

Market Review

DZ20211101

* Market Insights:

* A Shares

--SHCOMP: 3544.48, -0.08%, +2.06% YTD. T/O: CNY 564.1bn, +7.0% DOD.

--SZCOMP: 14476.53, +0.17%, +0.04% YTD. T/O: CNY 659.1bn, +7.8% DOD.

--STAR 50: 1404.21, +0.57%, +0.80% YTD. T/O: CNY 55.4bn, +8.6% DOD.

--CSI 300: 4890.69, -0.37%, -6.15% YTD. T/O: CNY 379.7bn, +3.0% DOD.

--ChiNext: 3331.91, -0.56%, +12.33% YTD. T/O: CNY 248.1bn, +1.7% DOD.

The total turnover of SH and SZ markets are 1223.2bn CNY, +7.5% DOD.

* B Shares

SH B-share: 274.21, +1.00%, +12.62% YTD. Turnover: USD 211mio, +27.9% DOD.

SZ B-share: 7699.93, +0.80%, +5.90% YTD. Turnover: HK\$ 43.2mio, +7.5% DOD.

* Fund Flow

---SHCOMP 7.0bn CNY Outflow, SZCOMP 11.2bn CNY Outflow;

---The most net inflow: Electronic equip 4.6bn, Electronic info 3.6bn, Machinery 2.9bn

---The most net outflow: Tourism 2.1bn, Nonferrous metal 1.1bn, Medical equip 867mio.

* Index Futures

IF2110: 4,888.8, -0.36%. Trading Volume: 52,427; Open Interest: 64,135; OI Change: -1,923;

IH2110: 3,255.2, -0.31%. Trading Volume: 33,992; Open Interest: 44,603; OI Change: 1,788;

IC2110: 7,043.6, 0.49%. Trading Volume: 43,755; Open Interest: 76,227; OI Change: -1,325;

The active contracts of IF, IH and IC moved -0.36%, -0.31% and 0.49% respectively. The trading volume of the active contracts of IF, IH and IC changed -8.94%, 0.62% and -9.71%. The premium and discount of IF, IH and IC are -3.4, 3.6 and -46.6. In

terms of the basis ratio of the active contracts, the basis of the active contract of IF is -1.89 and the basis ratio changed -0.06%. The basis of the active contract of IH is 4.28 and the basis ratio changed 0.05%. While the basis of the active contract of IC is -17.16 and the basis ratio decreased -0.14% compared to last trading day.

* Treasury futures

TS2112: 100.69, 0.06%. Trading Volume: 12,683; Open Interest: 24,327; OI Change: -564;

TF2112: 100.80, 0.16%. Trading Volume: 27,771; Open Interest: 73,715; OI Change: 631;

T2112: 99.49, 0.31%. Trading Volume: 64,329; Open Interest: 146,644; OI Change: 528;

Treasury futures all went up today with main contracts of 2-yr, 5-yr and 10-yr rose 0.06%, 0.16% and 0.31% respectively. As of 3 pm today, for the top 2 traded 10-yr bonds, the YTM went down 2.5 bps for CGB 210009 and 2.75 bps for CDB 210205. Inter-bank money market tends to be more loose today with most short term Shibor went down, O/N Shibor fell 11.2 bps to registered at 2.03%, 7-days Shibor fell 13.1 bps to registered at 2.168%, 14-days Shibor quoted down 25.6 bps to 2.158%, 1-month Shibor edged 0.2 bps higher to 2.398%. PBOC conducted 10 bln yuan 7-days reverse repo at interest rate of 2.2%, net withdrawing 190 bln yuan with 200 bln yuan maturing today. The official PMI performed weak in October, which drove up treasury futures. Manufacturing PMI registered at 49.2 down 0.4 pct from previous and lower than market expectation. Money market turned to be relative loose after the month end, although PBOC net withdrew 190 bln yuan from the market, as the fund demand also declined, exchange and interbank market interest rates went down collectively. Commodities continued to decline today with agriculture sector ceased its uptrend, plus the intensify of COVID-19, the market sentiment upholds the treasury futures market. Overall, although the positive factors fermented recently, the uprising space for treasury futures is limited. The weak on fundament will lead to further ferment on loose credit expectation, and the large volume of fund withdraw will lead to the tight on money side, treasury futures market tends to fluctuate toward weak recently.

* Commodities

Commodities market mostly closed down today with black series led the fall. Thermal coal and coking coal both plummeted to lower price limit, coke slumped nearly 7%. Chemical & energy commodities futures saw diverge performance, methanol edged 1.81% higher, whereas soda ash fell about 9%, urea went down nearly 7%. Agriculture commodities futures mostly closed down, live hog declined sharply by 7%, rapeseed meal dropped 4%, soybean meal fell around 3%, whereas No.1 soybeans rose 1%. Metals mostly saw diverge performance, tin went up 5%, nickel fell over 1%. Precious metals all closed down, gold fell 0.8%, silver declined

0.73%. The top three inflows of funds for active contracts: 928.0 million of Soda Ash, 486.3 million of Steel Rebar and 153.9 million of Cotton. The top three outflows of funds for active contracts: 665.2 million of Gold, 493.9 million of Rapeseed Oil and 266.2 million of Coke.

* Comments

A shr mkt in mixed performance throughout the day with STAR o/p against mkt trend while in narrowed gains in pm session. Large caps and ChiNext relatively underperformed. Market sentiment was neutral in easing trading vol. Home appliance, electronics, military, telecom, agriculture and textile names are leading the mkt while dragged down by leisure, consumption, nonferrous metal, pharm, property and steel names. CATL once hit new record high with mkt value exceed Industrial and Commercial Bank of China, rank 2nd top in A-shr mkt within the day while narrowed gain near closing. Home appliance names top the mkt triggered by the 3Q report announced by Midea and the single day sales event with online sales data improved for large appliance. Market saw a net INFLOW of 1.4bn via SH Connect and a net OUTFLOW of 650mio via SZ Connect.

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