

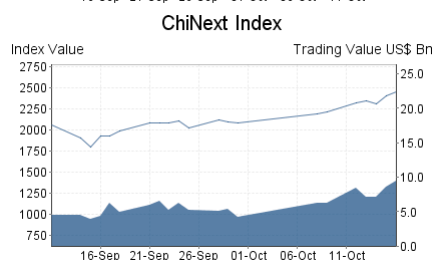
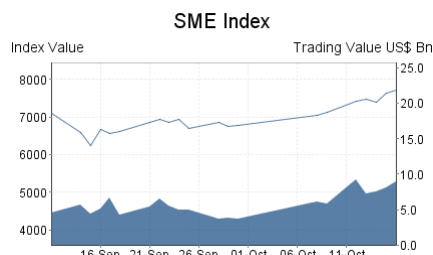
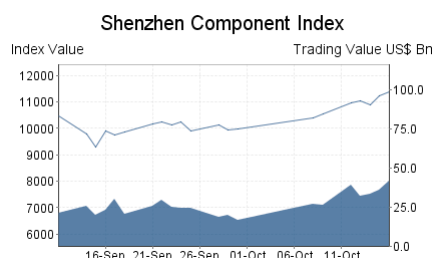
Market Bulletin

Monday 19 October, 2015 (Issue 21)

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Key Indices



Market Review

Last week, Shenzhen Component Index stood at 11374.8 points after adding 13.9%. SME Index edged up 13.7% to 7710.5 points. ChiNext Index advanced 17.6% to 2449.0 points. Total turnover for stocks and funds on SZSE was US\$488.5 billion, or a 329% increase from the week before.

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

Top 3 gainers were Sino Geophysical (300191), Shanghai Cooltech Power (300153) and Genimous Investment (000676). Top 3 decliners were Zhejiang Jingsheng Mechanical & Electrical (300316), Yihua Healthcare (000150) and Shandong Realcan Pharmaceutical (002589). The most active stocks for the last week were East Money Information (300059), Suning Commerce Group (002024) and Zhejiang Wanma (002276).

Market News

The SZSE Solicits Opinions on Program Trading

The SZSE has drafted the *SZSE Detailed Rules for Management on Program Trading (Draft for Comment)* under the requirements of the CSRC for strengthening management on program trading in securities and futures markets. The new rules endeavor to standardize program trading, safeguard normal trading order, and protect investors' legal rights and interests. The SZSE hereby solicits opinions from the public.

China's GDP Expands 6.9% in Q3

China's economy posted a 6.9 percent growth year on year in the third quarter of 2015, lower than 7 percent in the first half of the year, the National Bureau of Statistics announced on October 19.

China's Consumer Inflation Narrows in September

China's consumer price index (CPI) rose 1.6 percent in September from last year, down from 2 percent in August. Food prices climbed the most by 2.7 percent, followed by service prices which rose 2.1 percent. Producer price index slid 5.9 percent year on year in September, official data showed on October 14.

China's First Three Quarters Outbound Direct Investment Surges

The Ministry of Commerce (MOC) said on October 15 that China's non-financial ODI increased to US\$ 87.3 billion in the first three quarters of 2015 with a year-on-year growth rate of 16.5%. The rapid growth was led by the Belt and Road Initiative. In the first three quarters, Chinese companies' ODI to countries along the Belt and Road jumped 66.2% to US\$ 12.03 billion, accounting for 15.3% of total non-financial ODI.

CSRC Holds Hearing for Illegal Stocks Operations

The CSRC has held a two-day hearing on Oct 9 and 10 for 11 illegal cases of

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Market at a Glance

SZSE Market Statistics (16 October, 2015)	
No. of Listed Companies	1729
Market Cap.(US\$ Bn)	3042.9
Free-float Market Cap.(US\$ Bn)	2180.6
Average P/E Ratio	43.99
For the Year of 2015	
Turnover Value(US\$ Bn)	16307.8
-Stock	14612.4
-Main Board	5566.5
-SME Board	5796.7
-ChiNext	3249.2
-Fund	686.2
-Bond	1009.1
Daily Turnover Ratio(%)	3.96
Total Fund Raised by Equity (US\$ Bn)	59.9
No. of IPO	114

*Currency ratio used : 1 USD=6.35 CNY

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reducing share holdings. The regulator asked big shareholders of public companies not to sell shares in an effort to keep the market stable in the past months. All the persons concerned admitted the facts at the hearing, while claiming their operations tended to lower financial cost and made no impacts to the stock market, while they had carried out timely remedial measures.

President Xi Advocates New International Economic, Financial Rules

President Xi Jinping called for establishing new mechanisms and rules for international economic and financial cooperation and regional cooperation. Xi stressed that international economic and financial organizations, including the IMF and the World Bank, should boost representation and the voices of emerging economies and developing countries in their systems.

Premier Li Urges New Drive to Spur Growth

Premier Li Keqiang has called for intensified efforts and stronger support to turn the manufacturing sector into a new driving force for economic growth. According to Premier Li, domestic manufacturers should learn from their overseas counterparts to produce more products that are popular among Chinese customers. Li also notified that lack-luster and poor performances have added to downward pressure on the economy.

Commerce Minister: China Opens to Any Mechanism Good for Asia-Pacific

According to Gao Hucheng, the Commerce Minister of China, "China is willing to cooperate with the U.S. in formulating global trade regulations following the multilateral trading system so as to push forward regional and world economic development and improve people's well-being", and that China "will make comprehensive and systematic assessment to TPP".

China Unveils Timetable for Pricing Reform

China will lift price controls over basically all goods and services in competitive sectors by 2017, according to guidelines released by the State Council. By 2020, China should have a sound pricing mechanism in which the market plays a decisive role, rational and transparent pricing regulations and a well-enforced anti-monopoly law.

China, Singapore Boost Global Use of Yuan

New initiatives to further promote the international use of yuan through Singapore were agreed at the 12th meeting of China-Singapore Joint Council for Bilateral Cooperation on October 13. The existing cross-border yuan initiatives between Singapore and the China-Singapore Suzhou Industrial Park (SIP) and Sino-Singapore Tianjin Eco-City (SSTEC) will be expanded to the cities of Suzhou and Tianjin, which means that banks in Singapore will be able to lend yuan to corporations across Suzhou and Tianjin, and those in Suzhou and Tianjin will be able to issue yuan bonds in Singapore.

China Launches International Payment System

The first phase of China International Payment System (CIPS), which provides capital settlement and clearing services for cross-border RMB transactions for financial institutions domestically and abroad, was officially launched on October 8 in Shanghai. The system is expected to enhance efficiency and increase global use of the Chinese currency by cutting costs and processing times.

China, Russia Eye Bond Connect

Russia's National Settlement Depository and China Central Depository and Clearing Co. are set to launch a cross-border settlement infrastructure to allow direct investment of government bonds between them in 2016, Russia's central securities depository said on October 16. According to NSD's vice president Maria Ivanova, after correspondent accounts in the central securities depositories are set up on each side, the bodies will sort out details such as the standard of communication and the compatibility of IT system.