

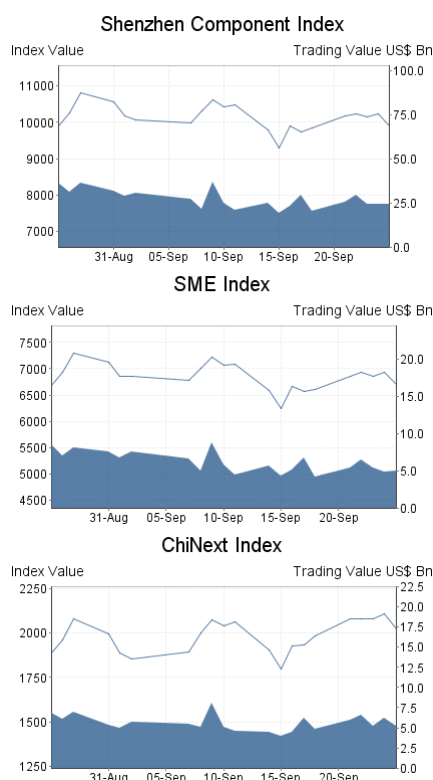
# Market Bulletin

Monday 28 September, 2015 (Issue 20)

## Highlights

- SZSE Launches "Easy IR" Company-end APP
- The First Public Housing Construction ABS Product Founded under Record-filing System Gets Listed
- Stock market in recovery phase, Xi says
- China Allows International Banks to Issue RMB Bonds
- China Relaxes Control on RMB Cash Inflow for Multinationals
- "Negative List" to Go Nationwide in China in 2018
- Govt Releases Guide for SOE Mixed Ownership
- China to Cut Admin Fees to Relieve Firms
- Outbound M&As Surging in China
- TMT Investment Surges

## Key Indices



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

Last week, Shenzhen Component Index stood at 9904.8 points after adding 0.5%. SME Index edged up 1.4% to 6708.3 points. ChiNext Index advanced 1.9% to 2021.0 points. Total turnover for stocks and funds on SZSE was US\$263.5 billion, or a 13.2% increase from the week before.

9 sector indices were higher than previous week, and 7 were lower. Sector indices with the biggest gains were conglomerates, R&D support and environmental services. Sector indices with the biggest drops were mining, construction and real estate.

Top 3 gainers were Shenzhen Auto Electric Power Plant (002227), Shenzhen Tellus (000025) and Longxing Chemical Industry (002442). Top 3 decliners were Wuhan Huazhong Numerical Control (300161), Beijing Philisense Technology (300287) and Fangda Jinhua Chemical Technology (000818). The most active stocks for the last week were Leshi Internet Information & Technology (300104), Suning Commerce Group (002024) and Wanxiang Qianchao (000559).

## Market News

### SZSE Launches "Easy IR" Company-end APP

Shenzhen Stock Exchange ("SZSE") has officially launched a mobile APP for "Easy IR" company end-users. With this mobile APP, listed companies can answer the questions raised by investors at any time, making communication "zero-distance" and "zero-time lag". The move is to comprehensively implement the State Council's requirement of "safeguarding the right to know of medium and small investors" and is expected to better facilitate the communication between listed companies and investors.

### The First Public Housing Construction ABS Product Founded under Record-filing System Gets Listed

An Asset-backed Special Plan of Yangzhou Public Housing Trust Beneficiary Rights ("the plan") was founded and got listed on the SZSE on Sep 23. Since the Record-filing System replacing Administrative Approval System and being adopted by asset-backed securities business in Nov 2014, the issuing scale and efficiency has been greatly increased. The plan is the first shantytown renovation ABS product issued under the record-filing system. It helps to provide financing channels for shantytown renovation in the manner of law compliance, convenient operation, cost-effective and stable sources.

### Stock market in recovery phase, Xi says

President Xi, who is on a four-day state visit to the United States starting from 22 Sep, told audiences at a welcoming dinner in Seattle hosted by the Washington state government that "Stock prices fluctuate in accordance with their inherent laws. And it is the duty of the government to ensure an open, fair and just market order and prevent massive panic from happening. China's stock market has reached a phase of self-recovery and self-adjustment".

