

CHINA IN THE NEWS



Joanna Zhou (周娜), now residing in Knoxville TN, immigrated to Indianapolis with her husband from Beijing in 2013, where she worked in Human Resources for a U.S. Fortune 500 company. She enjoys her new life with her husband and kept in touch with her LAAT friends and readers by contributing to this column.

Deloitte says 2017 will be better year than you think

The year of 2017 will be better than you think, with Asia leading the way, international accounting firm Deloitte said on Monday. Despite protectionist rhetoric from the United States and gloomy forecasts from the IMF, three factors suggest global growth is about to "surprise on the upside," it said in the first edition of their Voice of Asia series. Chris Richardson, Deloitte Australia economist, explained that first, the global economy is finally normalizing after a decade of shocks, and a natural healing process is underpinning a more resilient recovery. Second, world trade is already lifting and the benefits of this are spilling into Asia, and third, Asia's mega-economies of India and China, are increasingly being powered by consumer booms, acting as a stabilizing force in their economies and for the region, he noted.

德勤：2017年全球经济向好亚洲增长领先

全球知名会计师事务所德勤16日在香港发布的《亚洲之声》系列第一期报告指出，2017年全球经济增长将好于预期，其中亚洲增长将领先全球。该报告称，尽管美国存在贸易保护主义倾向，但有三大因素预示全球经济将“意外上行”。德勤经济学家称这三大因素是：首先，全球经济经历长期动荡后开始重回正轨，各经济体自然治愈的过程“具韧性的复苏”奠定了基础，全球贸易正回升并惠及亚洲第三，消费热潮正日益刺激中国和印度两大经济体，成为两国经济乃至亚洲地区经济的稳定力量。

Shenzhen traffic police cooperate with Didi to ensure car-hailing safety

Traffic police in the southern Chinese city of Shenzhen signed an agreement with Didi Chuxing, the country's largest on-demand mobility (ODM) company, on Monday to ensure the safety of passengers. According to the agreement, Didi will add a new function -- "share with traffic police" -- to its app. The function allows passengers to share their journeys with the city's traffic police. Meanwhile, Didi Chuxing will support police investigations into traffic accidents. Xia Xukun, with the city's traffic police bureau, said that Shenzhen traffic police will also cooperate with Didi and other companies to standardize the industry. The cooperation between the two sides will cover the promotion of high-occupancy vehicle (HOV) lane to encourage car sharing and combat drunk driving, Xia said.

深圳交警与滴滴合作乘客行程可报备警方

深圳交警与滴滴出行合作，签订战略合作框架协议，双方拟加强大数据合作，鼓励网约车用户加入文明出行志愿者队伍，推动网约车安全监管，双方合作从春运查酒驾开始，将在平台融合、酒驾干预、推进HOV共乘车道等方面，开展全面合作。未来，深圳网约车乘客可自愿将行程“一键分享”给警方后台报备，以保障安全。

Shanghai Disney welcomes nearly 6 million visitors in 7 months

Shanghai Disneyland received close to 6 million visitors in the first seven months of it opening in mid-June, Fan Xiping, chairman of Shanghai Shendi Group, Disney's Chinese partner, said Monday. Fan, who is also a member of the standing committee of the Shanghai Municipal Committee of the Chinese People's Political Consultative Conference, said 5.6 million people had visited Shanghai Disneyland by Dec. 31, 2016. Eighty percent of the visitors said they were "very satisfied" or "satisfied" with their visits, according to a third party survey. Meanwhile, Shanghai Disneyland Hotel and Toy Story Hotel reported up to 90 percent occupancy. The first-ever Mandarin production of "The Lion King" was staged over 220 times, making it the most-run Broadway musical in the Chinese mainland.

上海迪士尼入园游客超560万度假区还在扩建

截至2016年12月31日，上海迪士尼入园游客达560万。这也使得上海迪士尼成为了全球迪士尼乐园中游客人数最快突破500万的乐园。据新华网报道，1月14日，上海申迪（集团）有限公司党委书记、董事长范希平在上海市政协十二届五次会议现场透露了这一数据。范希平还表示，上海迪士尼的两个主题酒店，持续保持90%以上的入住率。而在调查结果中，景点及设置、乐园提供的各类服务的便利性及衔接、乐园整体氛围三项名列前茅。

Airbus China site to deliver first A330 in 2017

Airbus is expected to deliver its first A330 aircraft in September 2017 from its completion and delivery center in north China's Tianjin, said Airbus China on Monday. According to Airbus China, by 2019, the Airbus China site will reach stable production capacity, completing and delivering two A330 wide-body aircraft per month.

