

McVEAN

Trading & Investments, LLC

CHINA'S ROLE IN A GLOBAL ECONOMY

November 16, 2016

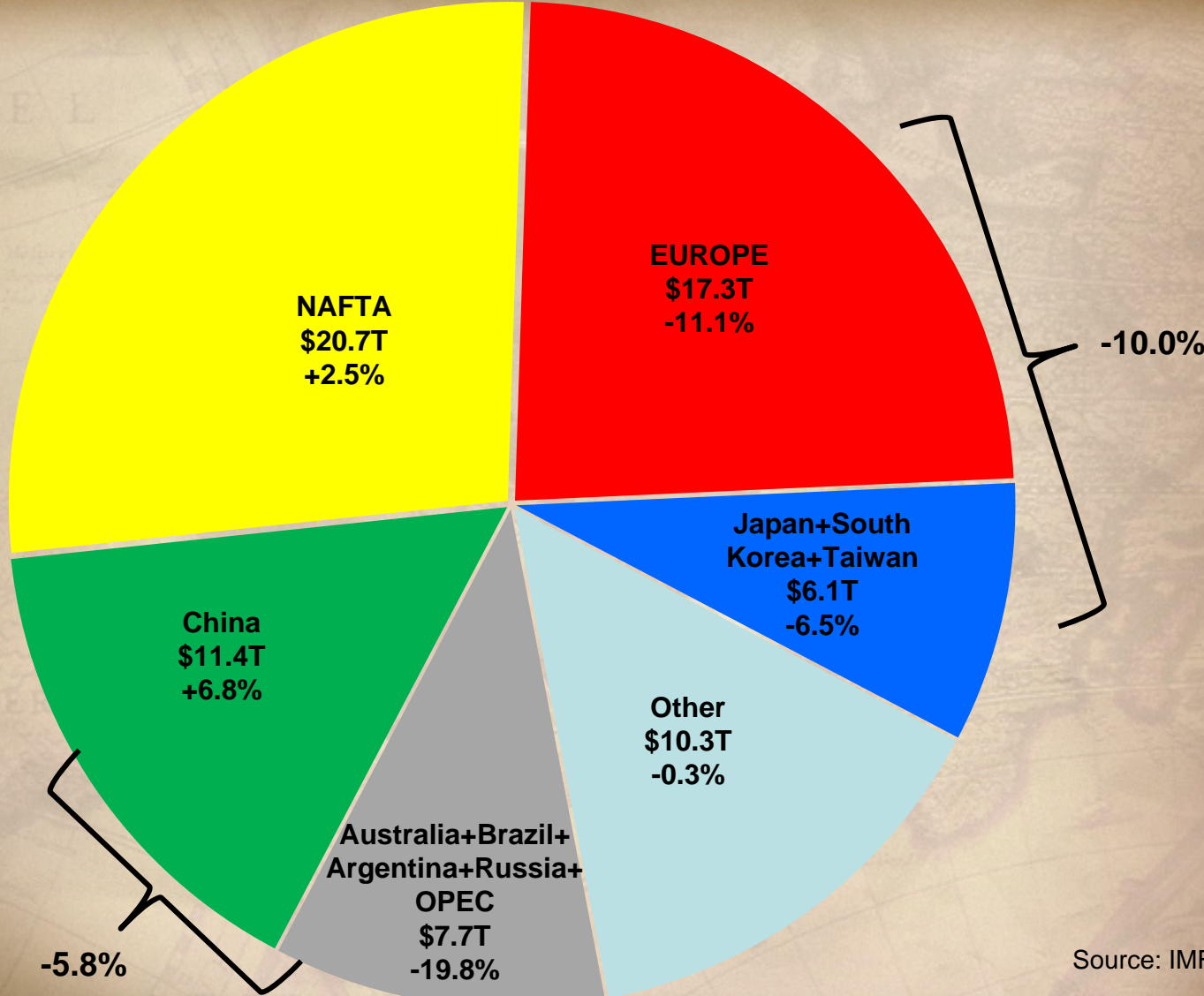
ATLANTA, GEORGIA

Michael Drury

Chief Economist

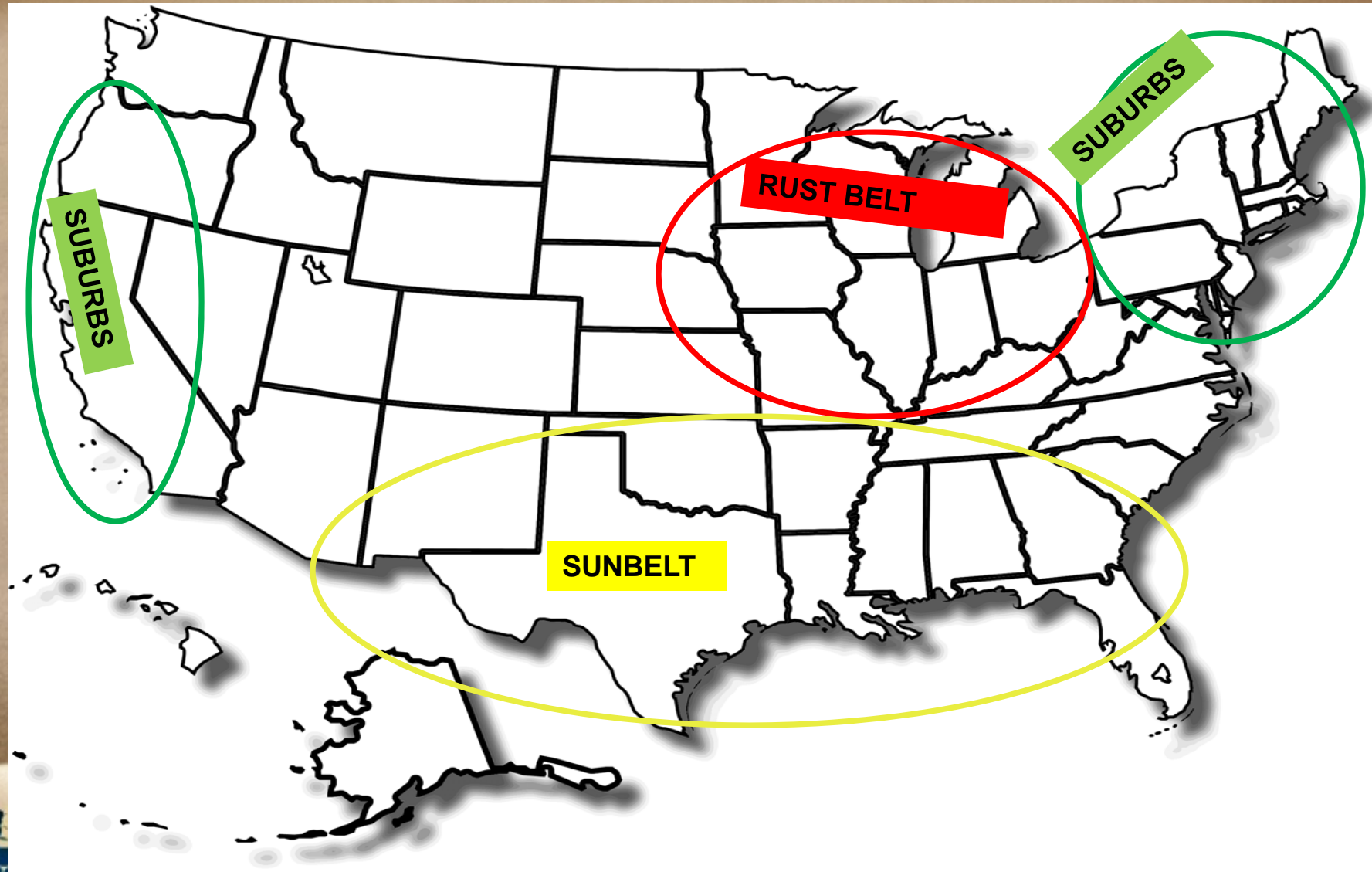
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2015 GLOBAL GDP \$73.5 TRILLION (-3.8% Y/Y)