### China Allows International Banks to Issue RMB Bonds

**Market at a Glance**

| SZSE Market Statistics (25 September, 2015) |         |
|---|---------|
| No. of Listed Companies                     | 1729    |
| Market Cap.(US\$ Bn)                        | 2614.3  |
| Free-float Market Cap.(US\$ Bn)             | 1880.2  |
| Average P/E Ratio                           | 37.88   |
| For the Year of 2015                        |         |
| Turnover Value(US\$ Bn)                     | 15617.4 |
| -Stock                                      | 13998.5 |
| -Main Board                                 | 5379.2  |
| -SME Board                                  | 5540.8  |
| -ChiNext                                    | 3078.5  |
| -Fund                                       | 670.9   |
| -Bond                                       | 948.0   |
| Daily Turnover Ratio(%)                     | 4.00    |
| Total Fund Raised by Equity (US\$ Bn)       | 55.4    |
| No. of IPO                                  | 114     |

\*Currency ratio used : 1 USD=6.36 CNY

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HSBC and Bank of China (Hong Kong) have been approved to issue RMB bonds in the interbank bond market for one billion RMB and 10 billion RMB respectively on Sep 22. It is the first time that China approves international commercial banks to issue RMB bonds, which will diversify the RMB bond issuers, expand their RMB financing channels, and encourage cross-border use of RMB.

**China Relaxes Control on RMB Cash Inflow for Multinationals**

China's central bank raised the ceiling on cross-border RMB fund flows for multinationals via two-way cross-border RMB cash pooling and lowered the threshold for participation in the business on Sep 23. The cap on the net inflow was raised from 10% to 50% of the total shareholders' equity in the cash pool, and there is no cap on outflow, which allows multinationals to more conveniently allocate capital between group companies. In addition, Chinese and overseas group companies need only have been operational for one year to participate in an RMB cash pool, and their revenue requirements were lowered to 1 billion RMB (US\$ 160 million) and 200 million RMB (US\$ 32 million) respectively. Moreover, multinationals can choose 3 banks rather than 1 bank to perform the business for them.

**"Negative List" to Go Nationwide in China in 2018**

China has decided to make the "negative list" approach national in 2018 with the aim of streamlining government administration and giving more freedom to the market. Opening all sectors except a proscribed few to investors will be expanded in some regions between 2015 and 2017. To live up to its promise to let the market allocate resources, the government is delegating powers to enterprises and letting them decide how to run their businesses.

**Govt Releases Guide for SOE Mixed Ownership**

The State Council gave foreign investors a clear signal on Sep 22, welcoming their participation in the country's mixed-ownership reforms as well as in making improvements to its security review mechanisms. Foreign investors are invited to take part in the country's reform and reorganization of SOEs, forming joint ventures and other cooperative arrangements through overseas mergers, financing cooperation and offshore financing.

**China to Cut Admin Fees to Relieve Firms**

China's economic planner announced that it will lower 12 administrative charges on Sep 24, estimating the cuts will save enterprises and individuals RMB 4 billion (US\$ 630 million). Effective from Oct 15, fees including those for property transfers, trademark registration and software copyright applications will be lowered. The property transfer charge will be cut by around 33%, and exemption period for patent maintenance fees will be doubled to 6 years, effective in 2016.

**Outbound M&As Surging in China**

Accumulated outbound mergers and acquisitions (M&A) involving Chinese companies exceeded US\$ 400 billion by the end of 2014, a report released by global consulting firm Bain & Company showed on Sep 23. There were 2,690 outbound M&As with a transaction volume of US\$ 420 billion between 2000 and the end of 2014. In 2014 alone, there were 405 outbound M&As with a transaction volume of US\$ 79 billion.

**TMT Investment Surges**

Investment in telecommunications, media and technology (TMT) firms in China surged 89% in the first half of this year from the figure in the second half of last year, a PricewaterhouseCoopers' MoneyTree report revealed on Sep 24. In the six months ended on June 30, US\$15.6 billion were invested to almost reach the value achieved in full-year 2014. The number of deals jumped 44% from the second half of 2014.