"The cabin of the A330 is more complicated than the single-aisle aircraft due to the massive workload and difficulty," said Francois Mery, COO with Airbus Commercial Aircraft China, adding that the completion and delivery center will be responsible for cabin installation, painting and flight tests of the A330. 空客中国工厂将在2017年交付首架A330

空客中国工厂将在2017年交付首架A330

今年7月，空客天津的交付中心将完成首架A330飞机的交付任务。截至到2019年，空客中国将达到产能稳定的状态，实现每月能够生产，完成并交付两架A330宽体机的任务。

Toyota to recall 15,865 units of Lexus in China

Toyota will recall 15,865 imported Lexus vehicles across the Chinese mainland due to defective airbags, according to the country's quality watchdog. A defect has been found in the gas generator of the airbags of the affected vehicles, which may result in safety problems, said the General Administration of Quality Supervision, Inspection and Quarantine. Recall of the IS, ES, LFA versions will start on June 30, 2017, while that of the GX model will start on Dec. 31. Toyota has promised to replace the defective parts free of charge. 因气囊问题，丰田汽车在华召回15,865台雷克萨斯

召回的车辆涉及部分进口雷克萨斯IS 250、IS 250C、ES 240、ES 350、LFA等轿车车型，以及GX 400/GX 460越野乘用车，所召回车型均是2011年-2012年生产的。

ORGANIZATIONS PLAN TRADE MISSION TO CHINA

A private industry trade mission is set to head to China in May 2017. The trip, organized by the U.S. Department of Commerce, Indiana District Export Council and America-China Society of Indiana, has stops scheduled in Shanghai, Hangzhou and Guangzhou.

Over the last decade, the organizations say the Asian nation has become Indiana's third-largest trading partner. In 2015, the U.S. exported \$116 billion in goods to China.

The timeline includes three days on the ground in China with networking opportunities, industry tours and meetings with government and business officials on the schedule. It will focus on the health care and medical device, education and training and environmental technology industries.

Source: Inside Indiana Business



Shanghai, China



Hangzhou, China



Guangzhou, China

INDY BUSINESS BULLETIN



Roche CEO: IBRI Will Succeed Where Others Have Failed

The chief executive officer of Roche Diagnostics North America says Governor Eric Holcomb's endorsement of the Indiana Biosciences Research Institute is key to the collaboration that he believes will ultimately make the facility a global leader. Jack Phillips tells Inside Indiana Business the institute is about halfway to its \$350 million funding goal. He believes what will make IBRI successful, unlike many similar attempts around the world, is the buy-in by both state and private sector leaders.

Angie's List Touts 5 Million Members

Indianapolis-based Angie's List (Nasdaq: ANGI) says it reached more than five million members at the end of 2016, up more than 50 percent from the previous year. The company says its move to drop the payroll for online reviews nationwide contributed to the growth.

Indy Nonstops Not Stopping

Last week, Indianapolis International Airport announced new flights to Austin, Texas and Destin-Fort Walton Beach, Florida, bringing the number of nonstop routes in Indy to 46, the highest total in years. And it appears more may be on the way. In an interview on Inside Indiana Business Television, airport Executive Director Mario Rodriguez said demand will likely fuel more nonstops in existing, high profile markets. "Absolutely, you can probably see more into the Seattle route, more into the San Francisco route and San Diego is just the beginning," said Rodriguez, who adds, "we've been hearing the tech community."

Lilly, Merck Partner Again

A collaboration between Indianapolis-based Eli Lilly and Co. (NYSE: LLY) and Merck & Co. Inc. (NYSE: MRK) is growing. The deal involves studying the combination of Lilly's LARTRUVO and KEYTRUDA in patients with advanced or metastatic soft tissue sarcoma who had been treated previously.

Purdue Represented at New Robotics Institute

Researchers from Purdue University are among a number of government, university and nonprofit representatives involved in establishing the Advanced Robotics Manufacturing Institute Hub, part of the U.S. Department of Defense's Manufacturing USA. Eleven

Purdue faculty members are part of the institute, which is located in Pittsburgh.

Carmel Details Tax Gains From Special Census

The city of Carmel says it could capture an additional \$1.7 million in tax revenue over the next five years as a result of more residents counted in a partial special census. Carmel's official population now stands at 86,946, a 7,755 increase from the previous totals that were calculated in 2010. Officials say the effort cost close to \$400,000.

Muncie Targets Next Generation Residents

The mayor of Muncie says \$100 million in public and private investment downtown over the last two years is a play to keep Ball State University and Indiana University School of Medicine graduates in city. Dennis Tyler says boosting the urban core will "transform out" to the rest of the community and help build momentum that will attract and retain talent. He says the city recently experienced an example of this "steamroll" effect when a potential developer reached out to city officials hours after they announced the \$7.5 million planned housing transformation of the old Sears Building.

INDYCAR Extends Deal With Dallara

Indianapolis-based INDYCAR has signed a multi-year contract extension with Italian chassis manufacturer Dallara. The contract calls for Dallara, whose U.S. headquarters are located in Speedway, to continue providing driver safety cells for the Verizon IndyCar Series through the 2020 season.

