

December 2016

We wish you a Merry Xmas! We wish you a Merry Xmas!

We wish you a Merry Xmas! And a H-A-P-P-Y N-E-W Y-E-A-R!



OUTSTANDING AWARDS

Received Caring Company Logo for 14 consecutive years

A good demonstration of our *altruistic spirit* by receiving the Caring Company Logo for **14 consecutive years!**



Appreciation by SAHK

"It is more blessed to give than to take."

Thanks to our colleagues who are always committed to serving our community.



Winner of Family Friendly Employer Award & "Special Mention (Gold)" Award

"Birthday leave, birthday red packet ..."

small things yet represent our care to the staff!

We always strive to create a working environment with happiness and mutual trust!



Appreciation Reception by PolyU

We are glad to see more and more PolyU students benefiting from the set-up of **Altruist Scholarship program**.



PROFESSIONAL ELITES

Financial Consultant of the Month in 2016

Month	Top PU Producer	Top Case Producer
Mar	Elsa Chan	
Apr	Anita Fan	Karen Ma
May	Beatrice Fan	Karen Ma
Jun	Judith Lui	
Jul	Elsa Chan	Karen Ma
Aug	Eden Tsang	Elsa Chan
Sep	Emily Law	
Oct	Emily Law	
Nov	Karen Ma	



Anita Fan



Beatrice Fan



Eden Tsang



Elsa Chan



Emily Law



Judith Lui



Karen Ma

WHAT'S NEW

Ferrari model car

Amazing!

Altruist logo appeared again in the limited edition of Ferrari model car as jointly produced by A Bathing Ape, Tarmac Works and BBR!



2016 Otic Charity Concert

Thanks to Otic Foundation, we are glad to see the increasing public awareness of hearing impairment problems.

Thanks also to our colleagues who are always on the volunteer list!



WWF Run for Change 2016

On your mark, get set, go!!

Our runners were on the charity track again this year!



The 8th LUA Bowling Tournament

Hip, hip, hurray!!

Altruist team ranked no. 6 among 21 elite teams and we definitely will do better next time.



IVDC Career Talk

It's our honor to be invited by IVDC to host regular career talks for their students. Indeed, it's also our responsibility to deliver the correct financial planning concept to the public.



To keep track of our company update, please browse the Facebook fan page "Smart 理財專案" and add us as a friend "Altruist 進邦滙理".



SNAPSHOT OF A CLUB EVENTS



“Work Hard • Play Hard” is our culture

The establishment of **A Club** is to bring balance of life to colleagues and family members by organizing different social and charity activities.

DIY planting workshop

To celebrate the Mother's Day, the most unique gift for mothers must be the tailor-made DIY plants!



DIY Lantern for Mid-Autumn Festival

A throng of kids, coming from the minorities, have enjoyed so much in the Mid-Autumn Festival Party!



Visit to “Touch Home For the Elderly”

Spending a half day playing with the elderly was so meaningful to all of us!



Outing to Panyu and Dongguan

Jumping out of Hong Kong, this crazy two-day journey ended with endless laughter, huge tummy and relaxing mood.



Making Tuen Ng Dumplings

The irregular shape of dumplings seemed not so perfect, yet it's the fun and love which matter the most.

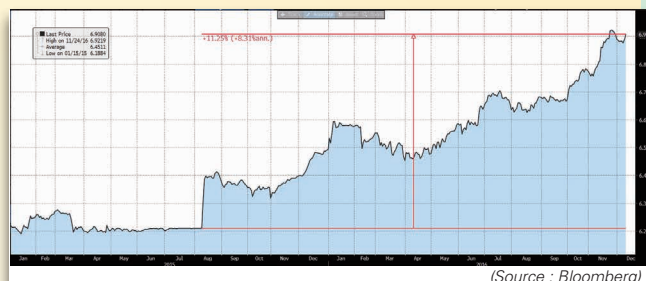


Renminbi Outlook

Since the reform of Renminbi exchange rate on August 11th last year, the RMB has on an accumulative basis depreciated 11.25% against the USD (as at Dec 9th). The USD / CNY exchange rate appreciated from 6.7 on Oct 10th to an eight-year high of 6.91 on Nov 25th ; during such period, it took only two weeks for the exchange rate to move from 6.8 to 6.9. The rate of depreciation of RMB has been astounding, leading the market to conjecture about the underlying reasons and future trend of the currency.

