

The NewsLine

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CHINA

November mood: Down but not gloomy

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In November the purchasing managers' index for the manufacturing sector released jointly by HSBC and Markit fell slightly by 0.5 points to 50.4. Whereas the component index production recorded the highest reading for eight months, other sub-components such as new export orders and employment slipped a little.

Along with the economic data available for October – such as industrial production and retail sales – today's PMI points to a moderate pace of growth in the fourth quarter, similar to that seen in the previous quarter. For 2013 as a whole we are still expecting real economic growth of 7.6%.

Although, overall, we remain fairly upbeat about the short and medium-term outlook for the Chinese economy, the lopsided development in individual areas of the economy continues to worry us. This applies especially to the property sector. For several months property prices in the conurbations have been rising sharply again. In Shenzhen the prices for newly completed residential properties were up more than 20% on a year earlier. In Peking the increase stood at a good 16%. We are hoping that the recent tangible slowdown in domestic lending ("total social financing") will help to curb the rise in property prices in the course of next year. Taking a moving 6-month average, new lending peaked in May of this year but has since tapered off gradually. In October the volume of new lending was already almost 36% below its May level.

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These assessments are, as always, subject to the disclaimer provided below.

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Together with its customers and sales partners, Allianz is one of the strongest financial communities. Around 78 million private and corporate customers rely on Allianz's knowledge, global reach, capital strength and solidity to help them make the most of financial opportunities and to avoid and safeguard themselves against risks.

In 2012, around 144,000 employees in over 70 countries achieved total revenue of 106.4 billion euros and an operating profit of 9.3 billion euros (restated on January 1, 2013 due to a change in accounting standard and presentation).

Benefits for our customers reached 89.2 billion euros.

This business success with insurance, asset management and assistance services is based increasingly on customer demand for crisis-proof financial solutions for an aging society and the challenges of climate change. Transparency and integrity are key components of sustainable corporate governance at Allianz SE.

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