

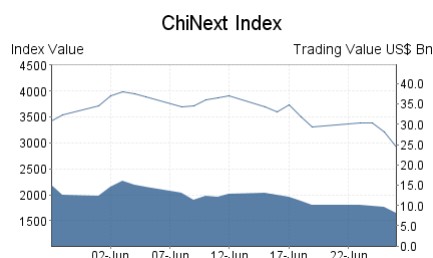
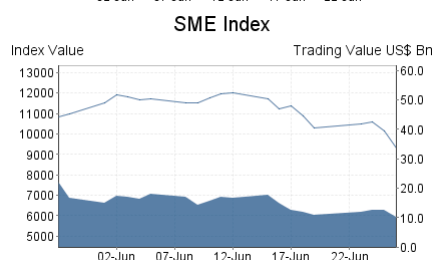
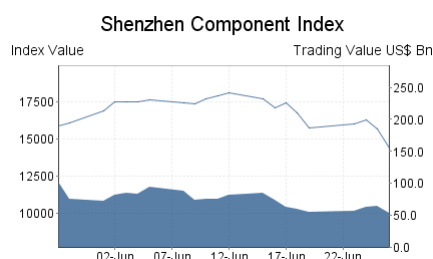
# Market Bulletin

Monday 29 June, 2015 (Issue 9)

## Highlights

- Information Disclosure Improvements Made by listed Companies
- SZSE Launched the First Mutual REITs
- Deepen Cooperation between SZSE and CEC
- Internet Enterprise and Capital Market Matchmaking Symposium Holds in Shenzhen
- The PBC Injects 35 bn into Market
- China Set to be World's Biggest IPO Market
- China to Scrap Banks' Loan-to-deposit Ratio
- Japan to See Yuan Bond for 1st Time
- China Relaxes E-commerce Investor Rules for Foreigners
- New Batch of 28 IPOs Approved
- China's Maritime Economy Outpaces GDP Growth
- China and Australia Signed Free Trade Agreement
- China Puts \$6 Trillion Price Tag on Its Climate Plan

## Key Indices



## Market Review

Last week, Shenzhen Component Index tumbled 8.4% to 14398.8 points. SME Index closed at 9306.0 points after losing 9.4%. ChiNext Index was down 11.9% to 2920.7 points. Total turnover for stocks and funds on SZSE was US\$438.4 billion, or a 31.6% decrease from the week before.

All sector indices were lower than previous week. Sector indices with the biggest drops were IT, conglomerates and construction.

Top 3 gainers were Zhejiang Transfar (002010), Chongqing Landai (002765) and Anhui Julong (300475). Top 3 decliners were Beijing Tianli (300399), Navinfo (002405) and Dandong Xintai (300372). The most active stocks for the last week were Boe Technology (000725), Gree Electric (000651) and Hebei Iron And Steel (000709).

## Market News

### Information Disclosure Improvements Made by Listed Companies

Shenzhen Stock Exchange has completed the 2014 annual evaluation of information disclosure over companies listed on the Main Board, the SME Board and the ChiNext Market. The evaluation gives a good result and shows overall improvements in information disclosure, with 88.94% companies receiving Grade A or Grade B, including 20.83% companies receiving Grade A, a 2% up against the result of 2013.

### SZSE Launched the First Public REITs

Recently, 'Penghua Vanke Qianhai Real Estate Investment Trust' has been approved by CSRC for establishment and will be listed on SZSE. Being the first public REITs, it marked a milestone in the development of ABS.

### Deepen Cooperation between SZSE and CEC

Shenzhen Stock Exchange signed an agreement on comprehensively deepening cooperation with China Electronics Corporation (hereinafter referred to as "CEC") on June 12. The two sides will establish regular communication and contact mechanism, strengthening information sharing and personnel exchanges.