At present, the main currency for settlement, investment and national reserve around the globe remains to be the US dollar, thus it would be natural for the market to be concerned about the exchange rate of CNY against USD alone rather than a basket of trading currencies; but under the backdrop of globalization today, such view would give a rather incomplete picture of the CNY. The US dollar has recently been boosted by several political and economic factors including a close-to-100% market anticipation of rate hike in December by the Federal Reserve, Trump winning the Presidential election, and improvement of U.S. economic indicators in general. As with China, there are no new factors triggering further depreciation of CNY. On the contrary, there are new evidences showing that China's economic growth rate is stabilizing, and the problems with excessive production capacity and corporate debts are easing off. In fact, over the previous two months when the CNY depreciated rapidly against USD, the CNY exchange rate has taken different paths against respective major currencies. Since the inclusion of yuan in the Special Drawing Rights currency basket (SDR) on October 1st, the CFETS RMB Index has been relatively stable, even with slight appreciation. For year-to-date return as at end of November, the Index has nevertheless depreciated 6.2%.

USD / CNY exchange rate (12/31/2014 – 12/09/2016)



A core part of the devaluation pressure on yuan is a lack of confidence, which inevitably leads to a “self-fulfilling prophecy.” Some of the reasons include:

- Skepticism towards China’s long term monetary policy after the 8.11 exchange rate reform, thus pessimism on the long term stability of CNY;
- A lack of confidence in stable economic growth of the Chinese economy;
- A sense of insecurity over personal assets due to unknown prospect of China’s capital market development ;
- Capital flight to avoid asset recovery as a result of the anti-corruption campaign by the Chinese Government.

Percentage change in exchange rates of major currencies against CNY (09/30/2016 – 11/30 2016)



As such, the CNY exchange rate continued to fall despite the Chinese officials repeatedly emphasized that there is no foundation for long-term depreciation of yuan.

While the yuan continued to depreciate, China's foreign reserve slipped simultaneously from its highest level of USD3.99 trillion in June 2014 to USD3.05 trillion in November 2016, meaning that there is a reduction of USD940 billion over the period, part of which was used for the stabilization of the CNY exchange rate. Goldman Sachs has recently revised the yuan forecasts against USD to 7.00, 7.15 and 7.30 for 3 months, 6 months and 12 months respectively. Due to a myriad political and monetary policy reasons, short term pressure on the CNY / USD exchange rate would be obvious. In the long term, however, renminbi is supported by solid fundamentals. For a start, the exchange rate between two currencies is a function of the differentials in economic growth, inflation rate and trade surplus of the respective countries. The Chinese economy is growing twice as fast as the United States, but the inflation rates of the two countries are at similar levels. Between January 2015 and November 2016, China has recorded a huge trading surplus of USD1.029 trillion which should give strong support to CNY. Recently China has stepped up measures to stem capital outflows via increased scrutiny of major outbound deals, phase management of foreign direct investment, and tightening of renminbi cross-border business, in order to support the stabilizing of the exchange rate. As renminbi became a constituent currency in the SDR basket since October 2015 with a weighting of 10.9%, it also means that the currency is going to play a more important role in the global reserve currency in the long term. Finally, if Donald Trump rescinds from the Trans-pacific Partnership (TPP) arrangement as declared, it is anticipated that the Regional Comprehensive Economic Partnership (RCEP), as led by China with 16 country members, will be the focal free-trade agreement in the Asia-Pacific region. This will definitely promote trade among the country members with China, thus an increasing demand of renminbi.

Reform of exchange rate may have kicked off this round of renminbi devaluation, but it is an essential step in the revolution of capital market for the country. As the reform has coincided with the U.S. rate-hike cycle and a series of policy changes, it takes no expert to predict that pressure on renminbi will remain for the next couple of years, and it is therefore important for the Chinese Government to properly manage investors’ expectation and capital outflow to mitigate the risk of rapid currency devaluation. In the longer term, if the regulators can maintain good control of the monetary base and a fundamentally stable financial system, coupled with the emerging factors we have discussed above, the outlook of yuan’s internationalization can be bright despite the bumpy ride.

Investment Services Dept
Dec 2016

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