Source: IMF

U.S. MAP



U.S.; EUROPE; CHINA

SUBURBS



RUST BELT

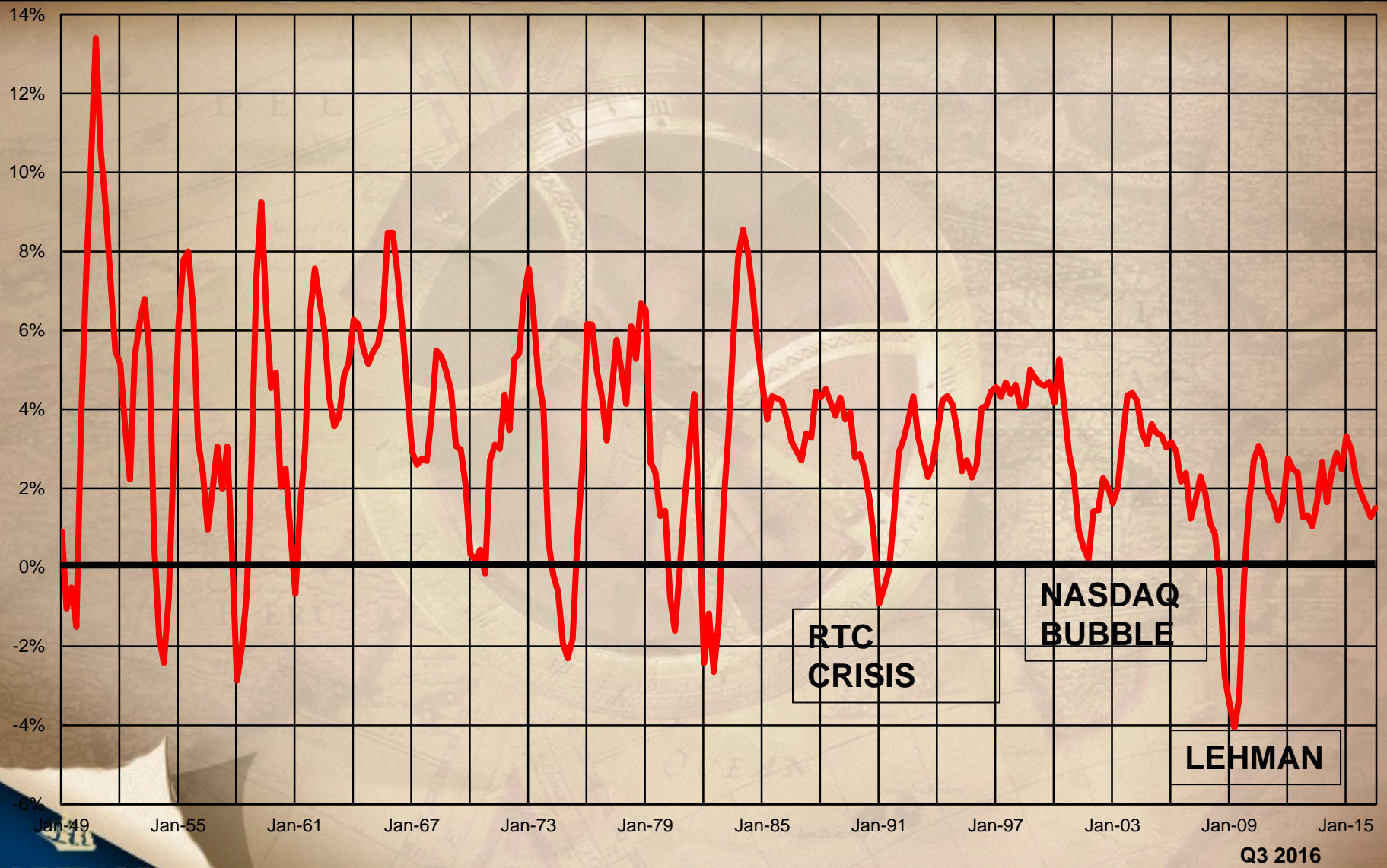


SUNBELT

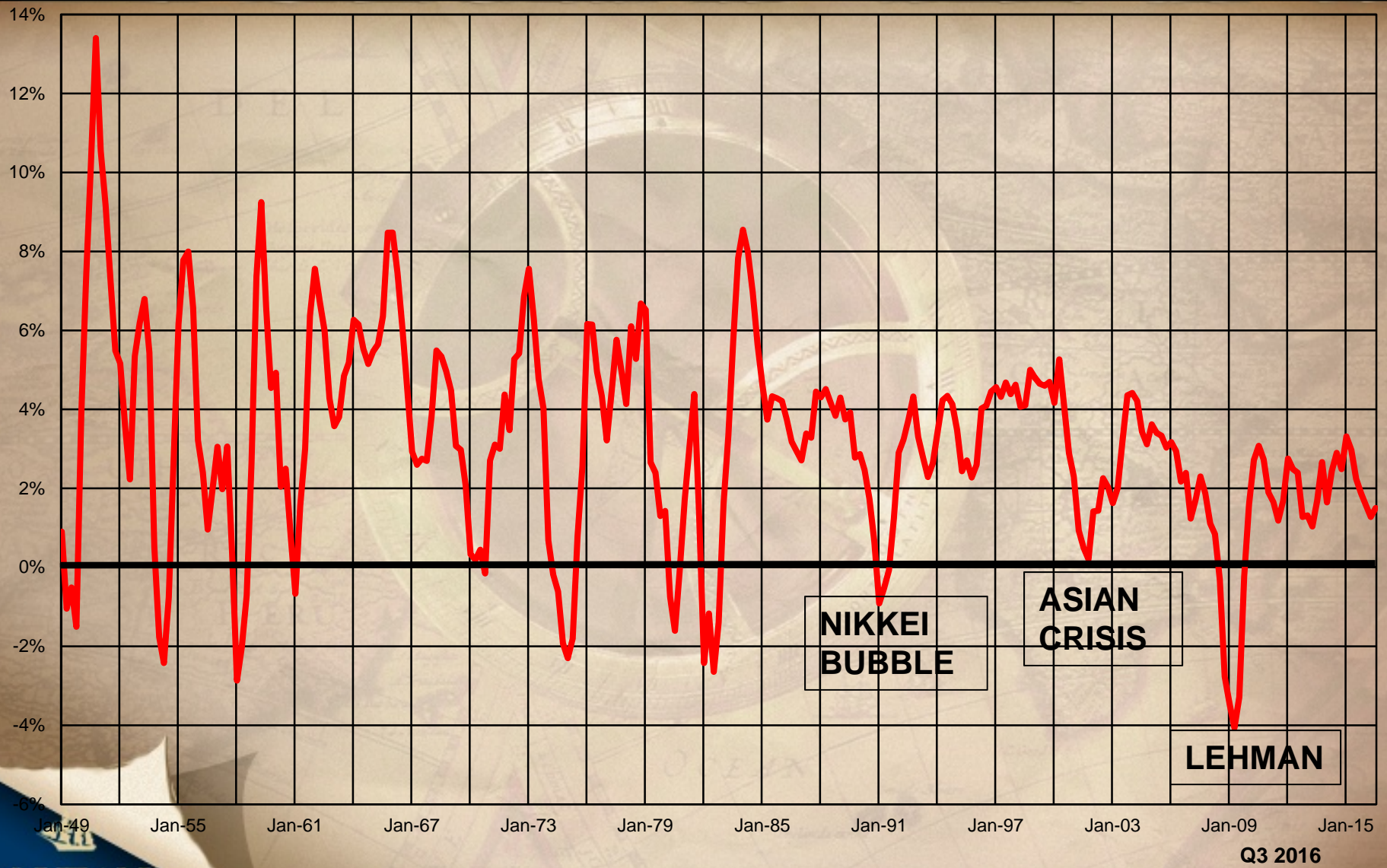


Past Performance Is Not Necessarily Indicative Of Future Results.

REAL GDP CURRENT QTR % CHANGE FROM YEAR AGO



REAL GDP CURRENT QTR % CHANGE FROM YEAR AGO



US TRADE BALANCE AS A % OF GDP

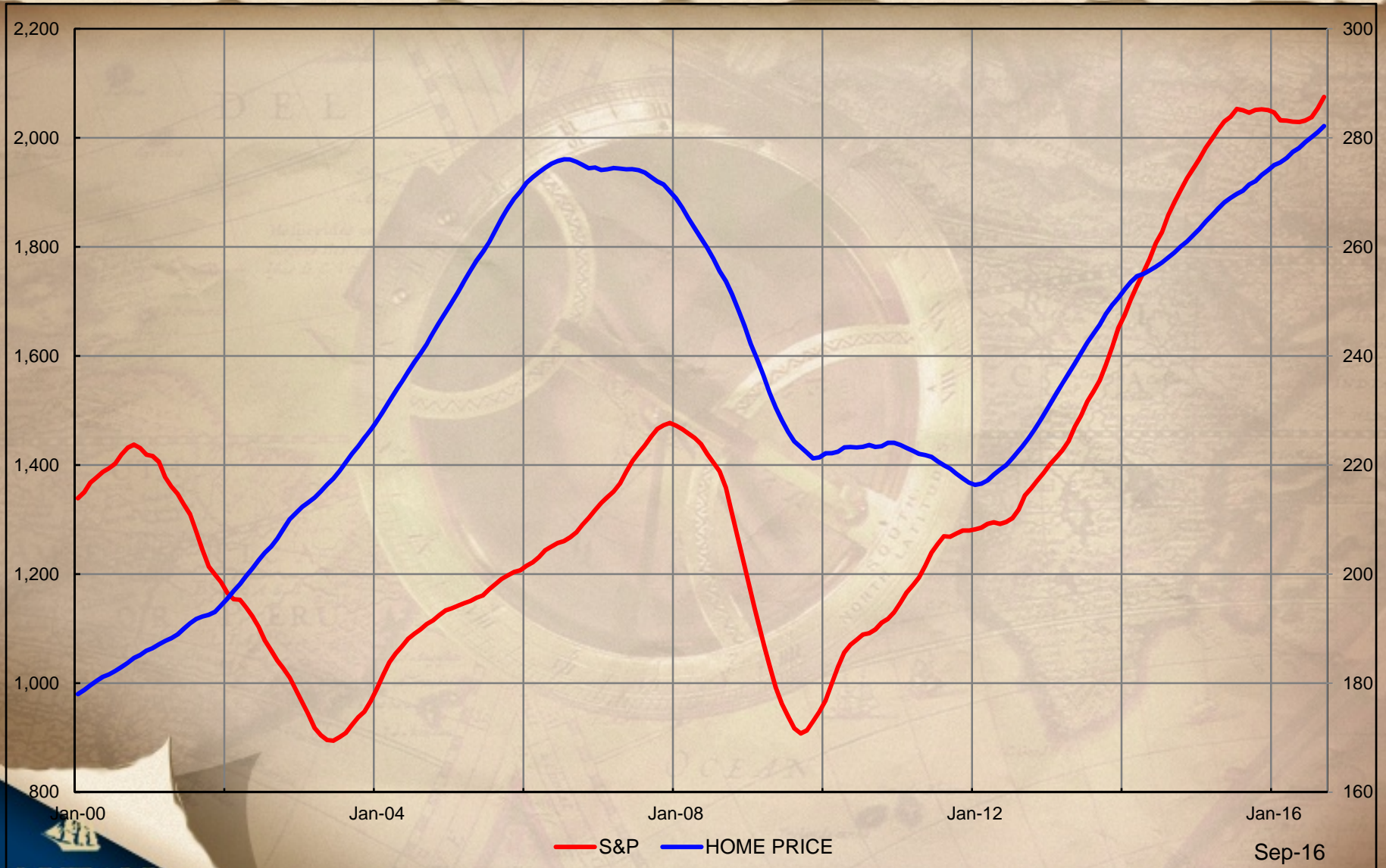
4 QUARTER AVERAGE



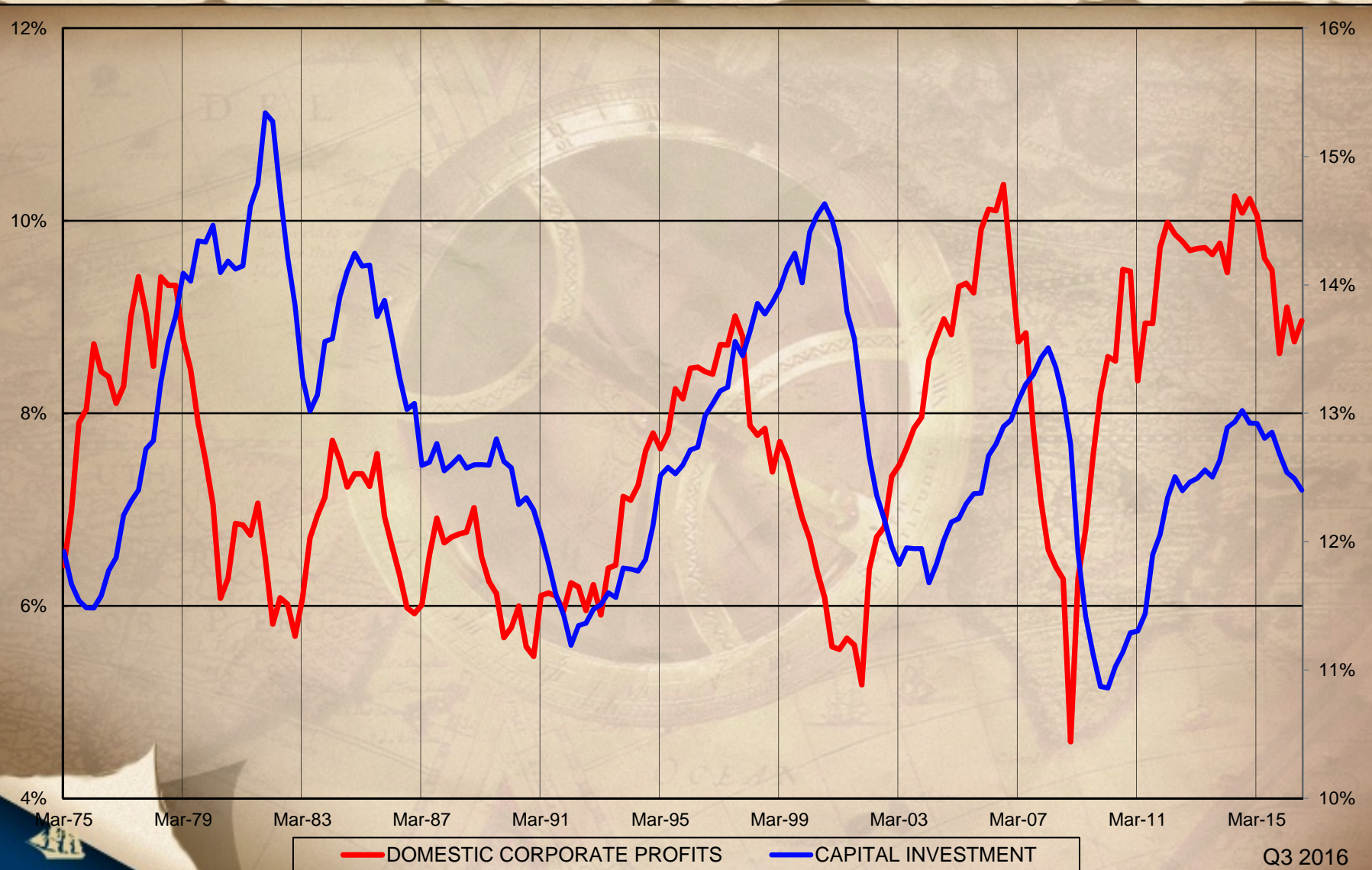
IMF GROWTH PROJECTIONS

		PROJECTIONS		
	2015	2016	2017	'17-'16
World Output	3.2	3.1	3.4	0.3
Advanced Economies	2.6	1.6	1.8	0.2
United States	2.6	1.6	2.2	0.6
Euro Area	2.0	1.7	1.5	(0.2)
Japan	0.5	0.5	0.6	0.1
UK	2.2	1.8	1.1	(0.7)
Emerging and Developing Economies	4.0	4.2	4.6	0.4
China	6.9	6.6	6.2	(0.4)

