

DZ20220601

*Key points

Policy

*China cuts purchase tax for qualified passenger vehicles by half from June 1st to Dec 31st 2022, according to notice issued by MoF and State Administration of Taxation.

*Four ministries issued notice on delayed payment of social insurance fees in steps in catering, retail, tourism, civil aviation and public transportation industries in difficulties. Subsidies will be given for employment of colleges graduates, to be effective until end of 2022.

*Shanghai Stock Exchange issued notice on fee reduction which cut user fees of trading units from 45k to 30k per unit and to surrender profit to market entities over cny 433mio.

*MoF issued notice to further enhance government purchase to support medium-small firms with price deduction of discounts lifted up and more projects will be reserved in 2H 2022.

Industrial Economy

*China to encourage rural sale of NEV, home appliance and green materials to boost commodity consumption with policy of purchase tax deduction well used and “old in exchange for new” encouraged in some regions to expand sales of new vehicles. Besides, construction of charging facilities to be supported.

Co Focus

*BYD has struck deals to buy 6 lithium mines in Africa and quantity of mine ore with lithium hydroxide in 2.5% grade to exceed 25mio ton, equivalent to 1mio ton lithium carbonate and can satisfy demand of power battery from 27.78mio units of pure-electric vehicles (10 year for BYD based on sales target in 2022) if been fully explored.

May 31st Block Trade

*Block Trade Info

*Discount

- SMIC (688981 CH) saw 2 block trades worth 75mn at 41.64yuan per share, 2.89 discount from last closing.

- Ping An Insurance (601318 CH) saw 1 block trade worth 36mn at 40.2yuan per share, 9.05 discount from last closing.

- Merchants Bank (600036 CH) saw 1 block trades worth 27mn at 39.07 yuan per share, 1.56 discount from last closing.

- iRay Tech (688301 CH) saw 6 block trades worth 62mn at 386.1yuan per share, 1.00 discount from last closing.

- Salt Lake (000792 CH) saw 4 block trades worth 109mn at 31.21yuan per share, 1.01 discount from last closing.

- Wanhua Chemical (600309 CH) saw 8 block trades worth 552mn at 81.26yuan per share, 3.4 discount from last closing.

- Junshi Biosciences (688180 CH) saw 5 block trades worth 82mn at 82.2yuan per share, 2.7 discount from last closing.

*Premium

- Nanxing Machinery (002757 CH) saw 1 block trade worth 75mn at 12.69yuan per share, 5.75 premium from last closing.

***Margin Trade**

Total Margin Balance	1.4445 trillion	Total Short Selling Balance	78.1 billion
SH Margin Balance	0.7754 trillion	SH Short Selling Balance	53.1 billion
Top Five Margin Trade Net Bought (in CNY)		Top Five Short Selling Net Sold (in shares)	
600546	139mio	600036	1.47mio
600703	116mio	601398	1.34mio
600438	100mio	601988	1.31mio
600702	97mio	601990	0.95mio
600521	86mio	688327	0.87mio
SZ Margin Balance	0.6692 trillion	SZ Short Selling Balance	25.5 billion
Top Five Margin Trade Net Bought (in CNY)		Top Five Short Selling Net Sold (in shares)	
300750	281mio	000767	4.4mio
002268	194mio	300601	1.15mio
002241	188mio	000933	0.91mio
300014	165mio	002429	0.89mio
300118	131mio	000901	0.7mio

***Connection Trade**

SH-HK Connection (bn cny)			SZ-HK Connection (bn cny)		
Northbound Net Cash Flow	+7.9		Northbound Net Cash Flow	+6.0	
Southbound Net Cash Flow	+0.6		Southbound Net Cash Flow	+1.5	
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
600036	756	0.94	300014	305	2.09
600519	728	0.33	002594	263	0.76
002410	620	12.2	600585	232	1.56
300059	506	2.07	002371	227	1.79
601888	314	0.93	600048	211	1.11

