

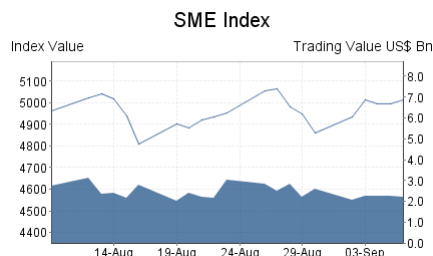
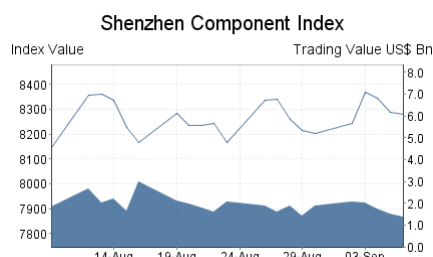
# Market Bulletin

Monday 09 September, 2013 (Issue 16)

## Highlights

- T-bond Futures Relunched in China
- Listed Companies Profit Rises 11.2% in First Half of 2013
- RMB Among Top 10 Most-traded Currencies
- China-ASEAN Bilateral Trade to Hit US\$ 1 Trillion by 2020
- China to Expand OTC Equity Pilot Programme
- Manufacturing PMI Rebounds in August
- Chinese Banks' Overseas Assets Total US\$ 1 Trillion
- All Securities Companies in Shanghai to Self-examine
- The U.S. Regulators Say Yes to the Shuanghui-Smithfield Merger Deal
- Song Liping Speaks at the Fifth China-ASEAN Summit Forum
- US\$ 1.5 Billion Approved for QFII Investment in August
- Hong Kong Chinese Fund Association Founded

## Key Indices



## Market Review

From 2 to 6 September, Shenzhen Component Index saw a slight gain of 0.9% and closed at 8280.3 points. SME Index crept to 5014.1 points after gaining 3.1%. ChiNext Index registered an 8.2% increase this week and closed at 1282.7 points, a historical high since its inception. Total turnover for stocks and funds on SZSE was US\$ 85.9 billion, or an 11.1% decrease from the week before.

15 sector indices were higher than previous week. Sector indices with the biggest gains were culture & media, IT and farming, forestry and aquaculture. Transportation and logistics was the only sector index that fell over last week. Top 3 gainers were Xiamen Insight Investment (000526), Tangel Publishing (300148) and HuiLong Agricultural (002556). Dongguan Winnerway (000573), Zhuhai Port (000507) and Minsheng Investment Management (000416) were the Top 3 decliners. The most active stocks last week were Huayi Brothers (300027), Shenzhen Zqgame (300052) and China VANKE (000002).

## Market News

### Treasury-bond Futures Relunched in China

China relaunched government bond futures trading on Friday, 6 August after an 18-year hiatus. Government bond futures contracts were introduced in 1992, but were suspended after three years. The resumption offers three contracts: December 2013, March 2014 and June 2014. On the first day of trading, the most actively traded contract was the December product, which is based on the five-year benchmark government bond. At present, only brokerages, mutual funds and cash-rich individuals are allowed to trade the bond futures listed on the China Financial Futures Exchange.

### Listed Companies Profit Rises 11.2% in First Half of 2013

According to the semi-annual reports released by 2,489 listed companies on both Shenzhen and Shanghai markets, revenue has registered a y-o-y growth rate of 8.6% to RMB 12.8 trillion (US\$ 2.1 trillion) in the first half of 2013, while net profit increased by 11.2%, reaching RMB 1.1 trillion (US\$ 185.2 billion).

### RMB Among Top 10 Most-traded Currencies

RMB for the first time ranked the Top 10 most-traded international currencies, according to Bank for International Settlements (BIS). Trading of the RMB in global foreign exchange markets has more than tripled from three years ago to reach US\$120 billion, making it the ninth most-actively traded currency.

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

China's Premier Li Keqiang said on the 10th China-ASEAN Expo that China would strive to push its bilateral trade with the ASEAN up to

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## Market at a Glance

### SZSE Market Statistics

(06 September, 2013)

No. of Listed Companies	1536
Market Cap.(US\$ Bn)	1371.0
Free-float Market Cap.(US\$ Bn)	958.5
Average P/E Ratio	26.88
For the Year of 2013	
Turnover Value(US\$ Bn)	3166.5
-Stock	2556.5
-Main Board	981.0
-SME Board	1068.0
-ChiNext	507.5
-Fund	69.1
-Bond	540.9
Daily Turnover Ratio(%)	1.64
Total Fund Raised by Equity (US\$ Bn)	19.2
No. of IPO	0

\*Currency ratio used : 1 USD=6.17 CNY

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US\$ 1 trillion by 2020, with new bilateral investment of US\$ 150 billion in the next eight years. The China-ASEAN bilateral trade value has grown at 21.6% in the past three years, with China being the biggest trading partner of the ASEAN since 2009.

### China to Expand OTC Equity Pilot Programme

China is stepping up the expansion of its new over-the-counter equity exchange system. According to a CSRC official, the pilot sites are likely to be expanded to include all unlisted companies in the country.

### Manufacturing PMI Rebounds in August

According to HSBC, the final reading of manufacturing PMI recovered to 50.1 in August from an 11-month low of 47.7 in July. The HSBC/Markit Services PMI climbed to 52.8 in August, up from July's 51.3 and became the highest since March.

### Chinese Banks' Overseas Assets Total US\$ 1 Trillion

An official from the China Banking Regulatory Commission revealed last Thursday that, by the end of 2012, a total of 1,050 overseas branches were set up by 16 Chinese-funded banks, covering 49 countries and districts worldwide. The total overseas assets they possessed totaled RMB 1 trillion (US\$ 162 billion) and the net profits reached US\$ 16.9 billion last year.

### All Securities Companies in Shanghai to Self-examine

Shanghai Securities Regulatory Bureau requested all securities companies under its administration carry out self-examination with a focus on internal control and risk management. The securities companies in Shanghai are requested to submit their self-examination reports before 30 September. For those companies with insufficient implementation, the bureau will conduct special on-site inspections.

### The U.S. Regulators Say Yes to Shuanghui-Smithfield Merger Deal

Shuanghui International Holdings Ltd. (the major shareholder of Shuanghui Investment & Development, 000895) and Smithfield Foods announced that they have received clearance on the proposed merger from U.S. regulators. Smithfield shareholders will vote on the transaction proposal in late September.

### Song Liping Speaks at the Fifth China-ASEAN Summit Forum

Madam Song Liping, President of SZSE, recently spoke at the fifth China-ASEAN Summit Forum on Financial Cooperation and Development. She calls for bringing the advantages of direct financing to full play and guide more capital flows toward innovation.

## QFII News

### US\$ 1.5 Billion Approved for QFII Investment in August

In August, US\$ 1.5 billion of QFII quota was approved for 10 institutional investors. According to State Administration of Foreign Exchange (SAFE), QFII quota reached US\$ 46.4 billion by 29 August.

### Hong Kong Chinese Fund Association Founded

Hong Kong Chinese Fund Association was founded in Hong Kong on 5 September. 53 Chinese asset management institutions joined the association, expecting to further expand business including RQFII investment. DING Chen, President of CSOP Asset Management Limited, serves as the first Chairman.