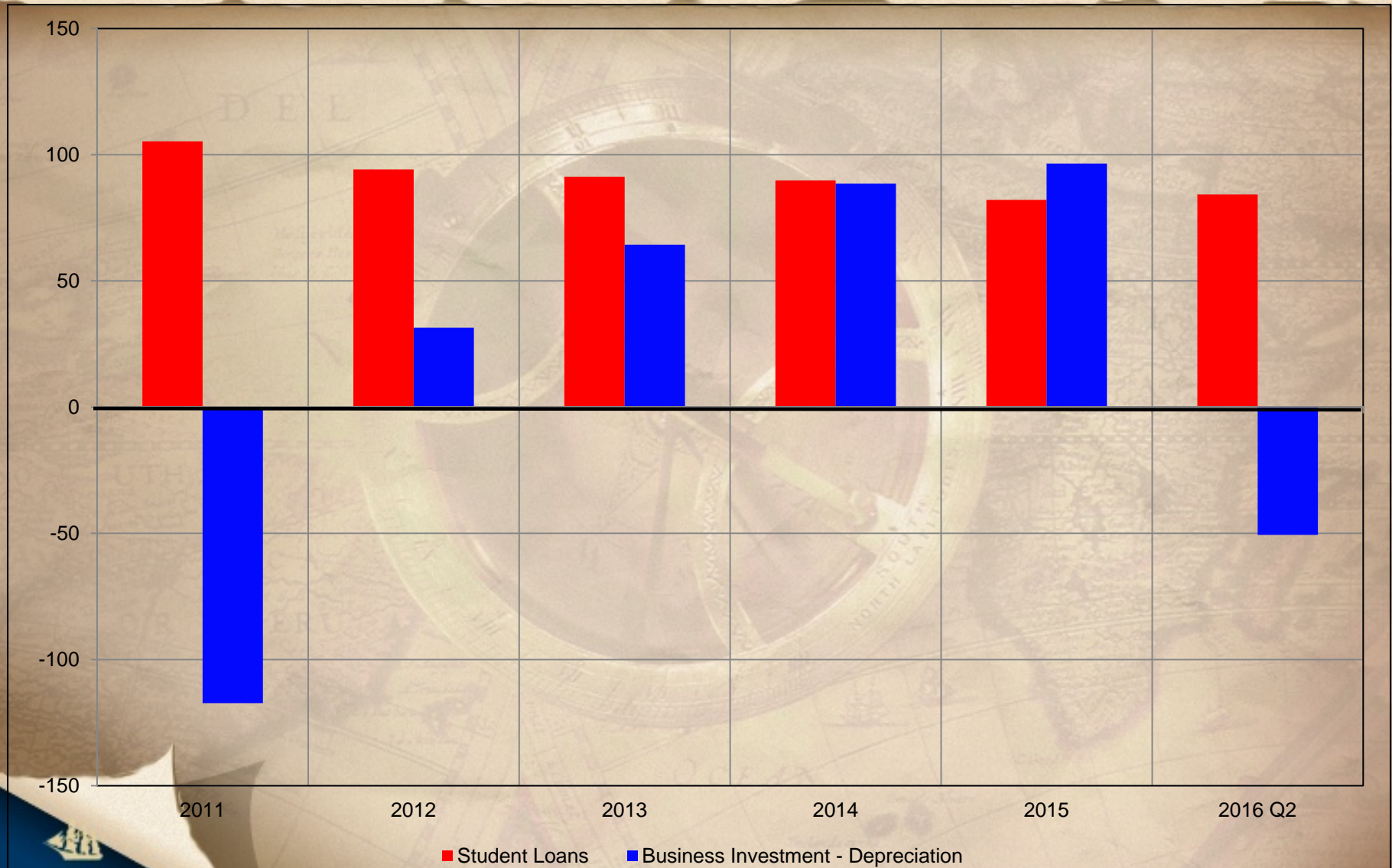
US Household Wealth



DOMESTIC CORPORATE PROFITS VS CAPITAL INVESTMENT AS A % OF GDP

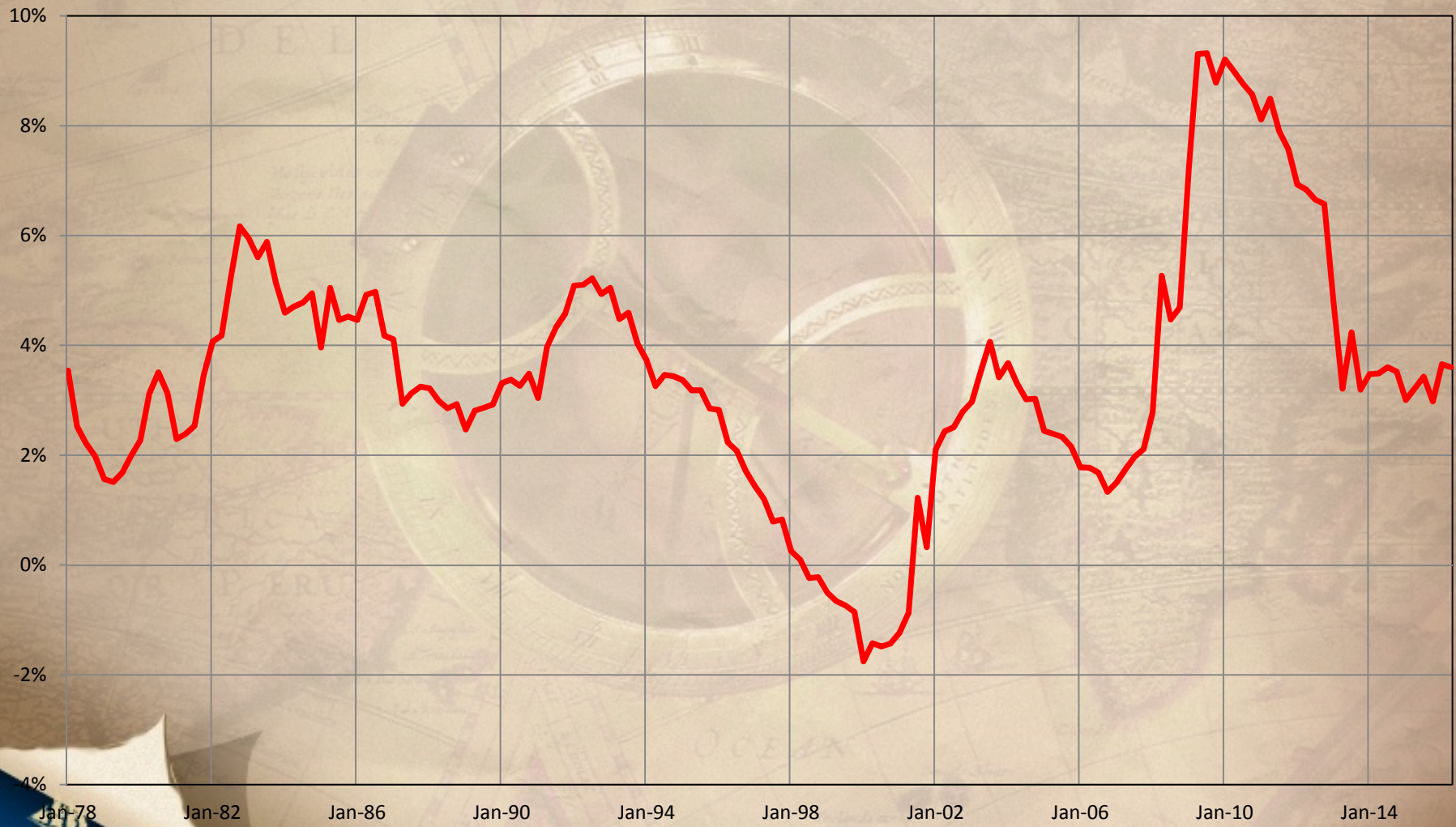


NEW STUDENT LOANS VS NET BUSINESS INVESTMENT BILLIONS OF US\$

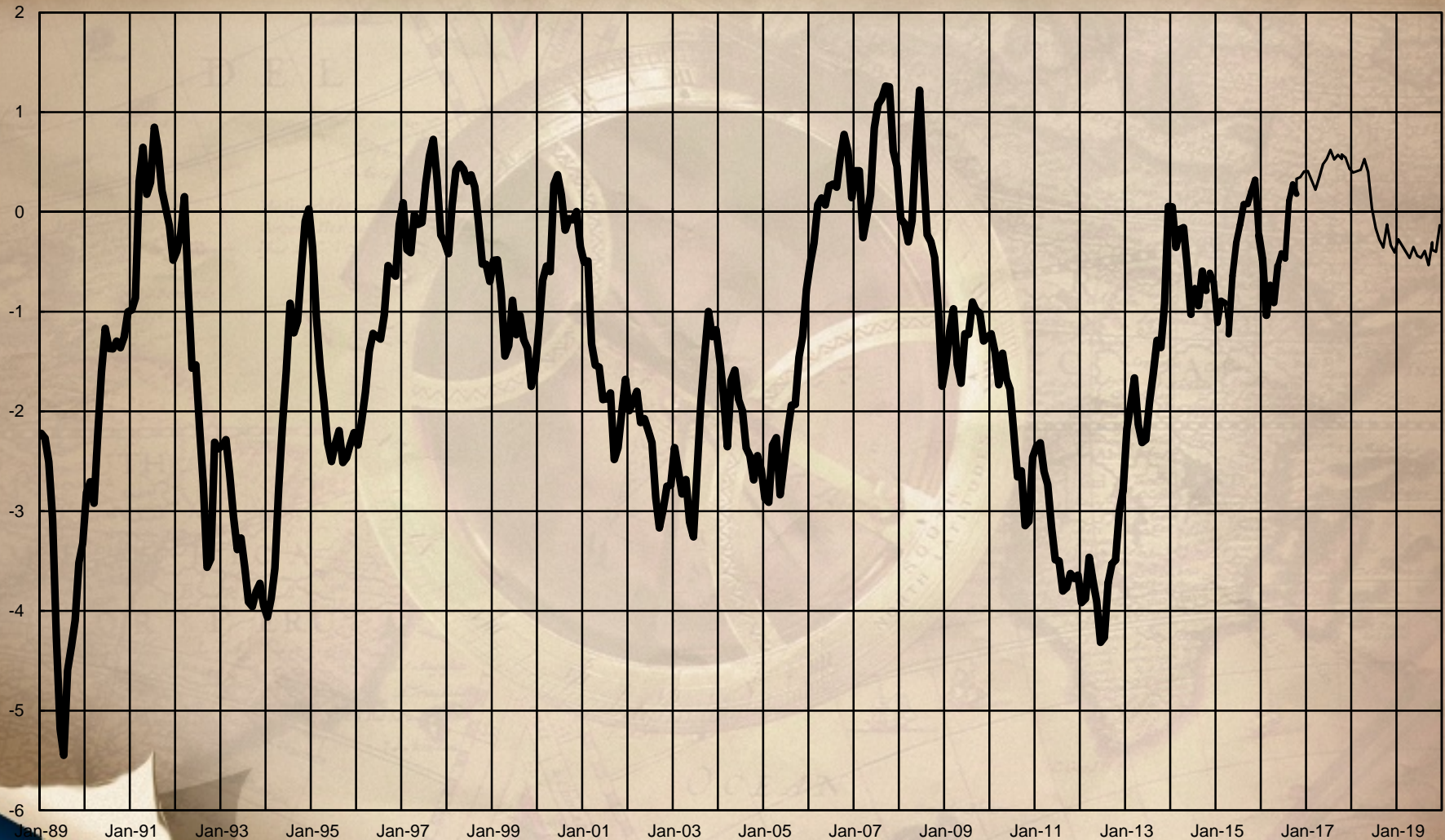


FISCAL POLICY

FEDERAL GOVERNMENT DEFICIT AS A % OF GDP



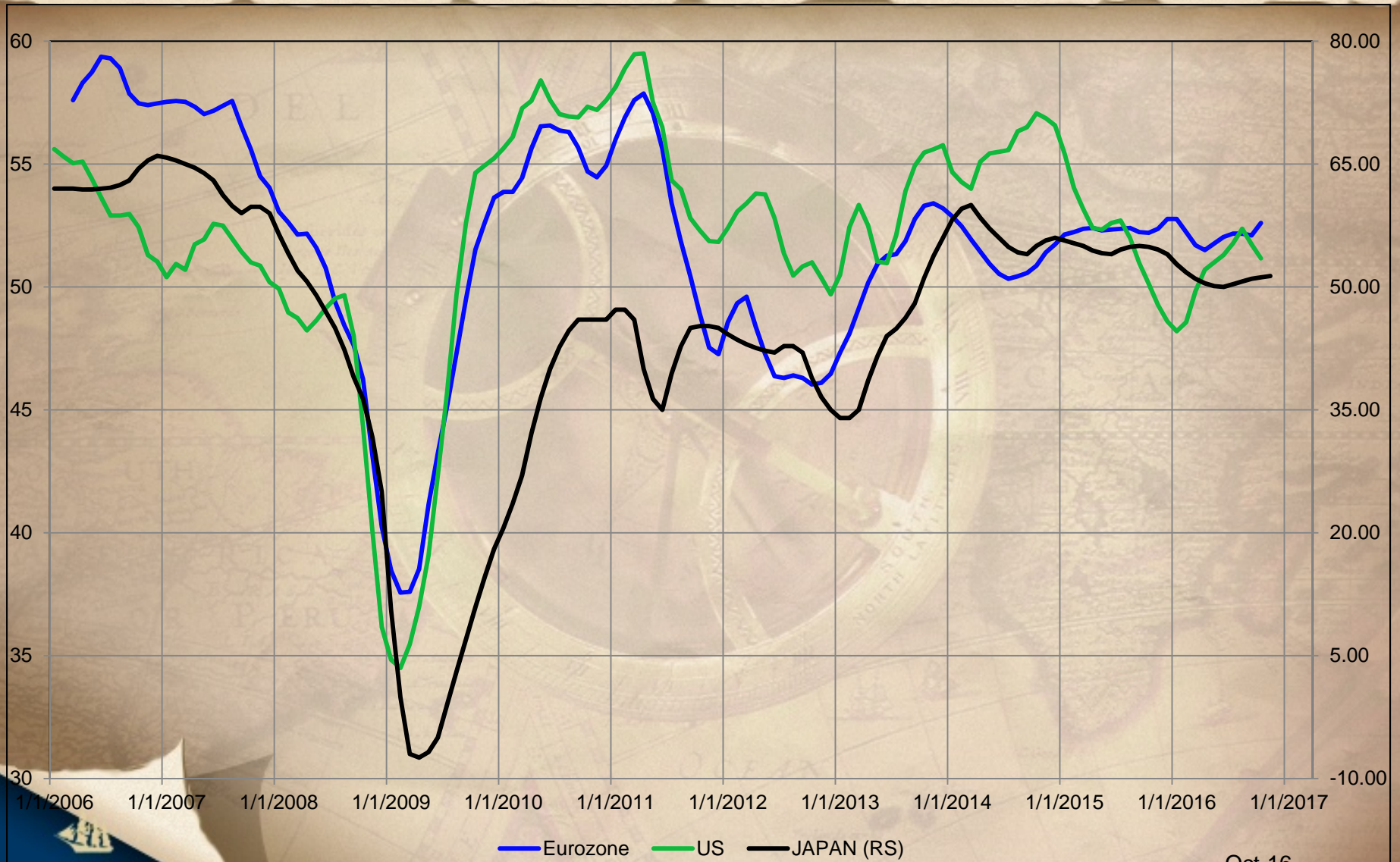
5 YR TREASURY YIELD CHANGE FROM 5 YEARS AGO



