

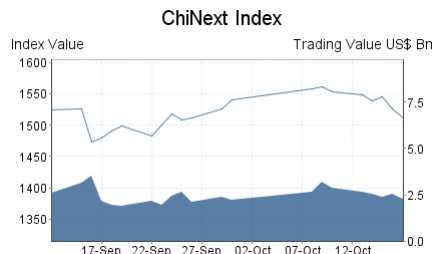
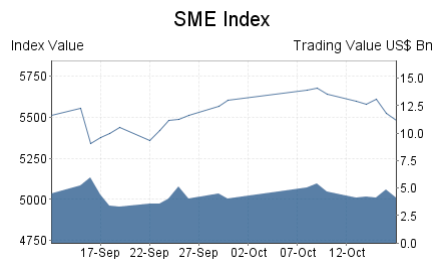
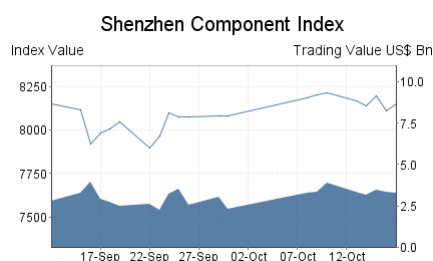
Market Bulletin

Monday 20 October, 2014 (Issue 33)

Highlights

- Stronger Delisting Rules Unveiled
- SZSE Launched First Money Market ETFs
- China's GDP moderates to 7.3% in Q3
- BOC Prices Offshore Preference Shares
- China & Russia Sign Currency Swap Deal
- China FDI & ODI Post Upturns
- ICBC Issues RMB Bond in Seoul
- FTZ Attracts 157 Taiwan Enterprises
- China's CPI Growth Dips to 4-Year Low

Key Indices



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

Tel: +86-755-83241251

Email: index@cinfo.com.cn

Market Review

Last week, Shenzhen Component Index stood at 8151.5 points after adding 1.0%. SME Index closed at 5479.3 points after losing 0.6%. ChiNext Index was down 0.0% to 1511.1 points. Total turnover for stocks and funds on SZSE was US\$341.7 billion, or a 121.7% increase from the week before.

6 sector indices were higher than previous week, and 10 were lower. Sector indices with the biggest gains were business support, finance and farming, forestry and aquaculture. Sector indices with the biggest drops were hotels & catering, environmental services and transportation and logistics.

Top 3 gainers were Shanghai Pichem Material (300398), Dianguang Explosion-proof Technology (002730) and Zhejiang Garden Bio-chemical High-tech (300401). Top 3 decliners were Beijing Jingxi Tourism Development (000802), Zhengzhou Sino-crystal Diamond (300064) and Anhui Huilong Agricultural (002556). The most active stocks for the last week were Fujian Rongji Software (002474), Tcl Corporation (000100) and Hong Yuan Securities (000562).

Market News

Stronger Delisting Rules Unveiled

The CSRC released on 17 October revised delisting rules to further strengthen the capital market and eliminate trash stocks. Seven conditions under which companies can voluntarily delist have been defined, and the procedures in these cases are different from those for compulsory delisting. The regulator said the delisting system has been refined to provide a range of options for companies that are voluntarily seeking to exit the capital market. In order to protect small and medium investors, the voluntarily delisting should be approved not only by at least two-thirds of all shareholders in the shareholder's meeting but by more than two-thirds of all small and medium shareholders.

SZSE Launched First Money Market ETFs

The SZSE launched the first money market ETFs on 20 October. As a fundamental financial instrument, the money market ETF ensures better liquidity while maintains the stable returns of money market. Investors may create or redeem the shares on the primary market, or trade the ETF on the secondary market.

