

DZ20211018

***Key points**

For QFIIs

*CSRC said it would open the access for QFII to participate in the trading of commodity futures, commodity options and stock index options, which shall come into force on November 1, 2021.

Macro:

*President Xi Jinping published an important article about "solid promotion of common prosperity". It mentioned that,

- 1.The government should actively and steadily promote the legislation and reform of real estate tax and do a good job in the pilot work.
- 2.The government should appropriately improve the wages and benefits of civil servants, especially grass-roots front-line civil servants and grass-roots employees of state-owned enterprises and institutions.
- 3.The government would encourage high-income groups and enterprises to pay more back to the society and increase the management of income distribution in monopoly industries and state-owned enterprises.
- 4.The government should increase the property income of urban and rural residents from housing, rural land and financial assets.
- 5.The government should strive to expand the size of middle-income groups and strengthen the regulation and regulation of high-income groups.

*During his visit to Guangdong, Premier Li Keqiang said that the government will continue to take measures to prevent the rise of commodity prices from transmitting to the downstream of the supply chain and will also study the implementation of phased tax cuts to alleviate the cost pressure of downstream small, medium and micro enterprises.

Financial:

*Based on the data of 2020, PBoC and CBIRC evaluated and identified 19 domestic systemically important banks, including 6 state-owned commercial banks, 9 joint-stock commercial banks and 4 urban commercial banks.

*CSRC and other departments are improving rules and regulating domestic financial activities such as FUTU Securities and Tiger Securities. People.CN said that the personal information protection law will bring major compliance challenges to the cross-border internet brokerage industry.

Industrial:

*The wind power partnership action plan has been implemented, 10,000 wind turbines will be installed in rural areas across the country to support the zero-carbon process in urban industry, and offshore wind power is striving to achieve parity in 2024.

*Xiao Yaqing, Minister of MIIT, said that the government would continue to further promote the special rectification action of the Internet industry.

*The medical reform leading group of the State Council proposed that all localities should carry out centralized and systematic procurement of drug consumables.

*NDRC issued the pricing measures for electricity transmission prices of inter provincial and inter regional special projects.

*On the first day of the implementation of power reform, the transaction price in Jiangsu rose by 19.94%.

Co-Focus

*Data show that American Euro-pacific Growth Fund, which holds the most shares in KWEICHOW MOUTAI, decreased its holdings in the third quarter. Compared with the end of the second quarter, the number of shares held by the fund at the end of the third quarter decreased by 11.19%.

*Block Trade Info

*Discount

- Moutai (600519 CH) saw 2 block trade worth 106.5 mn at 1911 yuan per share, 0.31pct discount from last closing.

- Xingfa Chemicals (600141 CH) saw 13 block trade worth 70.6 mn at 35.31 yuan per share, 11.44pct discount from last closing.

- IMEik (300896 CH) saw 15 block trade worth 243.8mn at 601.79 yuan per share, 8.71pct discount from last closing.

- Mingchen Health (002919 CH) saw 6 block trade worth 90.5mn at 47.22 yuan per share, 0.34pct discount from last closing.

*Premium

- Transsion Holdings (688036 CH) saw 2 block trade worth 280.2mn at 140.1yuan per share, 0.21pct premium from last closing.

*Margin Trade

Total Margin Balance	1.6893trillion	Total Short Selling Balance	161.8billion
SH Margin Balance	0.8958trillion	SH Short Selling Balance	101.1billion
Top Five Margin Trade Net Bought (in CNY)		Top Five Short Selling Net Sold (in shares)	
688772	120mio	512000	17.2mio
601600	109mio	510500	11.4mio
600596	107mio	601162	8.0mio
600089	104mio	688772	7.0mio
600863	85mio	510050	5.7mio
SZ Margin Balance	0.7935trillion	SZ Short Selling Balance	60.7billion
Top Five Margin Trade Net Bought (in CNY)		Top Five Short Selling Net Sold (in shares)	
002129	447mio	002185	7.4mio
000661	152mio	159949	3.8mio
002123	152mio	002249	2.7mio
002466	114mio	300433	1.8mio
000723	86mio	000629	1.7mio

***Connection Trade**

SH-HK Connection (bn cny)			SZ-HK Connection (bn cny)		
Northbound Net Cash Flow	2.20		Northbound Net Cash Flow	0.50	
Southbound Net Cash Flow	-1.16		Southbound Net Cash Flow	1.37	
Top 5 Northbound Inflow			Top 5 Northbound Outflow		
Name	Market Value (mio cny)	% out of ttl share outstanding	Name	Market Value (mio cny)	% out of ttl share outstanding
300750	1023	0.87	601318	999	1.05
601012	808	1.91	600276	552	1.60
300274	553	2.64	000858	487	0.55
600460	550	7.32	300760	484	1.06
600519	529	0.23	000002	325	1.25

