

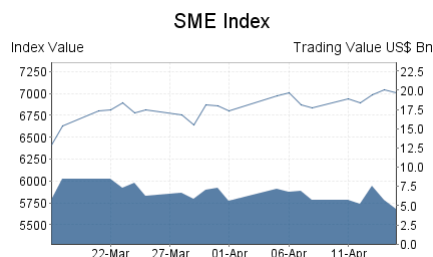
Market Bulletin

Monday 18 April, 2016 (Issue 12)

Highlights

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Key Indices



Market Review

Last week, Shenzhen Component Index stood at 10733.6 points after adding 3.1%. SME Index edged up 2.7% to 7011.9 points. ChiNext Index advanced 3.6% to 2309.7 points. Total turnover for stocks and funds on SZSE was US\$324.3 billion, or a 18.3% increase from the week before.

All sector indices were higher than previous week. Sector indices with the biggest gains were R&D support, mining and culture & media.

Top 3 gainers were Shenzhen V&t Technologies (300484), Changsha Jingjia Microelectronics (300474) and Shenzhen Minkave Technology (300506). Top 3 decliners were Zhejiang Bangjie Digital Knitting (002634), Qingdao Gon Technology (002768) and Shenzhen Ideal Jewellery (002740). The most active stocks for the last week were East Money (300059), Beijing Baofeng Technology (300431) and Do-fluoride Chemicals (002407).

Market News

Doyin Made Its IPO Debut on SZSE

Doyin (Stock Code: 002793) landed on SME board on Apr 15, publicly offering 25 million shares at RMB 11.97 per share and raising funds of RMB 299 million (USD 46.1 million). Zhejiang Doyin Pump Industry Co., Ltd. principally engages in research and development, manufacturing and sales of submersible pumps for wells, small-sized submersible pumps and onshore pumps.

SZSE Conducting All-round Strategic Cooperation with China Merchants Group

SZSE signed strategic cooperation agreement with China Merchants Group on Apr 11. According to the agreement, collaboration shall be carried out in four fields: (1) developing and launching financial products and services in line with "the Belt and Road Initiative"; (2) cultivating and supporting the technological SMEs; (3) further developing the fixed-income market and increasing the financing instruments by making use of the innovative and advantageous mechanism of the Qianhai and Shekou Free Trade Area; (4) pushing forward the construction of the financial services platform in the free trade zone.

SZSE Signs MOU with HKICS

SZSE and The Hong Kong Institute of Chartered Secretaries (HKICS) signed a Memorandum of Understanding (MOU). In the framework of the MOU, SZSE and HKICS agree to develop long-term cooperation, especially in such fields as research, training, professional communication and resource sharing.

CSRC: Risk Management Rules Revised On Securities Firms

CSRC released its draft plan to change the way it calculates net capital and risk capital requirement of securities firms on Apr 15. The revised calculation will see the industry's net capital increase by around 20% and that of risk reserve capital rise two times, which will make the risk coverage indicator more "reasonable". Other re-adjustment includes lowering the ratios of net capital to liabilities and net capital to net assets.

No Limit for Investment by Foreign Banks in Interbank Market

For data products and services based on Shenzhen market, please contact Shenzhen Securities Information Company.

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Market at a Glance

SZSE Market Statistics (15 April, 2016)	
No. of Listed Companies	1762
Market Cap.(US\$ Bn)	3208.3
Free-float Market Cap.(US\$ Bn)	2235.7
Average P/E Ratio	42.85
For the Year of 2016	
Turnover Value(US\$ Bn)	4232.9
-Stock	3609.1
-Main Board	1009.5
-SME Board	1601.6
-ChiNext	998.0
-Fund	102.3
-Bond	521.5
Daily Turnover Ratio(%)	2.49
Total Fund Raised by Equity (US\$ Bn)	42.4
No. of IPO	16

*Currency ratio used : 1 USD=6.47 CNY

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China won't limit investments by foreign central banks and similar institutions in the Chinese interbank foreign exchange (FX) and bond markets, official statements said on Apr 14. Foreign banks and institutions must abide by Chinese laws, register their investments in the interbank FX market with the China Foreign Exchange Trade System and register their bond investments with the People's Bank of China.

State Council: Further Cut Social Security Burden on Enterprises

According to a statement issued after the State Council meeting on Apr 13, the required contribution rates of the pension insurance, unemployment insurance and housing provident funds will be lowered in a two-year period starting on May 1. Under the policy, enterprises that contribute more than 20% of the pension insurance payment can reduce the rate to 20%. In addition, the rate of the unemployment insurance will range between 1% and 1.5%, down from the current 2%, and that of housing provident funds should stay below 12%.

China New Business Registrations Continue to Rise

About 1 million new companies were registered in the first quarter of 2016, up 25.9% year on year, statistics from the State Administration for Industry and Commerce showed on Apr 13. The number of newly registered firms in tertiary industries rose 27.4% to 862,000, over 80% of new registrations.

AIIB Cooperates with World Bank, ADB to Approve First Batch of Projects in June

AIIB President Jin Liqun said on Apr 13 that the Asian Infrastructure Investment Bank (AIIB) is cooperating with the World Bank and the Asia Development Bank (ADB) and the three sides will approve the first batch of co-financed projects in June. In 2016, the AIIB expects to approve about 1.2 billion dollars in financing, with World Bank joint projects anticipated to account for a sizable share, according to a statement by the World Bank.

World Bank: China's Economy to Grow 6.7% This Year

According to a World Bank report issued on Apr 11, Chinese economy is expected to grow at 6.7% in 2016. Despite slower GDP growth, the urban job creation exceeded the annual target in 2015 and the household disposable income grew faster than GDP growth. The bank also warned that credit growth continues to outpace GDP growth and leverage is still building.

IMF: China's Corporate Debt Risks Rising But Manageable

According to IMF, China's corporate debt risks are rising, but the costs of addressing potential losses on bank lending remain manageable. Risks are concentrated in five sectors: real estate, manufacturing, retail and wholesale, mining, and steel, where earnings relative to interest expense have fallen despite declining nominal interest rates.

NDRC: CPI Growth Will Be Moderate This Year

China's consumer prices will increase only moderately in the rest of 2016 despite soaring prices for vegetables and meat early in the year, said spokesman for NDRC, the nation's top economic planner. The spike in pork prices, a major Chinese food staple, is not likely to continue by summer due to weaker demand and falling costs in raising pigs.

Shenzhen Targets Annual Growth of 8.2% by 2020

Shenzhen released an outline of its 13th Five-Year Plan on Tuesday, setting a GDP target of RMB 2.6 trillion (USD 402.1 billion) by 2020 which may entail an annual growth of 8.2% in the next five years, the 21st Century Business Herald said. The city's GDP stood at RMB 1.75 trillion in 2015, up 8.9% from a year earlier, ranking fourth nationwide after Shanghai, Beijing, and Guangzhou, according to the National Bureau of Statistics.