— ACTUAL — PROJECTION AT CURRENT RATE

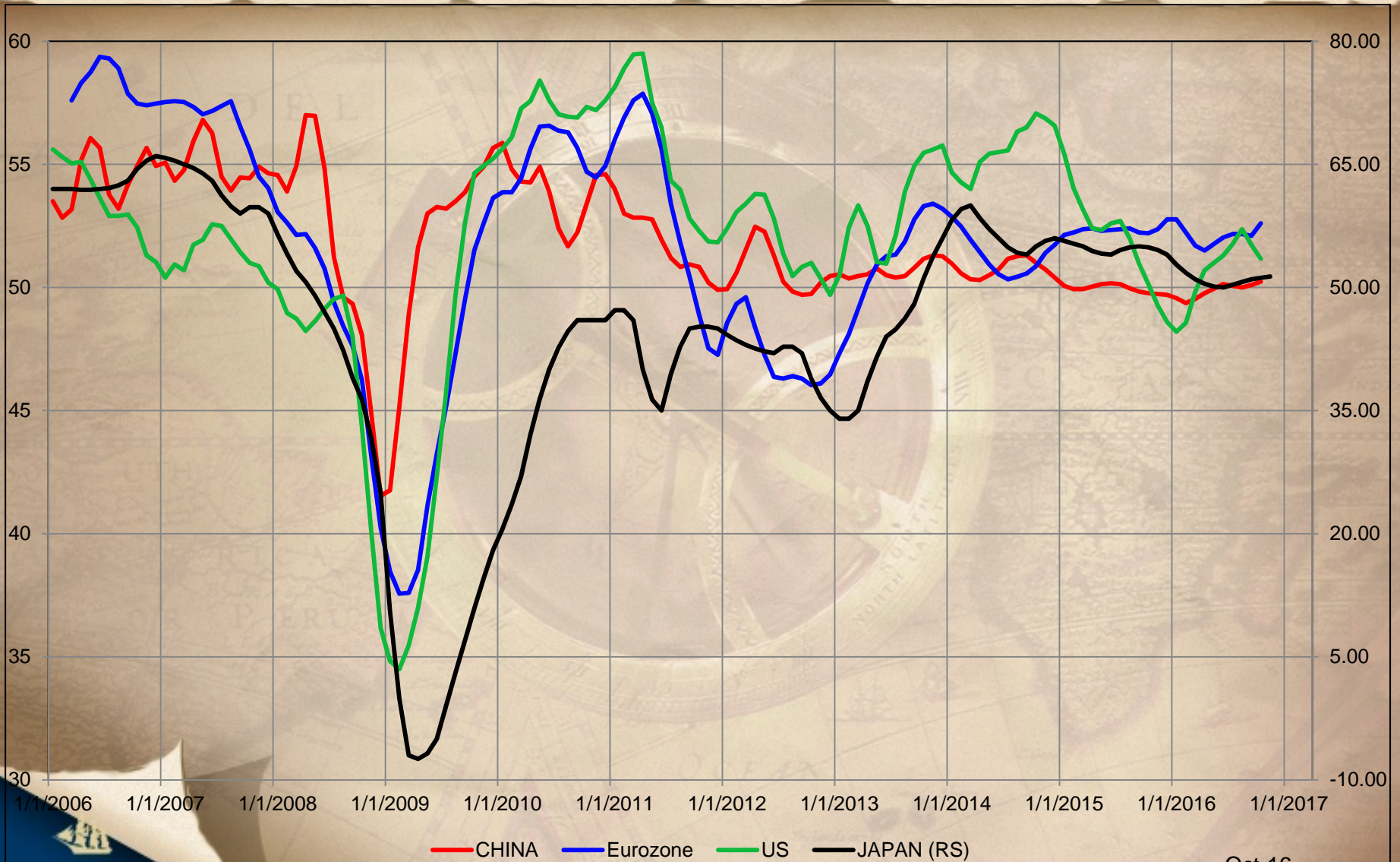
Oct-16

US, EUROPE, JAPAN PMI 3 MONTH AVERAGE



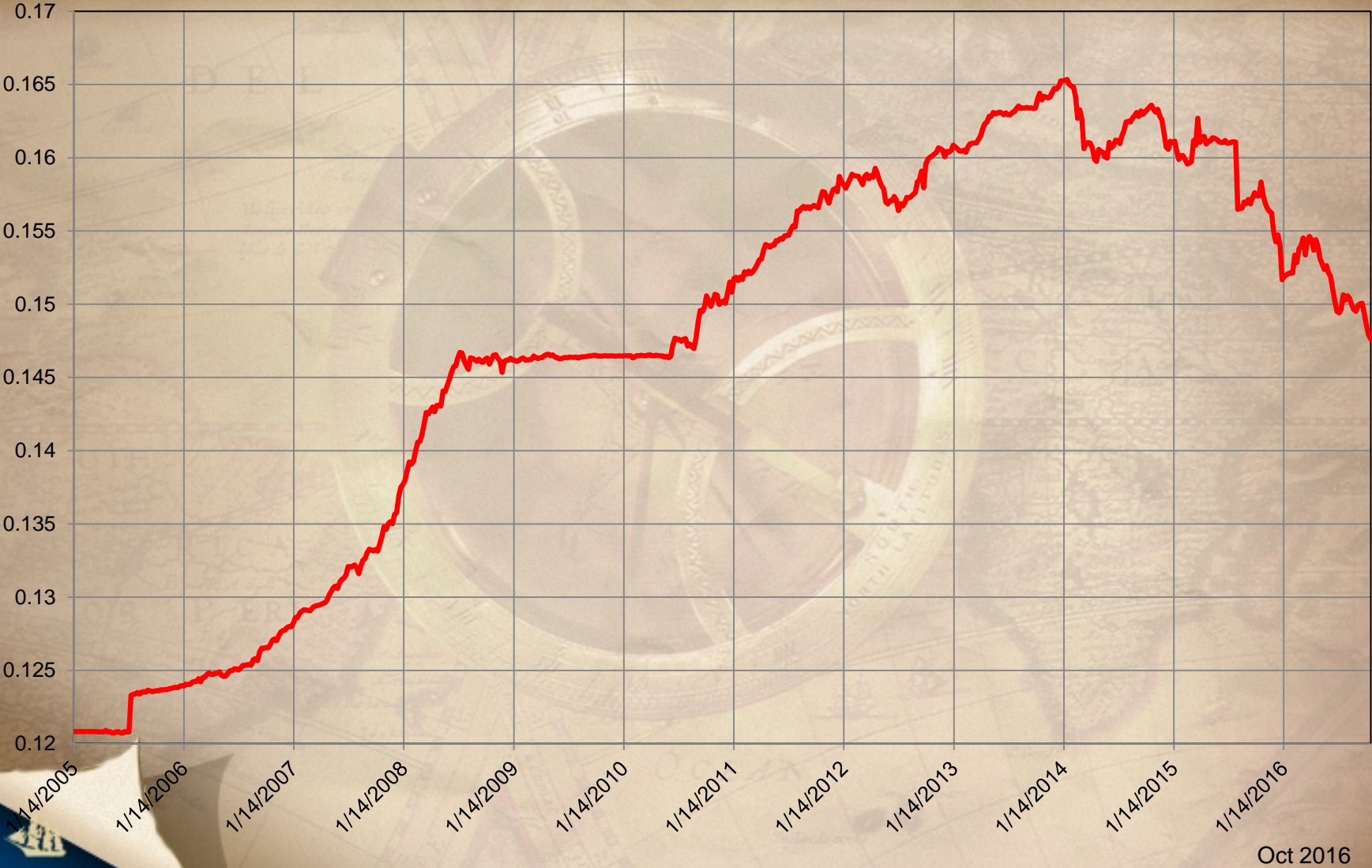
Oct-16

US, EUROPE, JAPAN, CHINA PMI 3 MONTH AVERAGE

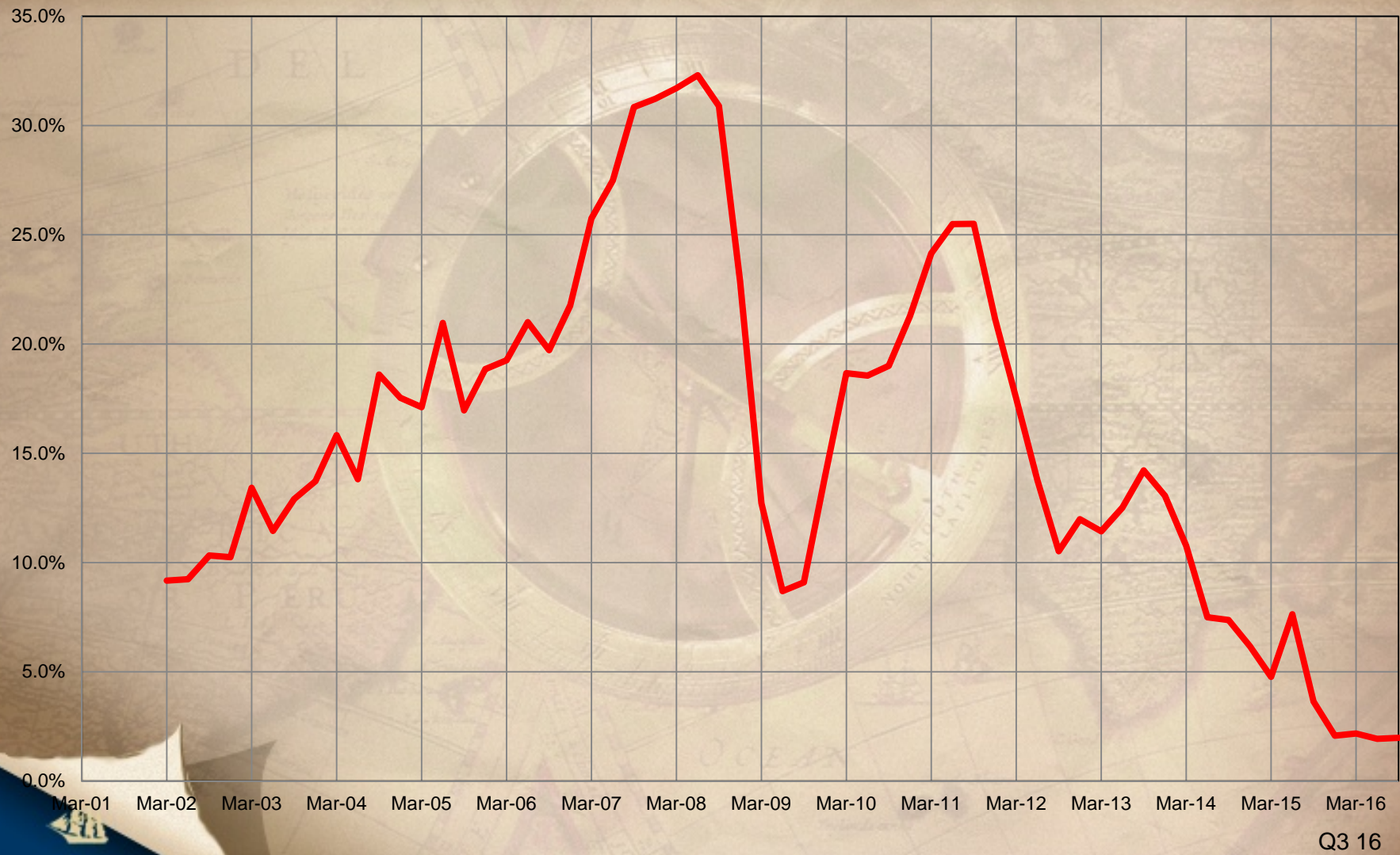


Oct-16

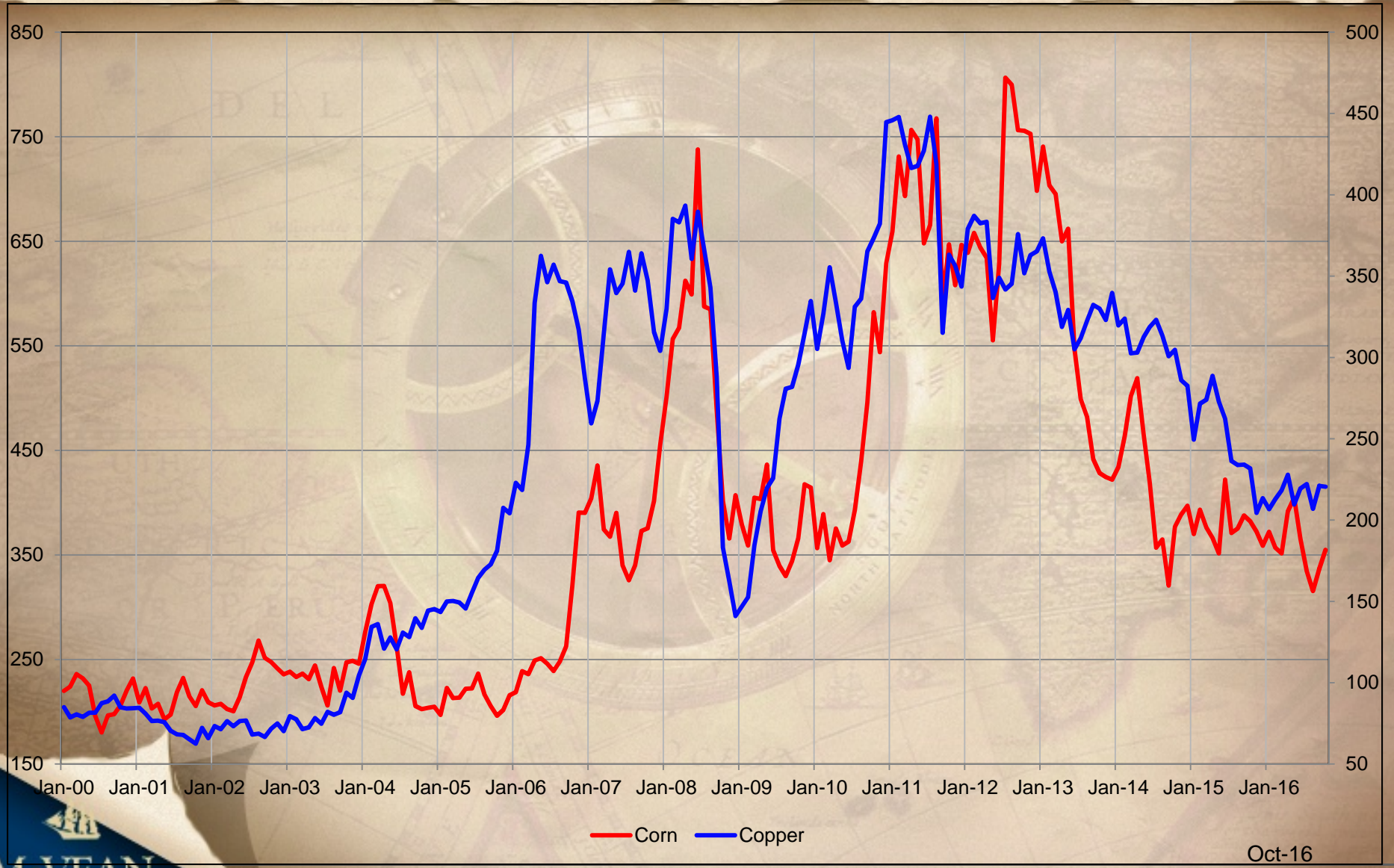