***Index Futures**

Position of Top 20 members (Unit lots)						
CSI 300 Index Futures	Trading Volume	Change*	Long OI	Change*	Short OI	Change*
IF2110	31,140	-32,878	0	-11,198	0	-10,545
IF2111	78,421	27,983	44,395	11,879	47,941	12,058
IF2112	30,598	5,097	56,504	1,809	69,250	2,401
IF2203	8,670	4,443	23,639	1,561	23,878	1,429
SSE 50 Index Futures	Trading Volume	Change*	Long OI	Change*	Short OI	Change*
IH2110	22,111	-12,905	0	-8,431	0	-7,642
IH2111	55,177	25,144	29,435	11,080	31,577	12,148
IH2112	18,918	2,593	28,708	1,747	36,524	2,129
IH2203	4,831	1,173	7,848	337	10,872	458
CSI 500 Index Futures	Trading Volume	Change*	Long OI	Change*	Short OI	Change*
IC2110	36,509	-28,836	0	-8,943	0	-12,192
IC2111	71,478	16,971	57,682	10,773	59,782	10,650
IC2112	32,255	443	79,475	243	91,423	-897
IC2203	14,573	1,423	57,661	1,188	65,918	911

***Index Options**

Position of Top 20 members (Unit lots)						
CSI 300 Index Options	Trading Volume	Change*	Long OI	Change*	Short OI	Change*
IO2110	127,519	-11,598	0	-24,793	0	-25,612
IO2111	75,282	30,882	48,658	8,511	45,952	6,898
IO2112	6,515	6,515	22,674	22,674	24,632	24,632

***Treasury Futures**

Position of Top 20 members (Unit lots)						
2-Year Treasury Bond Futures	Trading Volume	Change*	Long OI	Change*	Short OI	Change*
TS2112	20,115	-6,059	22,694	710	24,661	369
5-Year Treasury Bond Futures	Trading Volume	Change*	Long OI	Change*	Short OI	Change*
TF2112	42,326	10,088	64,511	842	61,240	978
10-Year Treasury Bond Futures	Trading Volume	Change*	Long OI	Change*	Short OI	Change*
T2112	139,784	57,640	124,173	1,534	124,140	2,403

***Night Session Commodities Market (As of 02:30 am)**

Top 3 Gainers (Dominant Contract)					
Product	Contract	Price	Change %	Trading Volume	Open Interests
Zinc	zn2111	27,520.0	+7.21%	308,552	95,188
Thermal Coal	zc201	1,753.4	+6.42%	57,022	83,867
EG	eg2201	6,980.0	+4.24%	367,554	229,259
Top 3 Loser (Dominant Contract)					
Product	Contract	Price	Change %	Trading Volume	Open Interests
Iron Ore	i2201	702.0	-3.51%	352,862	471,350
Glass	fg201	2,305.0	-2.78%	208,472	229,758
Cotton	cf201	21,305.0	-2.76%	790,422	466,173

Commodities (night session):

* Global oil price rose collectively. The short in supply of natural gas and coal led to higher demand for oil products in power industry, oil reserves saw downward tendency. November NYMEX crude oil contract rose for 8-consecutive weeks to closed at \$82.66/b (up 1.66%). December Brent contract closed at \$84.92/b (up 1.1%), INE crude oil active contract quoted 1% higher to closed at 535.8 yuan/b.

* The bounce of US treasury yield and surprisingly rise of September US retail data led to the fall of gold price. COMEX gold futures closed at \$1768.1/oz (down 1.66%), COMEX silver closed at \$23.35/oz (down 0.54%). SHFE gold active contract closed at 368.6 yuan/gram (down 1.38%), silver closed at 4944 yuan/Kilogram (down 0.38%).

* Metals mostly closed up with zinc rose sharply leading the trend. Nyrstar and Glen announced production cut in zinc amid rising energy price. In addition, India's short in power supply may lead to further contraction of zinc output. LME zinc up 8.26% to \$3820/ ton, copper up 2.31 % to \$10215 / ton. SHFE zinc up 7.21% to 27520 yuan/ton, copper up 2.06% to 75130 yuan/ton, bonded copper up 2.17 % to 67220 yuan/ton.

* Black series futures saw diverge performance. thermal coal futures rose sharply by 6.42%, coke up 3.79%, iron ore down 3.51%. Energy & chemistry sector performed mixed, EG rose 4.24%, soda ash went up 3.3%. Agriculture commodity futures mostly closed up, rbd palm olein.up 2.59%, soybean oil up 2.05%, no.2 soybeans up 1.3%.

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