

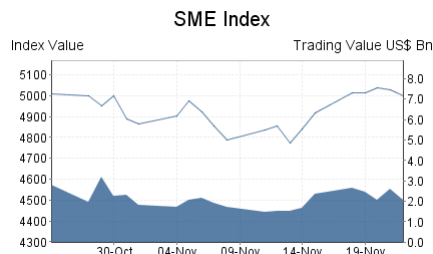
Market Bulletin

Monday 25 November, 2013 (Issue 25)

Highlights

- China to Consolidate Real Estate Registry System
- PBC: China to Basically End Normal Renminbi Intervention
- Foreign Capital Entry Threshold to Ease
- More M&As Approved by CSRC in 2013
- China-EU Bilateral Trade to Hit US\$ 1 Trillion by 2020
- Exposure Draft of Law on Private Equity Fund Management Released
- Urban Commercial Banks to Underwrite Debt Financing
- China to Further Stimulate E-Commerce
- HK Monetary Authority Suggests on Offshore RMB Center Development
- International Energy Exchange Opens in Shanghai
- First Local Financing Regulation Passes in Wenzhou
- SWS and Hongyuan to Restructure
- Hang Seng to Launch RQFII ETF

Key Indices



Market Review

From 18 to 22 November, Shenzhen Component Index closed at 8413.3 points after gaining 1.3%. SME Index closed at 5001.7 points with an increase of 1.7%. ChiNext Index closed at 1295.1 points, gaining 2.0%. Total turnover for stocks and funds on SZSE was US\$ 95.6 billion, or a 36.5% increase from the week before. 15 out of 16 sector indices were higher than previous week, and 1 sector index was lower than the week before.

Sector indices with the biggest gains were transportation and logistics, culture & media and wholesale & retail. Environmental services was the only sector indices that fell over the last week. Top 3 gainers were Shen Zhen Infinova (002528), Sino Geophysical (300191) and Citic Offshore Helicopter (000099). China Resources Jinhua (000810), Tong Oil Tools (300164) and Zhejiang Yonggui Electric Equipment (300351) were the Top 3 decliners. The most active stocks for the last week were Suning Commerce Group (002024), Huayi Brothers Media (300027) and Ping An Bank (000001).

Market News

China to Consolidate Real Estate Registry System

The State Council decided that the current segmented registration of real properties will be integrated under one department. A unified information platform will be set up to enable information sharing among different government departments.

PBC: China to Basically End Normal Renminbi Intervention

Zhou Xiaochuan, head of the People's Bank of China, said the central bank will basically end normal Renminbi (RMB) intervention and set up a managed floating exchange rate regime based on market supply and demand. In addition, China will gradually remove the quota restrictions placed over current QDII and QFII schemes when conditions are ripe.

Foreign Capital Entry Threshold to Ease

The Ministry of Commerce plans to further ease the entry threshold for foreign capital to enter various manufacturing and service sectors. Restrictions over registered capital, equity ratio and the scope of business will be gradually loosened.

More M&As Approved by CSRC in 2013

According to data from the CSRC, 93 M&A applications involving major asset restructuring have been accepted by 18 October this year, and the transaction value approved reach RMB 236.1 billion (US\$ 38.5 bn), exceeding the annual total of 2012. CSRC has been exploring various ways to support M&As while strengthen regulation accordingly.

China-EU Bilateral Trade to Hit US\$ 1 Trillion by 2020

Chinese Premier Li Keqiang said at the China-EU Summit that China and

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 (22 November, 2013)	
No. of Listed Companies	1536
Market Cap.(US\$ Bn)	1416.9
Free-float Market Cap.(US\$ Bn)	1007.3
Average P/E Ratio	27.45
For the Year of 2013	
Turnover Value(US\$ Bn)	4266.8
-Stock	3443.8
-Main Board	1288.2
-SME Board	1440.9
-ChiNext	714.7
-Fund	86.4
-Bond	736.6
Daily Turnover Ratio(%)	1.66
Total Fund Raised by Equity (US\$ Bn)	22.5
No. of IPO	0

*Currency ratio used : 1 USD=6.14 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.

Europe started talks on an investment agreement, aiming to boost bilateral trade to US\$ 1 trillion by 2020. The two economies will also discuss the feasibility of a free-trade agreement.

Exposure Draft of *Law on Private Equity Fund Management* Released

A CSRC official released that the drafting of the *Law on Private Equity Fund Management* has completed and it has been under opinion solicitation among 13 ministries since 5 November.

Urban Commercial Banks to Underwrite Debt Financing

According to the National Association of Financial Market Institutional Investors, regional banks including urban commercial banks will be allowed to serve as category B main underwriters for debt financing in their inter-bank market and run their non-financial institution debt financing businesses within their corresponding provinces or regions.

China to Further Stimulate E-Commerce

According to the Ministry of Commerce, China will encourage e-commerce industry to boost online retail sales up to 10% of the total retail sales of consumer goods, focusing on retail, cross-border trade, agricultural products and the service sectors. By 2015, e-commerce transactions are expected to exceed RMB 18 trillion (US\$ 2.9 trillion).

HK Monetary Authority Suggests on Offshore RMB Center Development

Hong Kong Monetary Authority recently released a report, suggesting on accelerating the establishment of offshore RMB center in Hong Kong. The report put forward 21 suggestions, including starting a pilot program of QDII 3 in Qianhai, Shenzhen, expanding RQFII scheme to all financial institutions in Hong Kong, and allowing foreign companies to issue RMB bonds in Chinese mainland.

International Energy Exchange Opens in Shanghai

Shanghai International Energy Exchange was unveiled in Shanghai Pilot Free Trade Zone on 22 November. Business of the new exchange will cover crude oil, natural gas and other petrochemicals as well as clearing, delivery, information distribution and technology services.

First Local Financing Regulation Passes in Wenzhou

As a pilot area for financial reform in China, Wenzhou passed a regulation to legalize underground lending. This is China's first local regulation on private financing. Officials in civil service and finance industry are not allowed to participate in private financing.

SWS and Hongyuan to Restructure

Hong Kong listed Shenyin Wanguo Securities (SWS) and Shenzhen-listed Hongyuan securities recently signed a letter of intent on asset restructuring, moving towards the merger of the two. Referring to 2012 statistics, the total asset of the two companies would rank top 5 in the industry.

QFII News

Hang Seng to Launch RQFII ETF

Hang Seng plans to launch Hang Seng China A Industry Top Index ETF on 26 November, making it the first Hong Kong financial institution to issue an RQFII ETF. The product tracks 11 well-performed stocks in the mainland A-share market.