***Index Futures**

Position of Top 20 members (Unit lots)						
CSI 300 Index Futures	Trading Volume	Change*	Long OI	Change*	Short OI	Change*
IF2206	126,138	25,091	95,867	5,032	101,493	3,594
IF2207	10,599	3,865	7,962	1,571	9,533	2,219
IF2209	27,429	6,028	44,313	800	54,248	1,632
IF2212	6,845	2,607	11,393	91	11,530	22
SSE 50 Index Futures	Trading Volume	Change*	Long OI	Change*	Short OI	Change*
IH2206	61,750	11,415	42,415	1,070	48,445	1,367
IH2209	15,587	4,576	20,633	293	29,123	236
CSI 500 Index Futures	Trading Volume	Change*	Long OI	Change*	Short OI	Change*
IC2206	124,395	20,728	129,742	2,299	136,699	1,149
IC2207	11,214	3,379	10,135	1,856	9,805	1,792
IC2209	33,732	4,855	90,026	202	96,094	560
IC2212	14,905	4,477	41,108	1,917	40,478	2,244

***Index Options**

Position of Top 20 members (Unit lots)						
CSI 300 Index Options	Trading Volume	Change*	Long OI	Change*	Short OI	Change*
IO2206	173786	62618	78913	3809	85669	2822

***Treasury Futures**

Position of Top 20 members (Unit lots)						
2-Year Treasury Bond Futures	Trading Volume	Change*	Long OI	Change*	Short OI	Change*
TS2206	168	-9,655	1,862	-9	1,862	-9
TS2209	35,264	13,299	33,059	341	36,129	-357
5-Year Treasury Bond Futures	Trading Volume	Change*	Long OI	Change*	Short OI	Change*
TF2206	318	-25,032	1,206	-6	1,206	-6
TF2209	70,215	30,366	78,655	4,015	89,906	3,428
10-Year Treasury Bond Futures	Trading Volume	Change*	Long OI	Change*	Short OI	Change*
T2206	1326	-31,460	257	-447	257	-447
T2209	95,887	14,086	120,187	1,532	125,168	1,144

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

Top 3 Gainers (Dominant Contract)					
Product	Contract	Price	Change %	Trading Volume	Open Interests
Coking Coal	jm2209	2,742.0	+2.2%	23,443	44,053
Fuel Oil	fu2209	4,250.0	+2.04%	289,153	350,904
Thermal Coal	zc209	879.8	+1.55%	13	391
Top 3 Loser (Dominant Contract)					
Product	Contract	Price	Change %	Trading Volume	Open Interests
Nickel	ni2207	208,880.0	-3.79%	57,541	57,075
Crude Oil	sc2207	726.0	-2.56%	164,079	34,214
Aluminum	al2207	20,335.0	-2.12%	177,383	187,126

Commodities (night session):

* Global crude oil price performed mixed. July NYMEX crude oil contract up 0.17% to closed at \$115.26/b, August Brent contract down 1.13% to closed at \$116.27/b. INE crude oil active contract down 2.56% to 726 yuan/b.

* COMEX gold active contract down 0.93% to closed at \$1840/oz, SHFE gold active contract closed at 397.24 yuan/gram (down 0.48%).

* Metals mostly performed mixed. LME aluminum down 3.44%, copper down 1.09%. SHFE aluminum down 2.12%, copper down 0.76%.

* Commodity futures performed mixed, Energy & chemistry futures saw diverge performance, fuel oil up 2.04%, LPG down 0.97%. Black series all closed up, coking coal up 2.2%, thermal coal up 1.55%, coke up 1.42%. Agriculture futures mostly went down, soybean meal down 1.81%, rapeseed meal down 1.8%.

DISCLAIMER

The report is issued by Orient Securities Co. LTD (Orient Securities) and Shanghai Orient Futures Co. LTD (Orient Futures) to institutional investors. Opinions expressed may differ from those of other divisions of Orient Securities, including Orient Securities Research Institute. Orient Securities may trade as principal in instruments identified herein and may accumulate/have accumulated a long or short position in instruments or derivatives thereof. Orient Securities has policies designed to negate conflicts of interest. This e-mail is not an official confirmation of terms and unless stated, is not a recommendation, offer or solicitation to buy or sell. Any prices or quotations contained herein are indicative only. Communications may be monitored.