

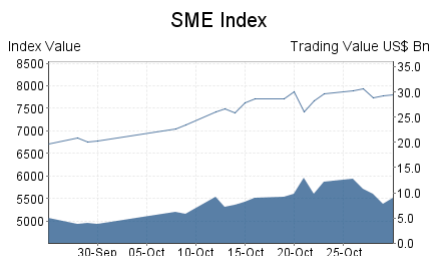
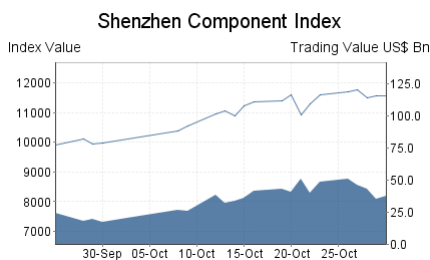
Market Bulletin

Monday 02 November, 2015 (Issue 23)

Highlights

- “Jingdong IOU” Special Plan Successfully Listed on SZSE
- China's Outstanding Yuan Loans to Real Economy Up 14%
- China's Bond Issuance Hits 15 trl Yuan During Jan-Sept
- China's Unemployment Rate Slightly Up
- Record 257 M&A Deals Secured
- China's Industrial Profit Decline Narrows in Sept.
- China Approves PPP Projects Worth 128 bln USD in 2 Years
- Shanghai FTZ Unveils New Financial Reforms
- China Targets Transparency to Woo Foreign Investors
- Bank of China Opens Bond Market to Foreign Investors
- Deficit in Foreign Service Trade Widens

Key Indices



Market Review

Last week, Shenzhen Component Index tumbled 0.5% to 11546.1 points. SME Index closed at 7795.9 points after losing 0.4%. ChiNext Index was down 2.4% to 2478.3 points. Total turnover for stocks and funds on SZSE was US\$439.6 billion, or a 4.3% decrease from the week before.

6 sector indices were higher than previous week, and 10 were lower. Sector indices with the biggest gains were farming, forestry and aquaculture, R&D support and hotels & catering. Sector indices with the biggest drops were culture & media, real estate and business support.

Top 3 gainers were Zhongyuan Special Steel (002423), Baoan Hongji Real Estate (000040) and Guoguang Electric (002045). Top 3 decliners were Ylz Information Technology (300096), Guangdong Chj Industry (002345) and Hainan Haiyao (000566). The most active stocks for the last week were East Money Information (300059), Suning Commerce Group (002024) and Tongling Nonferrous Metals Group (000630).

Market News

“Jingdong IOU” Special Plan Successfully Listed on SZSE

“Jingdong IOU Accounts Receivable Creditor’s Right ABS Plan” successfully listed on SZSE on Oct 28 with scale of RMB 800 million and duration of 24 months. Prime, subprime and subordinated securities account for 75%, 15% and 10% respectively. Prime and subprime securities are rated as AAA and AA- respectively, with the issuing interest rates of 5.1% and 7.3% respectively. Jingdong IOU Special Plan is one of the first-batch asset securitized products listed on SZSE with underlying asset of Internet accounts receivable.

China's Outstanding Yuan Loans to Real Economy Up 14%

According to the central bank, China's outstanding yuan-denominated loans accumulated to RMB 90.5 trillion (USD 14.2 trillion) in September, up 14% year on year. The outstanding total social financing accumulated to RMB 135 trillion during the first nine months, up 12.5% year on year.

China's Bond Issuance Hits 15 trl Yuan During Jan-Sept

According to the central bank, bonds issued in China in the first three quarters of 2015 reached RMB 15.1 trillion (USD 2.3 trillion), up 70.8% from a year earlier. RMB 7.7 trillion worth of the bonds issued were issued through the inter-bank bond market, up 122.5% year on year. Since 2014, the financing costs for companies through bond issuance have been significantly reduced.

China's Unemployment Rate Slightly Up

China's urban unemployment rate rose to 4.05% at the end of September, up from 4.04% at the end of June. Li Zhong, the



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Market at a Glance

SZSE Market Statistics (30 October, 2015)	
No. of Listed Companies	1729
Market Cap.(US\$ Bn)	3115.6
Free-float Market Cap.(US\$ Bn)	2232.6
Average P/E Ratio	45.08
For the Year of 2015	
Turnover Value(US\$ Bn)	17240.1
-Stock	15470.0
-Main Board	5828.3
-SME Board	6162.1
-ChiNext	3479.7
-Fund	701.8
-Bond	1068.3
Daily Turnover Ratio(%)	3.97
Total Fund Raised by Equity (US\$ Bn)	61.7
No. of IPO	114

*Currency ratio used : 1 USD=6.36 CNY

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spokesman for the Ministry of Human Resources and Social Security, told a press conference that China created 10.66 million new jobs for urban residents in the first nine months.

Record 257 M&A Deals Secured

Chinese mainland enterprises sealed a record 257 merger and acquisition deals in the first three quarters of 2015, surpassing the total for the whole of last year, a PricewaterhouseCoopers report showed on October 28. The number of M&A deals surged 46% from the same period of last year while the deal value rose 5% year on year to USD 45.1 billion.

China's Industrial Profit Decline Narrows in Sept.

Profits of China's major industrial firms fell 0.1% year on year in September, narrowing from 8.8% decline posted in August, the National Bureau of Statistics (NBS) said on October 27. Profits at industrial companies with annual revenues of more than RMB 20 million totaled RMB 535.8 billion in September.

China Approves PPP Projects Worth 128 bln USD in 2 Years

According to Zhou Chengyue with the Ministry of Finance of China, China has approved 223 public-private-partnership (PPP) projects worth RMB 815 billion (USD 128 billion) since the end of 2013. However, the country still faces the challenge of a lack of professionals in the field and more support is needed from local governments.

Shanghai FTZ Unveils New Financial Reforms

The PBoC said in statement that individuals in the zone will be allowed to directly buy overseas assets, including businesses, stocks and real estate. China will also increase the exchange quota for its citizens in the zone. In addition, the zone will allow more institutions and individuals to buy securities and futures in the domestic and overseas markets. However, the timetable is not released by the authority.

China Targets Transparency to Woo Foreign Investors

China will attract more foreign investors by being clearer on the rules that apply to them, according to a communique released on October 29 following the Fifth Plenary Session of the 18th Communist Party of China Central Committee. Leaders decided on nationwide adoption of the "negative list" model that clearly states sectors and businesses that are off limits to foreign investment.

Bank of China Opens Bond Market to Foreign Investors

Bank of China opened up its bond market to overseas investors on October 27 as it launched its Renminbi Bond Trading Index. This helps international institutional investors understand China's interbank bond market, track the market prices, and enhance the efficiency of trading. The index contains four subsidiary indices, with features including high liquidity of sample bonds, stable combined duration, transparent methodology and replicable investment portfolios.

Deficit in Foreign Service Trade Widens

CHINA'S deficit in foreign service trade widened in September compared with August, according to data released on October 30 by the SAFE. The deficit was RMB 144.4 billion (USD 22.9 billion) in September, expanding from RMB 143.6 billion in August. Income from trade in services in September was RMB 115.8 billion, while spending in service trade was RMB 260.2 billion.