CHINESE YUAN IN US DOLLARS



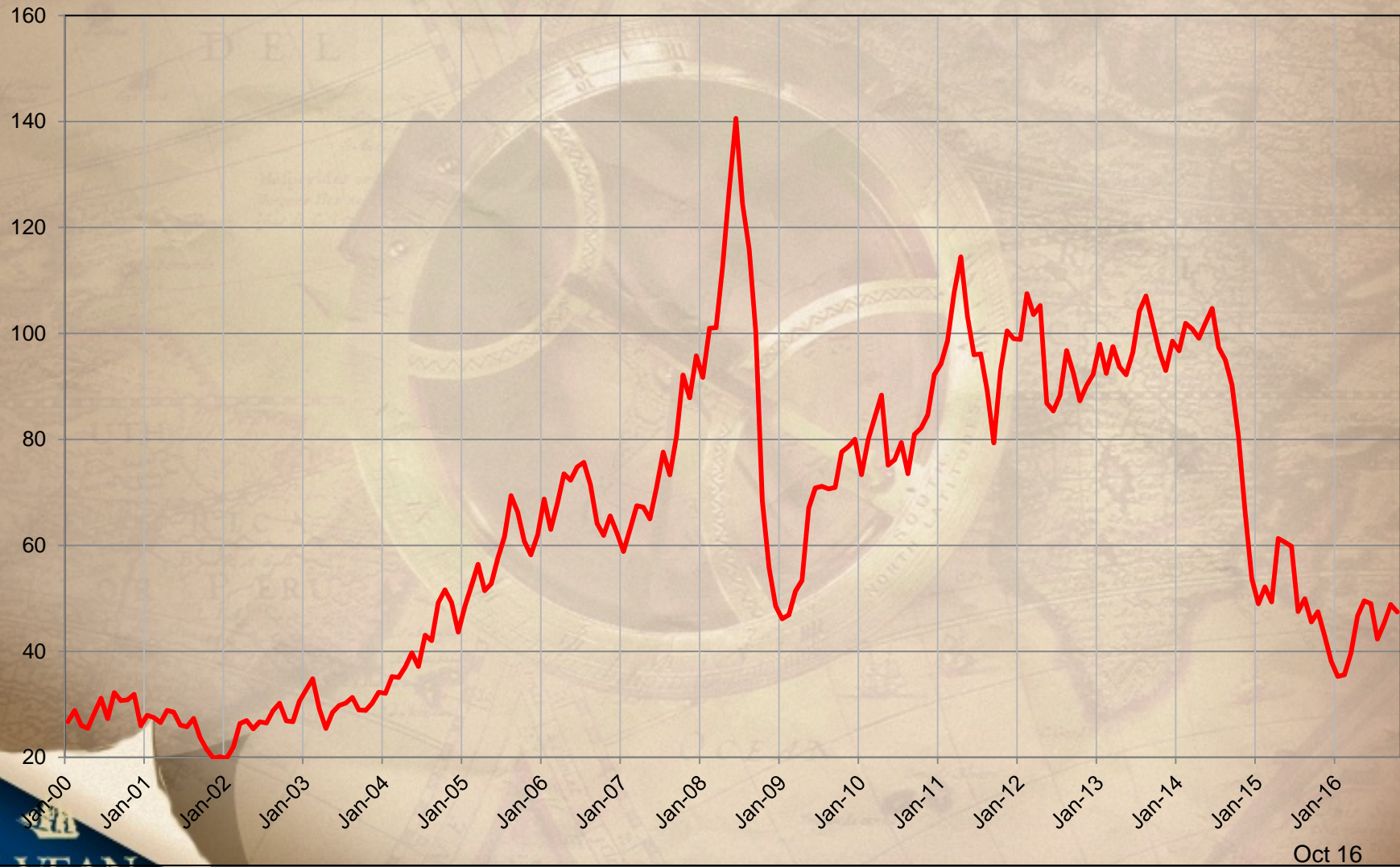
CHINA NOMINAL GDP GROWTH IN US\$ CURRENT QUARTER % CHANGE FROM YEAR AGO



CORN VS COPPER



CRUDE OIL MONTHLY

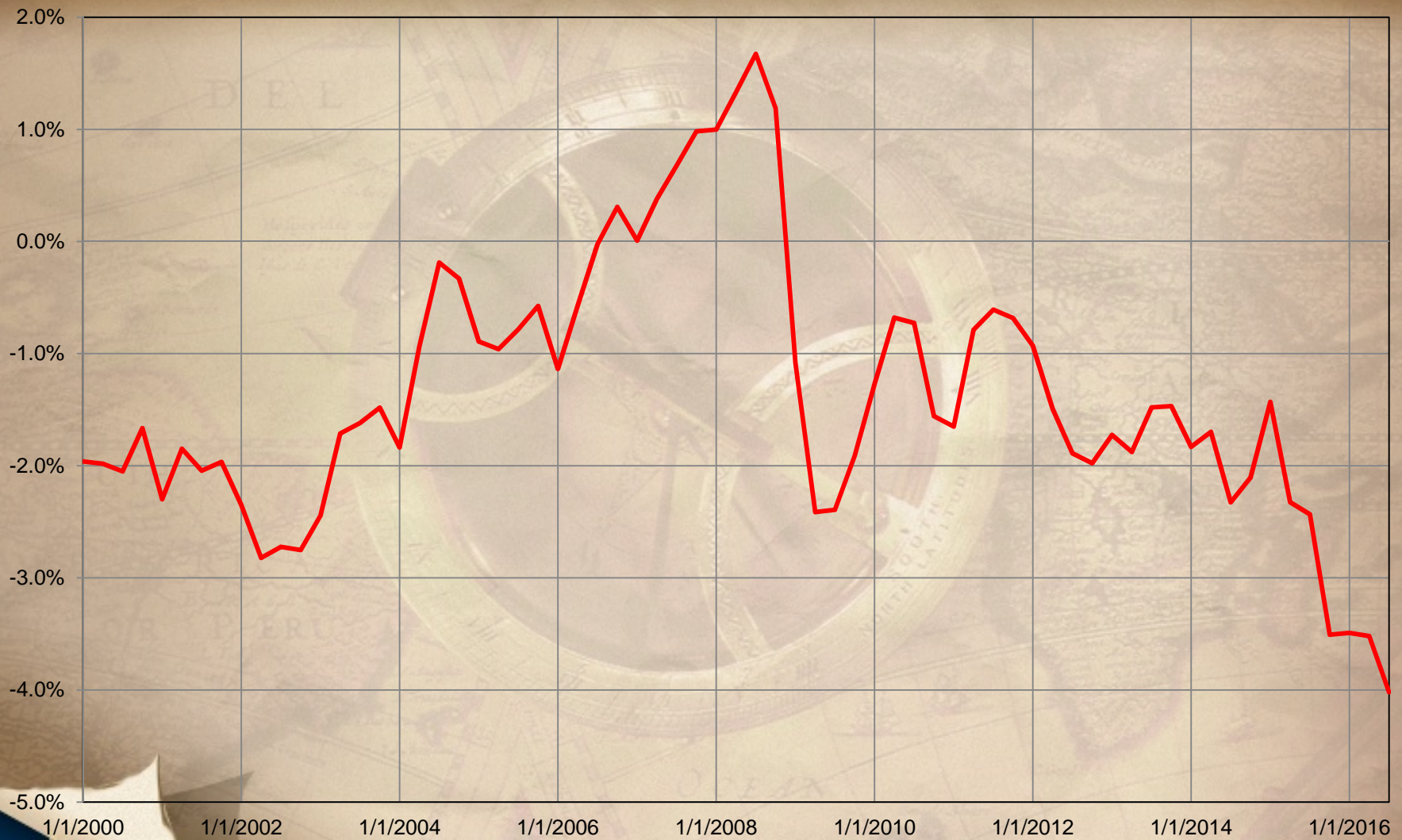


POLICY LEVERS

- **1) Monetary Policy - Lower Interest Rates & Reserve Requirements**
