

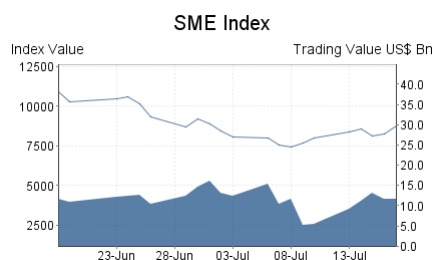
Market Bulletin

Monday 20 July, 2015 (Issue 11)

Highlights

- SZSE Releases Industrial Information Disclosure Guidelines
- SZSE Supports CSRC in Further Broadening the Financing Channels
- China Unveils Guidelines for Internet Finance
- Central Bank Vows Rich Liquidity for Securities Companies
- CFFEX Raises the Margin Requirements
- Central SOEs Vows Not to Sell Shares amid Market Volatility
- Major Shareholders Are Rendered More Freedom to Buy Shares
- China Nominates Jin Liqun AIB's President-designate
- China to Inject \$41 bln to BRICS FX Pool
- China's CPI Increase Picks Up in June
- China's FDI Jumps 8% in First Six Months
- Shanghai and Hong Kong Gold Connect Launches

Key Indices



Market Review

Last week, Shenzhen Component Index stood at 13005.0 points after adding 8.0%. SME Index edged up 9.3% to 8742.1 points. ChiNext Index advanced 9.8% to 2783.3 points. Total turnover for stocks and funds on SZSE was US\$429.1 billion, or a 26.9% increase from the week before.

15 sector indices were higher than previous week, and 1 was lower. Sector indices with the biggest gains were transportation and logistics, environmental services and wholesale & retail. The only sector index that fell over the last week was finance.

Top 3 gainers were Sichuan Jiuzhou (000801), Guangzhou Wondfo (300482) and Beijing Transtrue (002771). Top 3 decliners were Beijing Baofeng (300431), Lander Real Estate (000558) and Jiangsu Lixing (300421). The most active stocks for the last week were East Money (300059), Leshi Internet (300104) and Suning Commerce (002024).

Market News

SZSE Releases Industrial Information Disclosure Guidelines

SZSE released information disclosure guidelines for photovoltaic industry and energy conservation and environmental protection industry on the ChiNext Market. Together with the formerly enforced guidelines for the movie and television industry and the pharmaceuticals industry, a standardized system for information disclosure guidance has been preliminarily formed on the ChiNext Market.

SZSE Supports CSRC in Further Broadening the Financing Channels

CSRC recently decided to expand the scope for the pilot program of short-term bonds from 20 to all securities companies, and allow them to issue and transfer the short-term bonds via Shanghai and Shenzhen stock exchanges, Inter-agency Quotation and Service System for Private Placement Products and other trading places. Meanwhile, securities companies are allowed to launch asset-backed securities for margin trading and securities lending. SZSE will continue to promote the expansion of short-term bonds and the implementation of the asset securitization for margin trading and securities lending, constantly improve the service quality and efficiency, and accelerate the development of exchange bond market.

China Unveils Guidelines for Internet Finance

CHINA has rolled out a raft of policies and measures to support innovation and minimize risk to ensure healthy development of Internet finance. The guidelines highlight overall requirements for authorities in supporting Internet finance. The guidelines also say that support services and infrastructure for the industry should be improved.

Central Bank Vows Rich Liquidity for Securities Companies

China's central bank vowed support for securities companies to steady the

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 (17 July, 2015)

No. of Listed Companies	1729
Market Cap.(US\$ Bn)	3466.6
Free-float Market Cap.(US\$ Bn)	2495.3
Average P/E Ratio	48.46
For the Year of 2015	
Turnover Value(US\$ Bn)	12408.0
-Stock	11131.5
-Main Board	4393.9
-SME Board	4369.2
-ChiNext	2368.4
-Fund	558.5
-Bond	718.0
Daily Turnover Ratio(%)	4.07
Total Fund Raised by Equity (US\$ Bn)	40.6
No. of IPO	114

*Currency ratio used : 1 USD=6.12 CNY

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stock market on July 8. In an online statement, PBOC said it will support China Securities Finance Corporation Limited (CSF) to get liquidity through channels such as interbank lending, floating financial bonds and mortgage financing.

CFEEX Raises the Margin Requirements

In order to curb speculation, the China Financial Future Exchange announced to raise the margin requirements to 30 percent of the contract value; for sell orders on CSI 500 index futures.

Central SOEs Vows Not to Sell Shares amid Market Volatility

111 central SOEs made a joint announcement that they will not to sell shares of their listed companies amid the "abnormal market volatility", supporting China's state asset regulator's proposal to stem massive sell-offs in the stock market.

Major Shareholders Are Rendered More Freedom to Buy Shares

The CSRC last week relaxed control over stock trading of listed companies, encouraging them to maintain steady stock prices by buying more shares. Directors, supervisors and senior managers will not be restricted by a window period if they are to increase holdings in their own listed companies, should the shares drop by more than 30 percent within 10 consecutive trading days. Meanwhile, a major shareholder holding over 30 percent of stake in a listed company may immediately increase its holding by another 2 percent, needless to wait for 12 months as required before.

China Nominates Jin Liqun AIIB's President-designate

China on Monday nominated Jin Liqun as the president-designate of the Asian Infrastructure Investment Bank (AIIB). A selection process for president-designate was agreed upon in the Special Ministerial Meeting of Prospective Founding Members in Beijing on June 29, 2015.

China to Inject \$41 bln to BRICS FX Pool

China will contribute \$41 billion to a BRICS currency reserves pool which aims to ensure the central banks of BRICS members can provide US dollars to each other in case of dollar liquidity problems. The central banks of BRICS countries signed an operational agreement on the BRICS pool of currency reserves. China is the largest contributor to the total pool of \$100 billion.

China's CPI Increase Picks Up in June

The Consumer Price Index recorded 1.4 percent growth from a year earlier in June, stronger than the increase of 1.2 percent in May but weaker than the 1.5 percent in April. The Producer Price Index fell 4.8 percent in May, marked the 39th consecutive month of negative figure.

China's FDI Jumps 8% in First Six Months

CHINA'S foreign direct investment inflows rose 8 percent in the first six months from a year earlier. Investment into China's fast-growing services sector jumped 23 percent in the first half of 2015 from a year earlier, accounting for more than 60 percent of the period's total FDI.

Shanghai and Hong Kong Gold Connect Launches

This most recent link-up between Shanghai and Hong Kong allows investors to conduct cross-border trading of gold products. The link will allow foreign investors to trade yuan-denominated gold contracts. Foreign investors can directly open account at Bank of China HK to participate in the trading of gold products.