### Internet Enterprise and Capital Market Matchmaking Symposium Holds in Shenzhen

The Internet Enterprise and Capital Market Matchmaking Symposium was held on June 13, 2015 at SZSE. Approximately 500 entrepreneurs, representatives of intermediaries and venture capital attended the symposium. Song Liping, CEO of SZSE, addressed the symposium and pointed out that SZSE is trying to improve the market inclusiveness of the ChiNext Market and initiate a mechanism for to-be-profitable Internet enterprises to be listed on the ChiNext Market.

### China's Central Bank Cut Reserve Ratio and Lending Rate

The people's bank of China announced on 27th June that it is lowering the reserve requirement ratio by half a percentage point. The central bank decided to simultaneously cut the one-year deposit and lending rates by 25

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## Market at a Glance

### SZSE Market Statistics (26 June, 2015)

No. of Listed Companies	1718
Market Cap.(US\$ Bn)	3948.6
Free-float Market Cap.(US\$ Bn)	2845.7
Average P/E Ratio	55.10
For the Year of 2015	
Turnover Value(US\$ Bn)	11019.9
-Stock	9927.8
-Main Board	3908.0
-SME Board	3926.3
-ChiNext	2093.4
-Fund	461.2
-Bond	630.9
Daily Turnover Ratio(%)	3.95
Total Fund Raised by Equity (US\$ Bn)	36.7
No. of IPO	101

\*Currency ratio used : 1 USD=6.11 CNY

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bps, the third cut this year.

## The PBC Injects 35 bn into Market

China's central bank, the People's Bank of China (PBC), has injected RMB 35 bn (US\$ 5.7 bn) into the money market through open market operations, which is the first injection through repo operation during the past two months. The injection is expected to moderately satisfy the short-term demand of stock market and small and medium-sized banks.

## China Set to be World's Biggest IPO Market

According to Shanghai Daily, China is set to be the world's largest market for IPOs in the first half of this year due to a bullish capital market and favorable regulations. So far this year, 241 companies have listed in China, raising an aggregated \$40 billion, ranking first in both the number of deals and capital raised, while the Shenzhen and Shanghai exchanges ranked first and second in the world by number of deals.

## China to Scrap Banks' Loan-to-deposit Ratio

China is to scrap its longstanding loan-to-deposit ratio requirement, the latest in a series of measures to reform the country's commercial banking sector and get more lending into a slowing economy.

## Japan to See Yuan Bond for 1st Time

Japan's biggest banking group plans to sell yuan bond for the first time in Japan. About 350 million yuan bond will be sold at an annual yield of 3.64 percent, similar to the rates in major offshore markets such as Hong Kong.

## China Relaxes E-commerce Investor Rules for Foreigners

China has decided to give foreign investors greater freedom in the booming e-commerce industry by allowing them to fully own e-commerce companies in the country, the Ministry of Industry and Information Technology (MIIT) announced Friday. The move is an expansion of a pilot scheme launched in January in the Shanghai Free Trade Zone.

## New Batch of 28 IPOs Approved

China's securities regulator said it has approved a new batch of 28 initial public offerings. CSRC in April started greenlighting two batches of IPOs each month, compared with one previously.

## China's Maritime Economy Outpaces GDP Growth

According to the State Oceanic Administration's report on China's maritime development for 2015, the average annual growth rate of maritime output exceeded that of GDP by 0.22 percentage points during the 12th Five-Year Plan period (2011-2015).

## China and Australia Signed Free Trade Agreement

China and Australia signed a free trade agreement, covering areas including a simplified review procedure for investments, most-favored-nation status and easier market access to service sector. The China-Australia FTA is set to start a new era in trade ties between the two countries.

## China puts \$6 trillion Price Tag on Its Climate Plan

Xie Zhenhua, special representative for climate change affairs at NDRC, said it will cost China over US\$6.6 trillion (RMB 41 trillion) to meet the greenhouse gas reduction goals. He said the objectives China will lay out by the end of June in United Nations climate negotiations will be ambitious.