

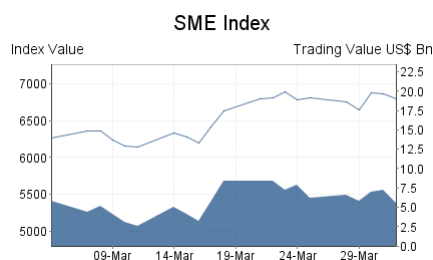
Market Bulletin

Tuesday 05 April, 2016 (Issue 10)

Highlights

- State Council: China Sets Priorities for Economic Reform
- Premier Li Stresses Quality, Efficiency of SOEs
- Central Bank Pumps More Money into Market
- China to Expand Financial Support to Boost Consumption
- China's Pension Fund to Flow into Stock Market This Year
- USD 1.4 Billion in Lock-up Shares Ready for China Stock Markets
- China Sets New Online Import Tax Rules
- China's Official Non-manufacturing PMI Expands
- Caixin China Manufacturing PMI Edges up
- China Reaffirms Stance Against Competitive Depreciation
- SAFE: China's Current Account Surplus Grows
- Chinese Businesses Less Confident: Survey

Key Indices



Market Review

Last week, Shenzhen Component Index stood at 10379.6 points after adding 0.4%. SME Index closed at 6799.1 points after losing 0.2%. ChiNext Index was down 0.5% to 2205.4 points. Total turnover for stocks and funds on SZSE was US\$305.8 billion, or a 13.2% decrease from the week before.

12 sector indices were higher than previous week, and 4 were lower. Sector indices with the biggest gains were construction, mining and utilities. Sector indices with the biggest drops were culture & media, farming, forestry and aquaculture and real estate.

Top 3 gainers were Tongyu Communication (002792), Guangdong Kinlong Hardware Products (002791) and Shenzhen Minkave Technology (300506). Top 3 decliners were Geeya Technology (300028), Guanhao Biotech (300238) and Shanghai New Culture Media Group (300336). The most active stocks for the last week were Western Securities (002673), East Money Information (300059) and Tianqi Lithium Industries (002466).

Market News

State Council: China Sets Priorities for Economic Reform

The State Council unveiled this year's top economic reform priorities on March 31. The reforms touched upon 10 fields, ranging from State-owned enterprise (SOE), supply-side structural reforms to the opening-up policy. In the financial sector, China will promote renminbi convertibility on the capital accounts "steadily and cautiously" and launch a stock connect program between the Shenzhen and Hong Kong bourses in 2016.

Premier Li Stresses Quality, Efficiency of SOEs

Premier Li Keqiang has called for efforts to improve the quality and efficiency of the state-owned enterprises (SOEs). He called on the SOEs to take the lead in cultivating new growth dynamics and reforming the traditional growth dynamic, and working hard to seek efficiency through technology, reforms, restructuring, and better management.

Central Bank Pumps More Money into Market

PBOC pumped more money into the market to ease a liquidity strain on Mar 31. The central bank conducted RMB 100 billion (USD 15.4 billion) of seven-day reverse repurchase agreements (reverse repo). The injection has resulted in a net RMB 40 billion being pumped into the market, offset by RMB 60 billion in maturing reverse repos.

China to Expand Financial Support to Boost Consumption

The PBOC and China Banking Regulatory Commission on March 30 issued guidelines outlining measures that could spur consumption in promising fields such as health care. According to the guidelines, financial institutions were encouraged to set up more "consumer finance" firms, which lend money to consumers. Besides, consumer credit firms were encouraged to offer more services for fields including health care, information and green consumption.



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

Tel: +86-755-83241251

Email: index@cninfo.com.cn

Market at a Glance

SZSE Market Statistics (01 April, 2016)

No. of Listed Companies	1761
Market Cap.(US\$ Bn)	3050.9
Free-float Market Cap.(US\$ Bn)	2127.3
Average P/E Ratio	41.06
For the Year of 2016	
Turnover Value(US\$ Bn)	3544.3
-Stock	3005.0
-Main Board	858.0
-SME Board	1324.3
-ChiNext	822.7
-Fund	85.1
-Bond	454.2
Daily Turnover Ratio(%)	2.44
Total Fund Raised by Equity (US\$ Bn)	37.9
No. of IPO	15

*Currency ratio used : 1 USD=6.52 CNY

This Market Bulletin is provided by Shenzhen Stock Exchange (SZSE). The contents and comments contained herein are for information purposes only. SZSE does not guarantee their accuracy, completeness or reliability. SZSE holds the copyright of this bulletin. Any unauthorized quotation, reprinting and/or distribution to a third party is prohibited without prior written consent of SZSE.

China's Pension Fund to Flow into Stock Market This Year

China's massive pension fund may begin investing in the nation's A-share markets this year, an anticipated move that will channel approximately RMB 600 billion (USD 92.28 billion) into the equity market and likely improve its liquidity. The maximum proportion of investments in stocks and equities set at 30% of total net asset.

USD 1.4 Billion in Lock-up Shares Ready for China Stock Markets

Lock-up shares worth nearly RMB 9 billion (USD 1.4 billion) will become eligible for trade on China's stock markets. More than 620 million shares from 13 companies will become tradable on the Shenzhen and Shanghai stock exchanges from April 5 to April 8.

China Sets New Online Import Tax Rules

China will change the tax rules on online retail goods from April 8 to level the playing field for e-commerce platforms and traditional retailers and importers. Retail goods purchased online will no longer be classified as "parcels," which enjoy a "parcel tax" rate, lower than that on other imported goods. Instead, online purchases from overseas will be charged in the same way as any other imported goods, the Ministry of Finance announced on Mar 31.

China's Official Non-manufacturing PMI Expands

Business activity in China's non-manufacturing sector expanded in March, reversing a downward trend since last December, according to a report released by the National Bureau of Statistics. The Non-manufacturing PMI, which tracks business activities of both the service sector and the construction industry, stood at 53.8 in March, up from 52.7 in February and well above the 50 mark that separates expansion and contraction.

Caixin China Manufacturing PMI Edges up

The Caixin General China Manufacturing Purchasing Managers' Index (PMI), rose to 49.7 in March from 48 in February, a private survey showed Friday. The reading is higher than February's five-month low, but again below the neutral 50-point level. A reading above 50 indicates expansion, while a reading below 50 represents contraction.

China Reaffirms Stance Against Competitive Depreciation

Chinese Foreign Ministry Spokesman Lu Kang reiterated that all countries should refrain from using competitive depreciation to stimulate exports and there is no basis for sustained devaluation of the Chinese currency. Lu said that China's stances on these issues are consistent and Beijing will continue to implement a proactive fiscal policy, steadfastly push forward supply-side structural reforms, and better tap into domestic demand, especially consumer demand, so as to keep its economy running within a reasonable range.

SAFE: China's Current Account Surplus Grows

The SAFE said on April 1 that China's current account surplus rose 19% year on year to USD 330.6 billion in 2015. The goods-trade surplus hit USD 567 billion, while the service trade posted a deficit of USD 182.4 billion. Deficit under the capital and financial account rose to USD 142.4 billion at the year end and Reserve assets decreased by USD 342.9 billion last year, compared with an increase of USD 118.8 billion in 2014.

Chinese Businesses Less Confident: Survey

Central bank survey revealed that Chinese businesses are less optimistic about the economy. Around 59.2% of entrepreneurs thought the economic climate "relatively cold" in the first quarter. The surveys found more people concerned about employment. Of 20,000 savers surveyed, around 45.1% considered the employment situation "severe".