- **2) Fiscal Policy – Infrastructure Spending**
- **3) Regulation – Reform & Open Markets**
- **4) Exchange Rates – Managing Yuan**

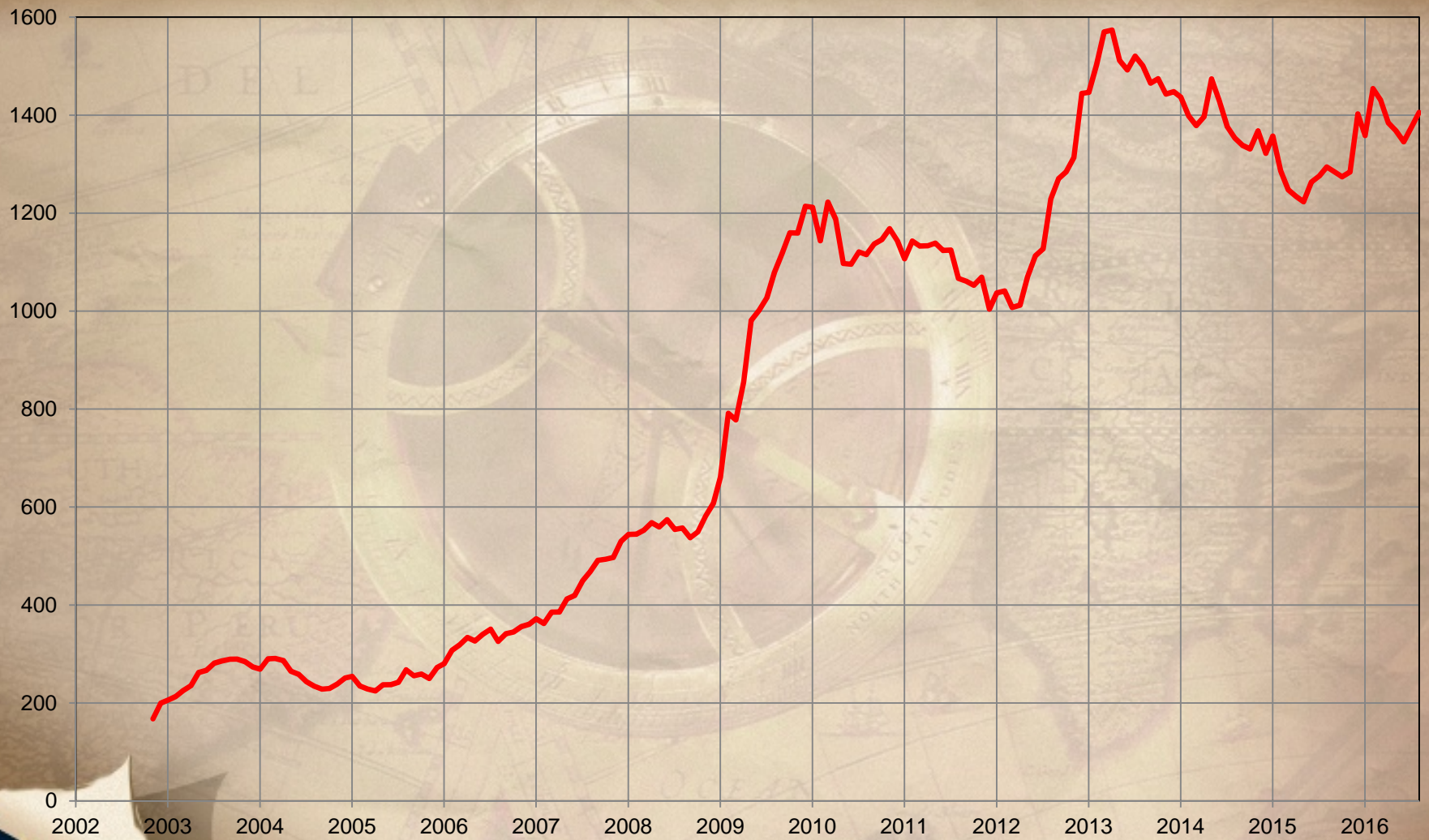
CHINA FISCAL BALANCE AS A % OF GDP

4 QTR AVERAGE



Q3 2016

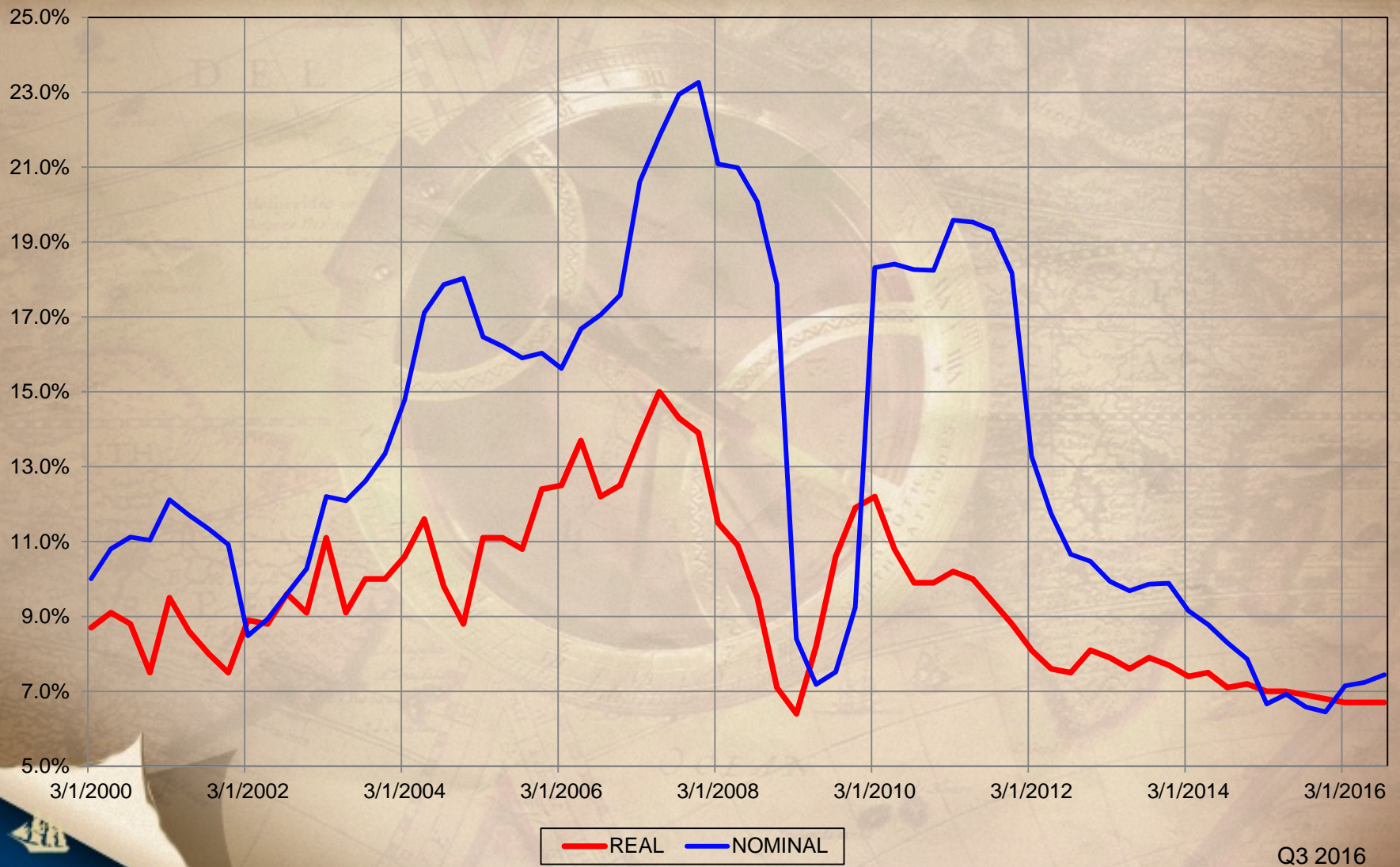
CHINA TOTAL AMOUNT OF SOCIAL FINANCING 12 MONTH AVERAGE