Holcomb Unveils Budget Proposal

Governor Eric Holcomb has presented a \$32 billion budget to the State Budget Committee. It includes \$20 million in grants for the Indiana Biosciences Research Institute in Indianapolis, as much as \$5 million a year to help attract overseas flights to Hoosier airports also includes \$4 million in planning grants for future Regional Cities Initiatives efforts and \$10 million toward expansion of the South Shore rail corridor.

Indy Touts Job Growth in 2016

An annual report from Develop Indy says 49 companies announced relocation or expansion projects in Indianapolis last year, leading to about 4,500 new jobs and keeping another 6,800 in the city. The efforts are expected to bring \$600 million in new payroll and capital investment to the local economy.

STEM Contributes to Record Year For Children's Museum

The Children's Museum of Indianapolis is celebrating a record-breaking year in 2016. About 1.27 million people visited the museum last year, marking the highest attendance without a major special exhibit being featured.

FINANCIALLY SPEAKING

2017 Outlook and Lessons (Re-) Learned in 2016



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We're encouraged as we start 2017. The U.S. economy showed signs of accelerating ahead of the election, so the post-election rally has been well-supported by improving fundamentals. In turn, this bodes well for a rebound in corporate earnings, which are the primary driver of stock prices.

Additionally, the possibility of lower corporate tax rates, repatriation of cash trapped overseas and a less burdensome regulatory environment could also enhance the profit outlook.

Economist John Maynard Keynes coined the term "animal spirits" to refer to how human psychology and the level of confidence can drive or hamper economic activity. Humans are not robots driven solely by probabilistic mathematical outcomes. Corporations and investors have been sitting on growing piles of cash reserves.

We are politically agnostic, but if the animal spirits of capitalism stir and result in a shift in motivation from safety to profit, the results could be impressive.

"Value" and "Growth" tend to move in cycles lasting several years and with relative performance going to extremes, but historically the pendulum eventually reverses course.

Returns from value investing are necessarily "lumpy." By definition, value investors are buying stocks that are out of favor. We can control the price we pay, but have absolutely no control over when

other investors will recognize the stock's discount to the intrinsic value of the business.

Second, value investing requires patience and a thick skin to withstand the inevitable periods of underperformance. Numerous studies have shown "value" investing outperforms "growth," over long periods of time. If this is the case, why isn't everybody a value investor? It's human nature.

The majority of investors simply aren't wired to have the discipline, patience and fortitude required. In fact, we'd argue the very reason "value" outperforms over the long-term is because it has short-term periods of underperformance, sometimes severe.

One quarter does not make a trend, but the Russell 1000 Value Index was up 6.7% vs. 1.0% for the Russell 1000 Growth Index in the fourth quarter, while the Russell 2000 Value Index was up 14.1% vs. 3.6% for the Russell 2000 Growth Index. If this is the start of a reversal, it could have a long way to run.

Don't base investment decisions on macro forecasts, which are a waste of time and energy.

The "smart money" was on "Brexit" (British voters choosing to remain in the European Union) and Clinton. Further, the conventional wisdom was "Brexit" and Trump would be bad for stocks.

First, it's obvious no one can really predict how events will transpire. Second, even if they could, no one knows what the market's reaction to those events will be.

Earnings drive stock prices. The S&P 500 gained a paltry 1.9% from the end of 2014 through the first half of 2016. It's no coincidence these weak returns coincided with a five-quarter slump in corporate earnings from the end of the first quarter of 2015 through the end of the second quarter of 2016.

Earnings grew 3.1% in the third quarter of 2016, which was the first positive comparison since the 0.5% growth in the first quarter of 2015. This also coincided with the S&P 500's total return of 7.8% in the second half of 2016.

STATE LANDMARKS NOW NATIONAL LANDMARKS

Two historic structures in Indiana have earned national recognition. The National Park Service has officially named the Indiana Soldiers and Sailors Monument in downtown Indianapolis and the West Union Covered Bridge in Parke County to the list of National Historic Landmarks.

The more than 280-foot Soldiers and Sailors Monument was dedicated in 1902 and is the largest of more than 200 Civil War memorials throughout the country. The Indiana Department of Natural Resources says the national recognition "recognizes world-class civic designs that have shaped the image of Indianapolis."



The Indiana Soldiers and Sailors Monument was dedicated in 1902.

The 346-foot West Union Bridge, which runs over Sugar Creek, was commissioned in 1876. The National Park Service recently commissioned the Covered Bridges National Historic Landmark Context Study that highlighted the 20 best examples of timber truss covered bridges with the West Union Bridge making the cut.

The DNR says the National Historic Landmark program, not to be confused with the National Register of Historic Places, "recognizes 'the best of the best' properties that provide insight to our national heritage."



West Union Covered Bridge in Parke County was commissioned in 1876