China's GDP moderates to 7.3% in Q3

Data from the National Bureau of Statistics on 21 October showed that China's economy expanded 7.3% from a year earlier in the third quarter, slower than the pace of 7.5% in the second quarter. The gross domestic product amounted to RMB 41.99 trillion (US\$ 6.8 trillion) in the first three quarters, up 7.4% on the annual basis. But major indicators pointed to stabilization in China's economic growth

Market at a Glance

SZSE Market Statistics (17 October, 2014)	
No. of Listed Companies	1601
Market Cap.(US\$ Bn)	1902.0
Free-float Market Cap.(US\$ Bn)	1392.6
Average P/E Ratio	31.34
For the Year of 2014	
Turnover Value(US\$ Bn)	4870.8
-Stock	3969.3
-Main Board	1292.8
-SME Board	1753.5
-ChiNext	923.0
-Fund	71.3
-Bond	830.3
Daily Turnover Ratio(%)	1.73
Total Fund Raised by Equity (US\$ Bn)	50.2
No. of IPOs	65

*Currency ratio used : 1 USD=6.15 CNY

Monetary & Bond Market

13-17 Oct, 2014

Shibor Overnight Interest Rate	2.4610%	↓8.30bp
Shibor 7-day Interest Rate	2.9500%	↓4.90bp
7-Year Treasury Note Yield	3.7835%	↓20.05bp
CSI Corporate Bond Index	154.635	↑0.3381%
SZSE Corporate Bond Index	136.377	↑0.3909%

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.

in September, reflecting the effect of the government's support policies and the economic resilience.

BOC Prices Offshore Preference Shares

Bank of China finished pricing its offshore preference shares on 15 October, becoming the first listed company on the Chinese mainland to do so. The lender aims to raise US\$ 6.5 billion selling offshore preference shares and priced the interest rate of the equities at 6.75%. Application has been made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the offshore preference shares issued to professional investors only and such permission is expected to become effective on 24 October.

China & Russia Sign Currency Swap Deal

China's central bank, has signed a currency swap agreement worth RMB 150 billion (US\$ 24.4 billion) with the Russian central bank. The agreement lasts for three years and can be extended if both sides agree, the PBOC said on 13 October in a statement on its website. The deal, which aims to facilitate bilateral trade and investment, came as Chinese Premier Li Keqiang arrived in Moscow on 12, October for an official visit to Russia.

China FDI & ODI Post Upturns

According to the Ministry of Commerce (MOC), foreign direct investment (FDI) into the Chinese mainland and Chinese companies' investment overseas registered year-on-year increases in September. FDI into the Chinese mainland rose 1.9% to US\$ 9.01 billion in September from a year earlier. For the first nine months, the FDI, which excludes investment in the financial sector, topped US\$ 87.36 billion, down 1.4% from the same period last year. Meanwhile, China's outbound direct investment (ODI) by non-financial firms soared 90.5% year on year to hit US\$ 9.79 billion in September. For the first nine months, ODI stood at US\$ 74.96 billion, up 21.6% from one year earlier.

ICBC Issues RMB Bond in Seoul

The Industrial and Commercial Bank of China sold yuan-denominated bonds in South Korea on 14 October, the first such issue by a Chinese company. ICBC (Asia) issued two-year bonds worth RMB 180 million (\$29 million) at a coupon rate of 3.7%. The ICBC Seoul Branch will be responsible for bond clearing, and KDB Daewoo Securities underwrote the issue.

Shanghai FTZ Attracts 157 Taiwan Enterprises

Spokeswoman of the State Council Taiwan Affairs Office said on 15 October that the Shanghai Free Trade Zone (FTZ) has attracted 157 enterprises from Taiwan, with gross registered capital of US\$ 270 million. The finance, electronic commerce and medical care will continue to be the key sectors in the FTZ for luring Taiwan businessmen. She also said China's mainland encourages cooperation between economic zones on the two sides of the Taiwan Strait.

China's CPI Growth Dips to 4-Year Low

China's Consumer Price Index expanded 1.6% from a year earlier in September, a four-year low and down sharply from the pace of 2% a month earlier, according to the National Bureau of Statistics on 21 October. The deceleration was largely due to surprisingly low food prices during the Mid-Autumn Festival and before National Day holiday as the anti-graft campaign could have significantly eased upward pressure on prices.