Sep 16

CHINESE GDP

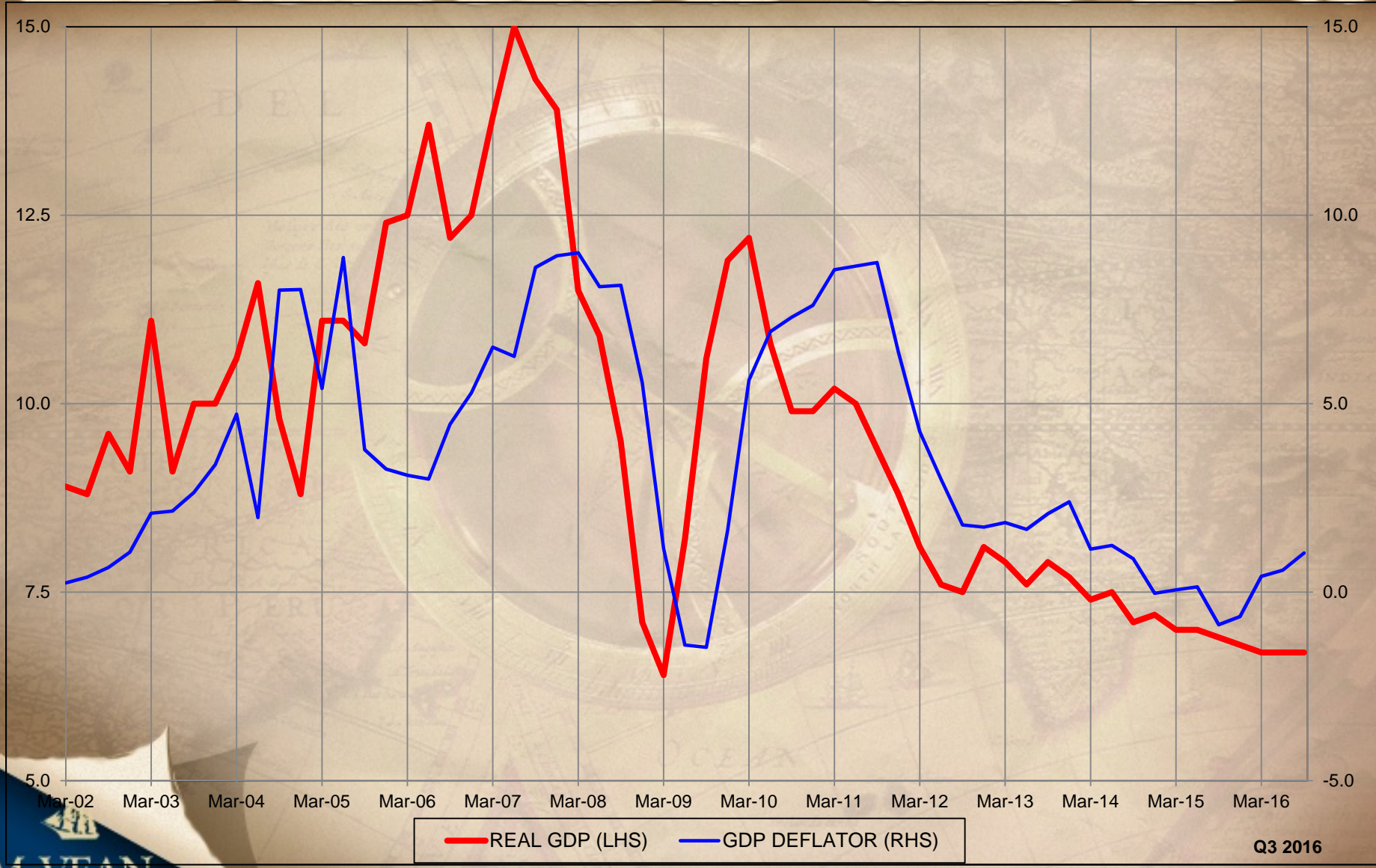
CURRENT QUARTER % CHANGE FROM YEAR AGO



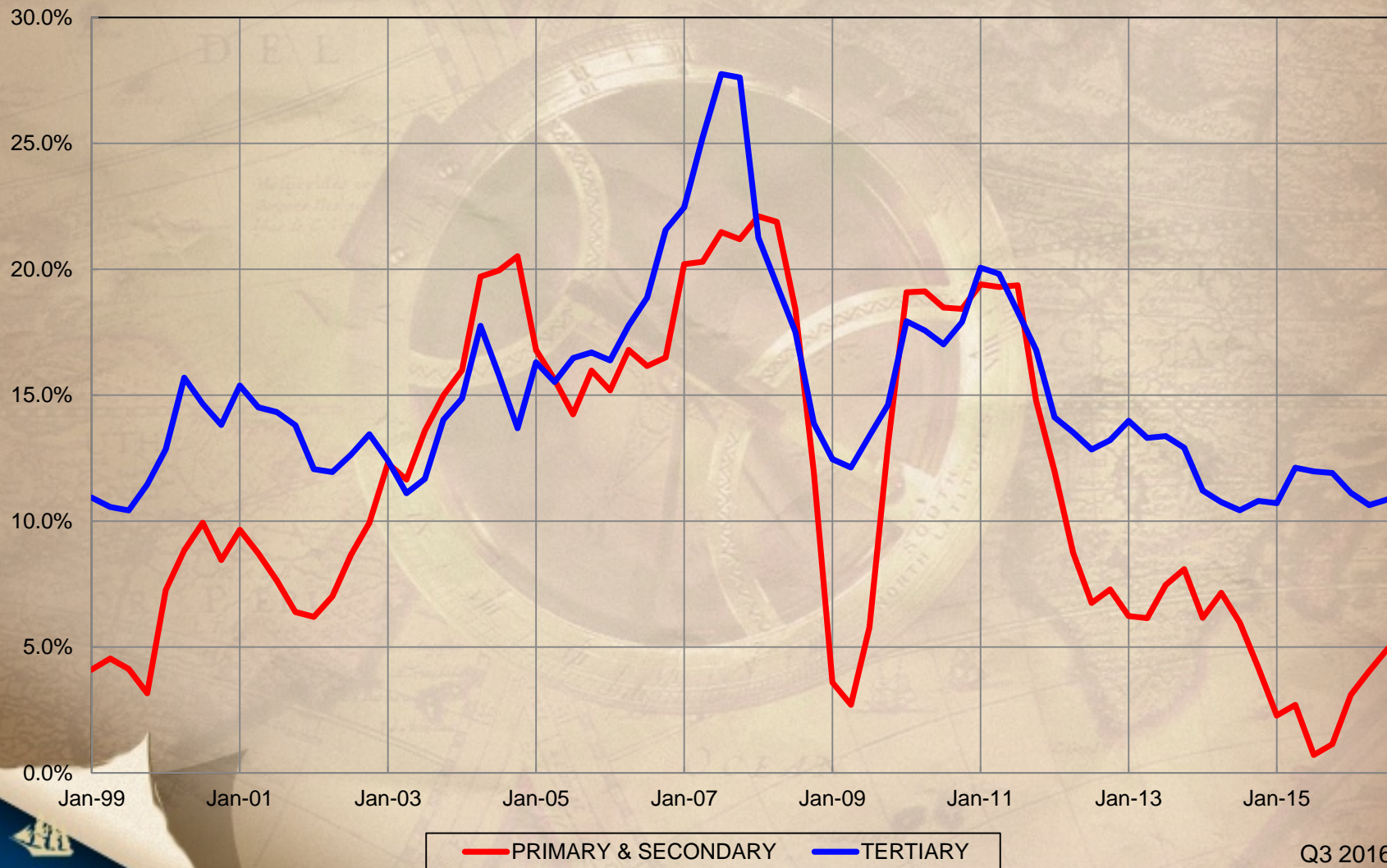
Q3 2016

CHINA GDP GROWTH

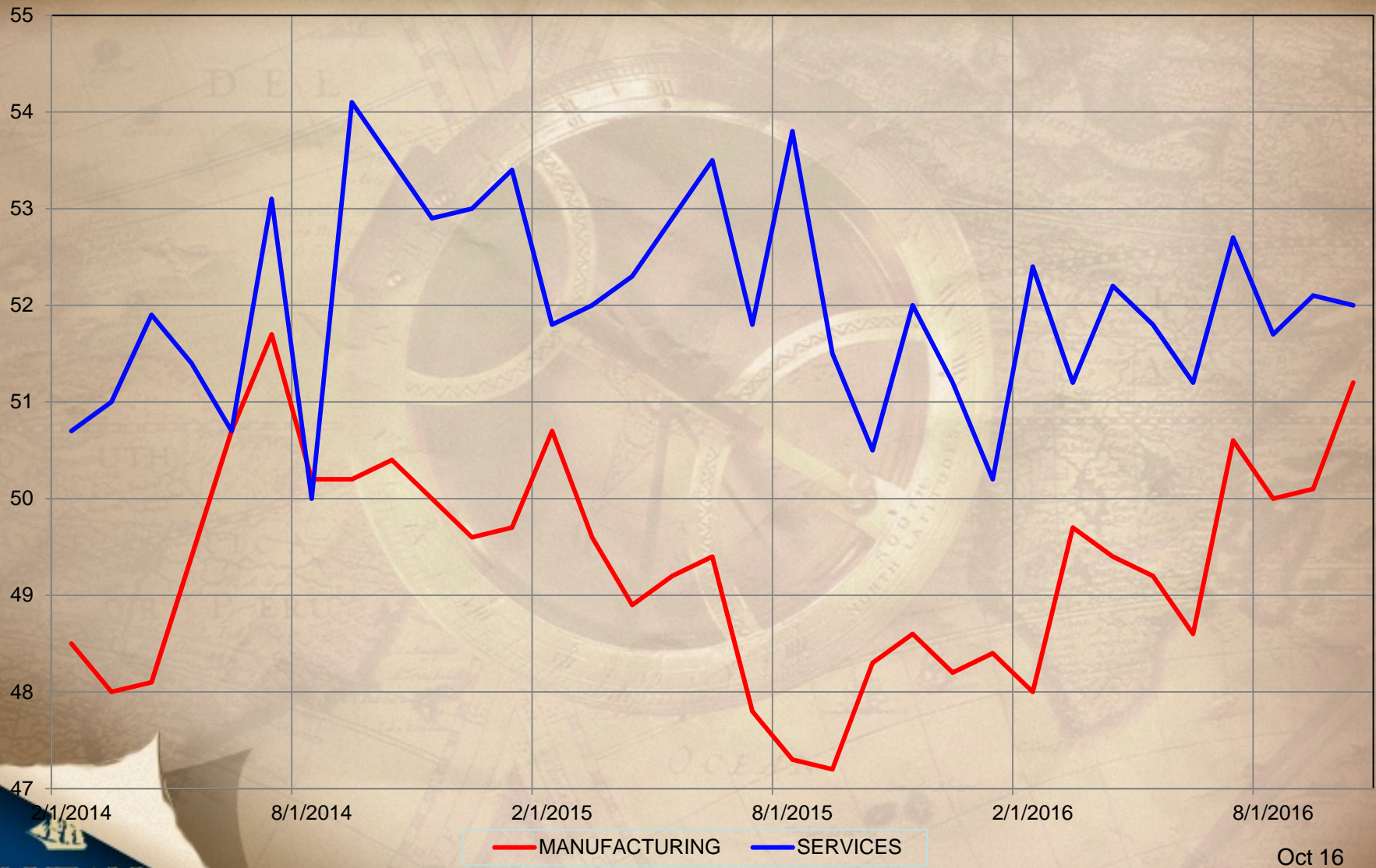
CURRENT QUARTER %CH FROM YEAR AGO



CHINESE NOMINAL GDP BY SECTOR 3 MONTH AVERAGE % CHANGE FROM YEAR AGO

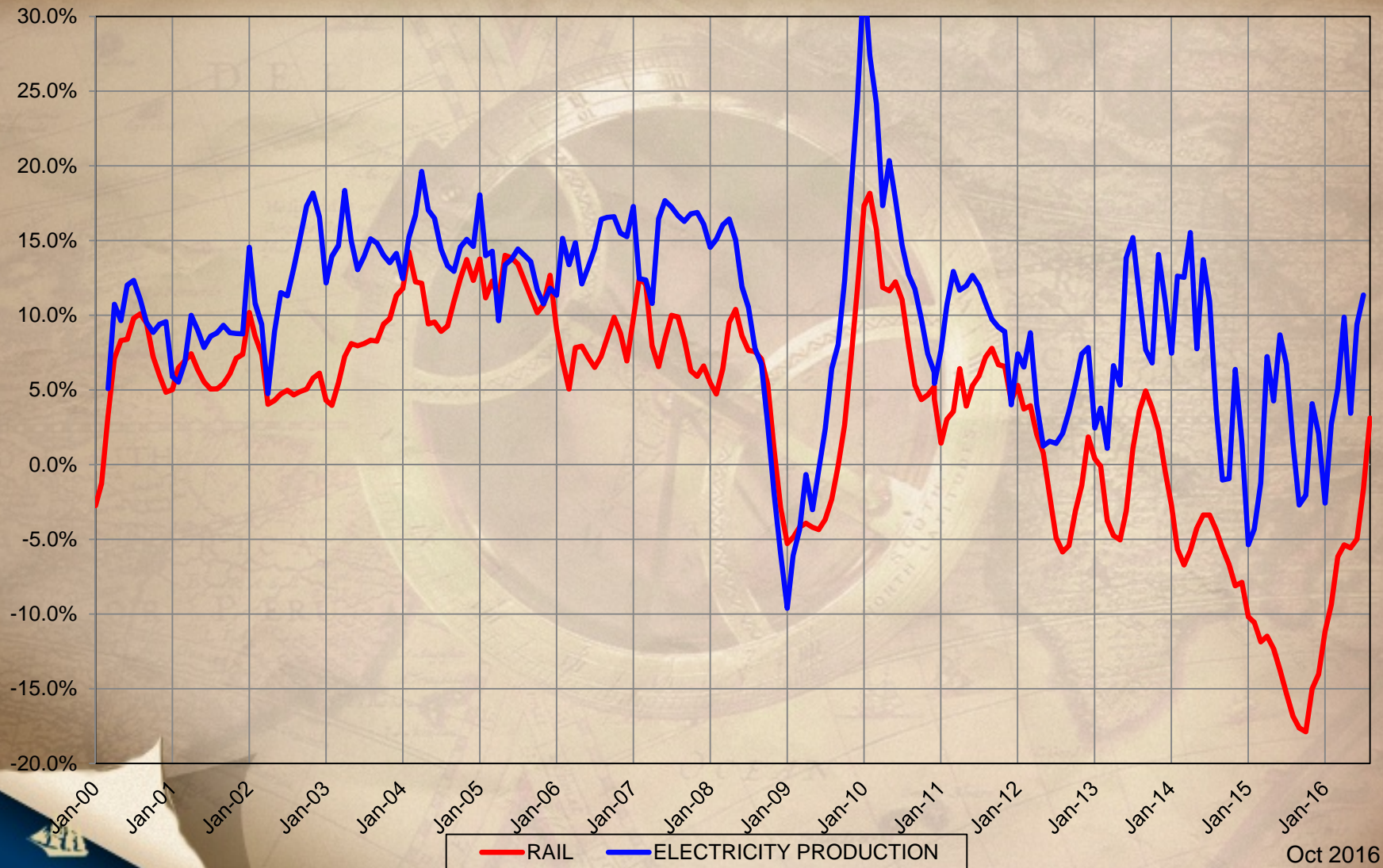


CHINA MARKET PMI: MANUFACTURING VS SERVICES



CHINESE RAILROAD FREIGHT VS ELECTRICITY PRODUCTION

3 MONTH AVERAGE % CHANGE FROM YEAR AGO 3 MONTH AVERAGE



REAL ESTATE IN CHINA

Sales of Commercial Buildings in Eastern, Central and Western Regions for January-August 2016

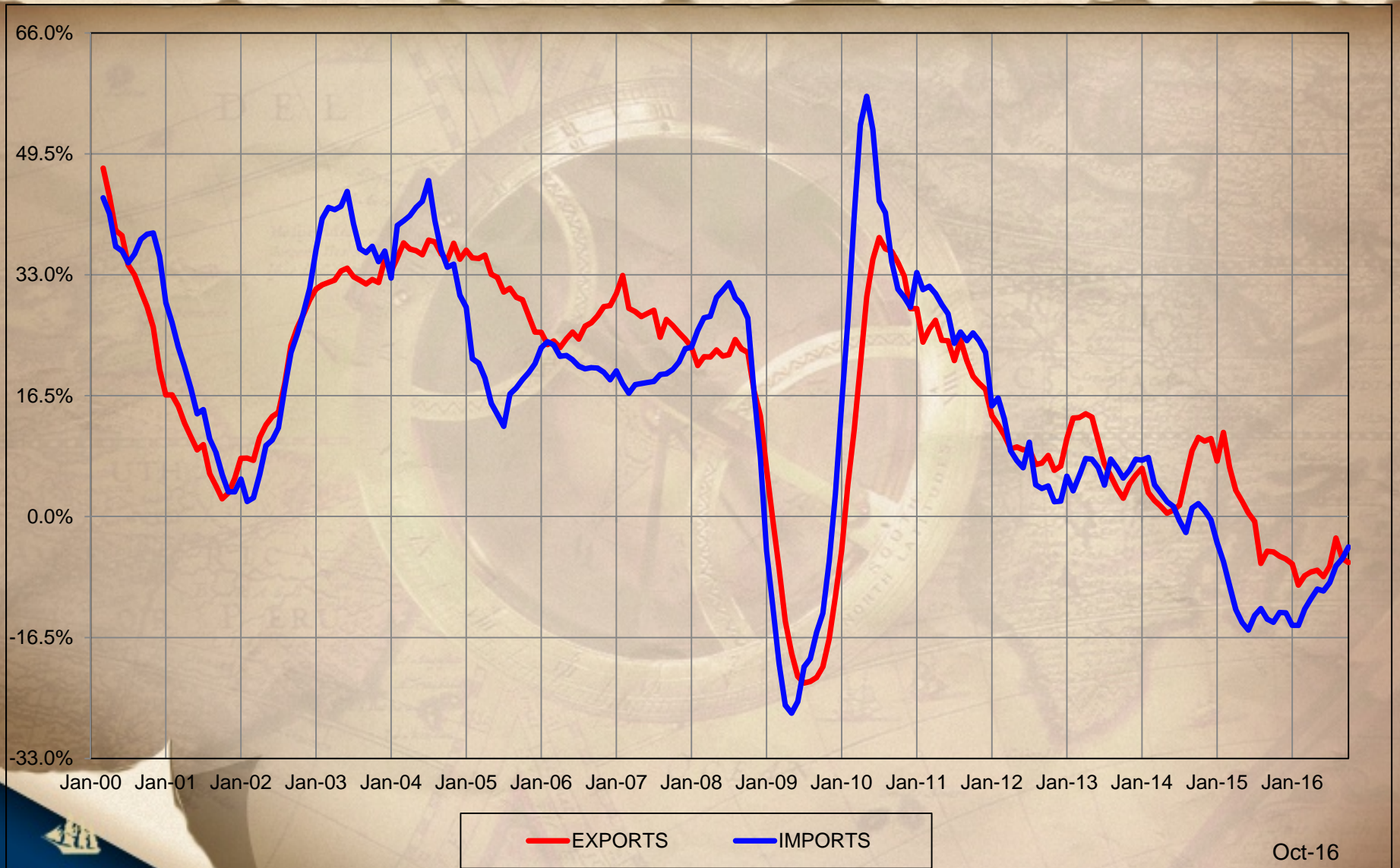
Regions	Floor Space of Commercial Buildings Sold		Sales of Commercial Buildings		Price Appreciation
