complete GDP growth at minimum 8% for the year.

中国 10 月份出口同比降低 13.8%，进口同比降低 6.4%。中国的 进出口从去年 12 月份开始由正转负，主要受西方经济危机影响。目前看来，负面影响在渐渐消除，进出口很可能在未来某个月回到正增长。值得一提的是，尽管出口下降，但是进口下降更多，所以中国的月贸易净额不断创出新高（点击[此处察看图表](#)），令人民币升值的压力日趋严重。

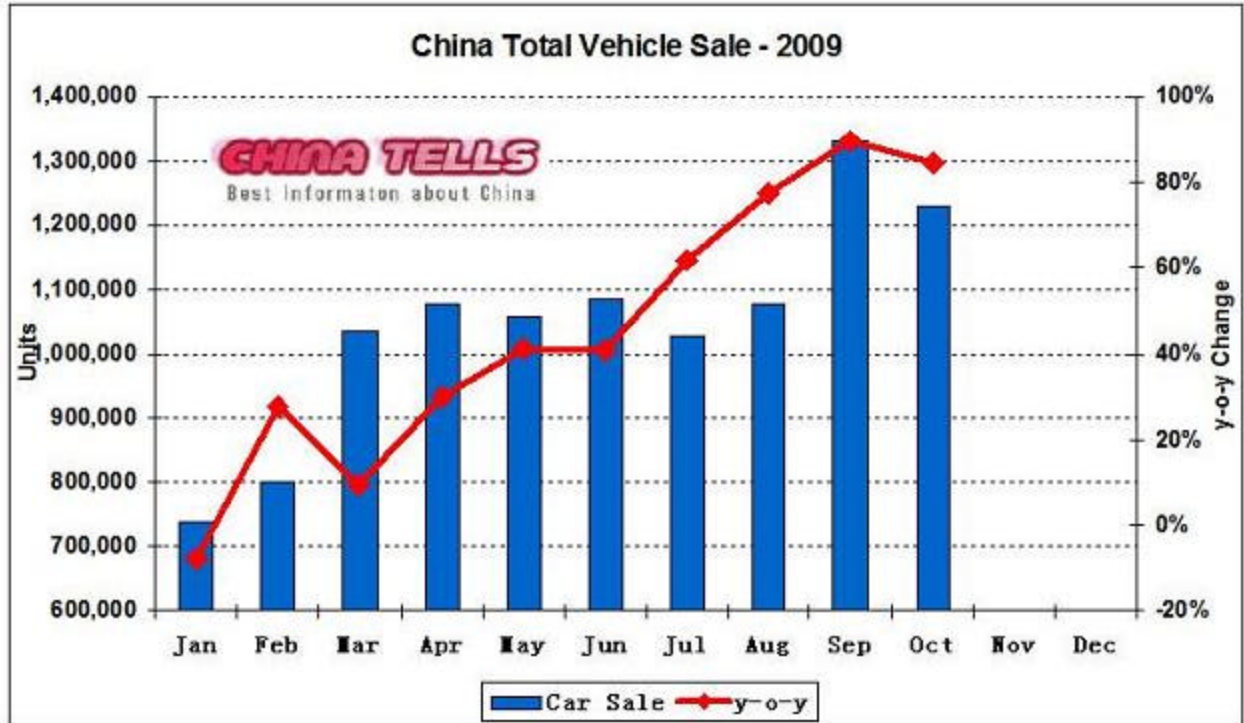
China Trade Surplus 24 Billion in Oct (10 月贸易盈余 240 亿)



China's Trade surplus reached 24 Billion USD in Oct, making the total trade surplus from Jan to Oct reach 159.5 Billion USD. Based on such trend, a pro-rata annual trade surplus could be as much as 192 Billion, which is shy from that of 07 and 08 (See [Graph from Chinatells](#)), but still higher than 2006. China's export still has a negative y-o-y growth compared to last year, however, the import seems to be hit even harder, directly resulting in an improved surplus. Another reason seems the pegging of RMB to USD, which has attracted waves of criticism (See [Article from Chinatells](#)). During Obama's visit to Beijing in end Nov RMB is expected to be one of the key issues to be discussed between China and USA.

中国 10 月份贸易盈余相对于八九月份的数据猛增，达到 240 亿元。这是过去 9 个月内贸易盈余的最高值，对中国政府可谓喜忧参半。喜的是出口行业就业压力有所缓解，忧的是国际同行对人民币升值的压力有增无减，而高额的出口盈余为这种压力提供了口实。中国政府如何应付这种国际压力将成为国际社会关注的问题之一。

China auto Sales amounts to 1.23 Million in Oct (十月汽车销售突破 120 万)



China's vehicle sales reached 1.23 Million units in October based on total industrywide counts (See [Article from Bloomberg](#)). This is an increase of 72 percent from October last year. Also the passenger car sales reached 946,400 units, which is a jump of 76 percent from that of last year. However such figure is slight shy of the sales in Sept, during when China sold a total of 1.33 Million units industrywide. The government stimulus program has been frequently cited as the biggest support for China's car sale increase. Whatever reason, the strong growth of car market in China has attracted most global car makers and the attached industry (see [article from Chinatells](#)). If China's car ownership per capita is only half of that of the States, then all the car makers will laugh with a drooping jaw on the ground.

中国汽车销售再创佳绩，10月份工业所有汽车突破120万辆，其中小型客座车突破90万辆。各大媒体将中国汽车销售优异的表现归功于政府的大力刺激政策，但是除此之外中国消费者对汽车偏好的增加似乎也不可否认。由于中国汽车行业的蓬勃发展，相关产业也被大力带动（点击[此处察看相关文章](#)）。全行业欣欣向荣，前途光明。

Obama, Beijing and RMB (人民币再次成为漩涡中心)

Land of Fortune, Soil of Opportunity



Is it all about RMB? Or, it is all about RMB, fool! It seems to make a lot of sense if we link the happenings recently in a chronicle way. The logic goes like this: There is a huge imbalance in world economy and trade, notably the dramatic trade surplus from China and trade deficit from USA. One of the top mandate of Obama administration is to address this imbalance, by bringing down the account surplus of China and account deficit of America. One of the key measures to make it happen, seems to lie in the exchange rate of RMB, according to some academics and media from the West (See [article from NYT](#)). It seems, however, that China government is resisting such a change. By continually sticking to the argument that RMB exchange rate is purely internal, China government refuses to appreciate RMB, which is estimated to be 20% undervalued at least. American government is not in a position to enforce the revaluation of RMB, however, what they can do, is to loosen their own monetary policy and flood the market with cheap money. Under such a scenario, international speculators and investors borrow USD cheaply and pour the hot capital into China with an appreciation expectation. It is like a reverse expectation: the more you resist appreciation, the more people expect you to appreciate; and the more people expect, the more pressure for appreciation to happen.

It seems that Obama administration is well prepared to talk Chinese into revaluing the RMB during his visit to Beijing in Nov. There has been several rounds of trade skirmish between USA and China (See [Article from Chinatells](#)). There is a large speculation that such mutual rounds of skirmish is just a warm up for the real battling in Beijing when Obama meets Hu Jintao. No matter the accuracy of such speculation, it seems that Obama is determined to put some pressure on China government to make some compromise in terms of restoring the international economy order in America's wish. To put some fuel into the fire, American academy and media have not been idle in creating the argument to support the government.

Can China continue to say NO to Obama, politely? I doubt so. It is not about external pressure, but internal chaos. It is well recognized from both sides that the artificially low RMB rate is a key to protect the employment in China's export sector, and China government can not afford to let workers lose their jobs due to the appreciation of RMB. On the other hand, however, can China sustain the continual inflow of international capital and inflation pressure with a pegged exchange rate? It seems Dejavu to me again that Americans depreciate their currency and export the inflation to China (oil and gold looking good), and in the end whether Chinese revalue the RMB is of secondary relevance. To have some exposure to commodity is definitely a hedge to such a potential avalanche in the FX (See [article from Chinatells](#)), but probably it is not enough to entertain a whopping 2 trillion reserve. In the end to stabilise the domestic price and financial system, probably China

central bank will have to react with a tighter monetary policy and adjusted exchange rate, which is exactly what the punters are hoping for.

奥巴马此次访问北京，人民币汇率问题被炒到主要议题之一。之前的布什政府希望国际货币基金组织压迫中国改变汇率，但收效甚微。此次奥巴马政府来势汹汹，意在改变布什政府给人造成的软弱形象。之前中美政府就贸易进出口进行了多轮倾销和反倾销小斗，再经过这一系列的热身后，也许总统亲自光临北京就要动真格了。

Is Shanghai leading Dow (上海指数引领道琼斯?)



Dow Jones Index has been quoted as the world leading equity index for almost the last one hundred years. Most other financial markets take Dow as a leading indicator and follow suit when Dow goes up or down. As the saying goes, when Dow sneezes, world financial market catches a cold. However, such a pattern seems to be challenged by Shanghai A-share index (See [Article from China Daily](#)). Based on a study of two indices in the last 18 months, it seems that Shanghai Index is leading Dow in more scenarios than the opposite. As a supporting fact, Shanghai index peaked and bottomed a few months ahead of Dow, and Dow follows almost an exact pattern in terms of price development.

Does it mean that investors need to pay attention to Shanghai Index to guide their punting in Dow? Absolutely according to the chartist but I have my doubts. With the pace and depth of globalization, it is unavoidable that world's financial market are more correlated with each other. Actually it is not only between Shanghai and Dow, but also applying to FTSE, Heng Seng and Nikkei. However, the causality is unclear to me. It seems to me a question of chicken and egg, or maybe there is no causality relationship – they are just mutually connected and impact on each other. But if you are a die hard chart fan, then maybe you can stick to the religion and get a fortune out of with a little bit luck.

道琼斯指数一向是全球经济的温度计，而且道琼斯指数不光引领全球股市，也引领时间-通常他会先于实体经济 6-10 个月就有反应。但是目前看来这种引领地位正

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在受到后来者的挑战，其中之一就是上海 A 股指数。根据对过去 2 年 的股票指数分析，上海 A 股在见顶和见底方面都领先于道琼斯指数，而且后来的指数形状也出奇的相似。看来在各个方面中国都有挑战超越美国的态势，包括股票指 数。



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