	Share of Production	Growth Rate Y/Y (%)	Share of Value Sold	Growth Rate Y/Y (%)	
National Total	100.0%	25.5	100.0%	38.7	10.5%
Eastern	48.9%	27.4	64.1%	44.7	13.6%
Central	27.3%	31.7	19.9%	41.7	7.6%
Western	23.8%	15.7	16.1%	16.3	0.5%

Real Estate Investment in Eastern, Central and Western Regions for January- December

Regions	Investment Share	% of Investment in		Growth Rate Y/Y (%)	Residential Buildings
		Residential Buildings			
National Total	100.0%	66.9%		5.4	4.8
Eastern	55.8%	67.3%		3.3	3.9
Central	21.9%	69.7%		10.7	10.7
Western	22.3%	63.0%		5.9	1.5

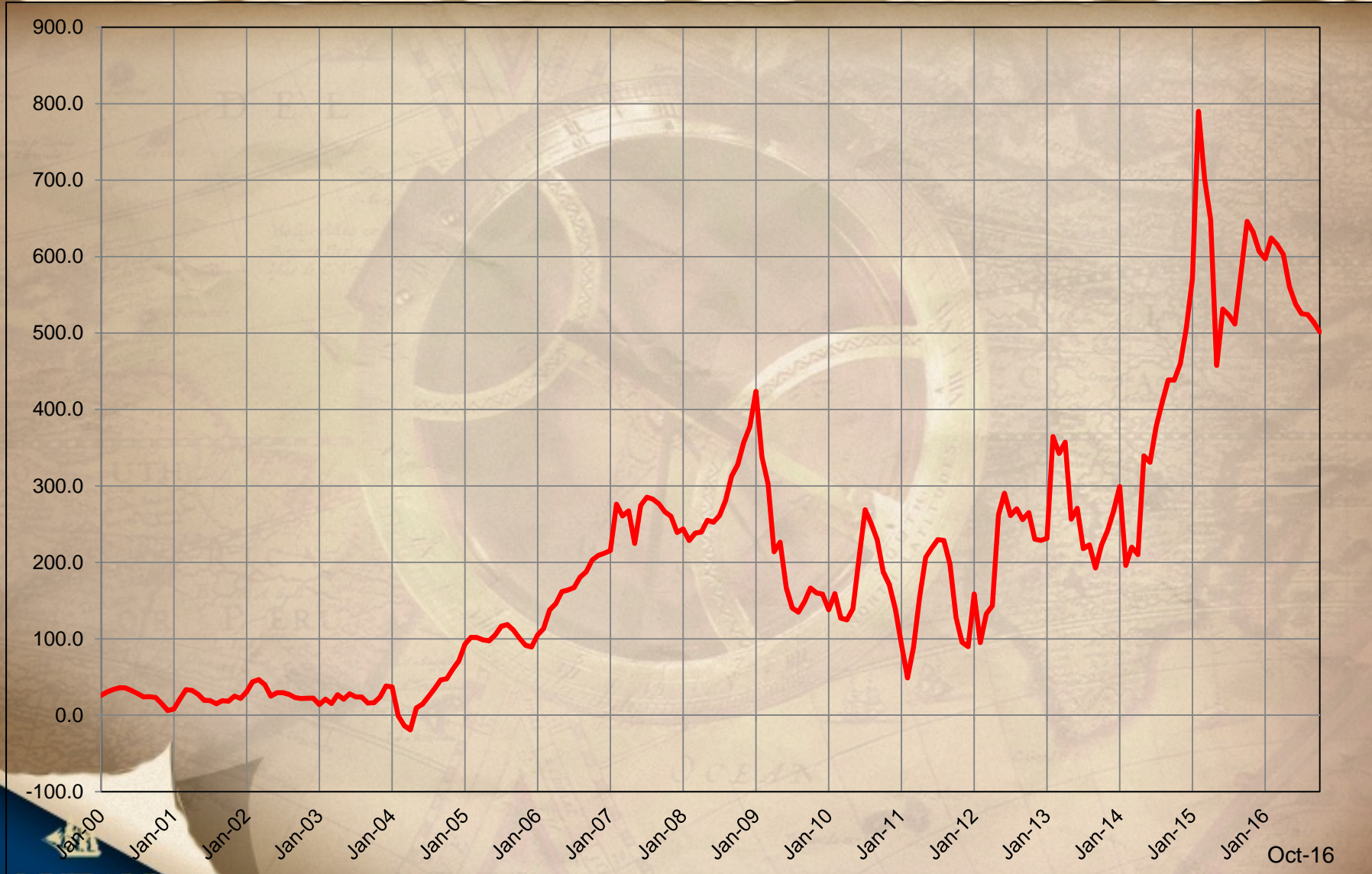
CHINA EXPORTS VS IMPORTS

3 MONTH AVERAGE %CH FROM 3 MONTH AVERAGE YEAR AGO



CHINESE TRADE SURPLUS

BILLIONS OF DOLLARS SAAR – 3 MONTH AVERAGE



PASSENGER CAR SALES IN CHINA

MILLIONS OF UNITS SEASONALLY ADJUSTED ANNUAL RATE

