

Market Summary

Listed Companies (No.)	2,227
- Main Board	470
- SME Board	952
- ChiNext Market	805
Funds	547
Bonds	7,200
Market Cap. (US\$ bn)	3,476.5
- Main Board	1,047.4
- SME Board	1,455.6
- ChiNext Market	973.5
Average Turnover Ratio	2.52
Average P/E Ratio	25.65
No. of IPO (YTD)	23

Most Active Companies

1	East Money Information Co., Ltd. (300059)
2	Tianshui Huatian Technology Co., Ltd. (002185)
3	Gree Electric Appliances, Inc. of Zhuhai Co., Ltd. (000651)

Top Gainers

1	Shenzhen Everbest Machinery Industry Co., Ltd. (002980)
2	China Leadshine Technology Co., Ltd. (002979)
3	Sineng Electric Co., Ltd. (300827)

Top Decliners

1	Dongfengsci-tech Group Co., Ltd. (200160)
2	Zjbc Information Technology Co., Ltd. (000889)
3	Shandong Taihe Water Treatment Technologies Co., Ltd. (300801)

New Listing

Everbes (002980)

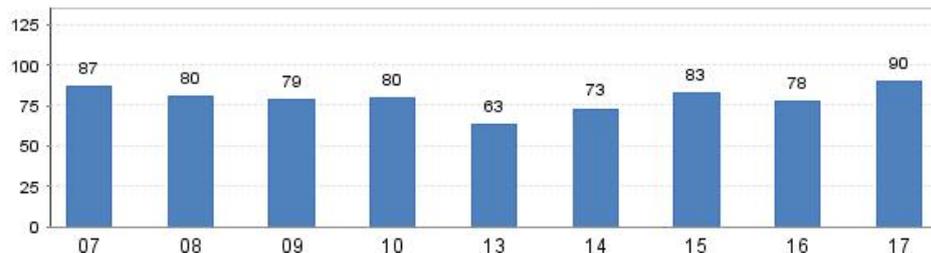
Shenzhen Everbest Machinery Industry Co., Ltd. principally engages in the technical research, design, development, production and sale of measuring and testing instruments. In 2019, its operating income reached 466 million yuan with the net profit of 90.9607 million yuan.

Anning (002978)

Sichuan Anning Iron and Titanium Co., Ltd. principally engages in the mining, washing and sale of vanadium-titanium magnetite. In 2019, its operating income reached 1,375 million yuan with the net profit of 519.1883 million yuan.

Daily Trading Value (April 07 – April 17)

(US\$ bn)



SZSE Component Index (April 07 – April 17)



SME Index (April 07 – April 17)



ChiNext Index (April 07 – April 17)



Market News

1. China to intensify fiscal and financial support for businesses

Premier Li Keqiang chaired the State Council's executive meeting on Tuesday, requiring that both fiscal and financial measures be taken. Such policies as tax and fee cuts, financial support and assistance to companies for maintaining payrolls are expected to be fully delivered to help smaller firms. In addition, part of the 2020 quota of local government special bonds totaling 1.29 trillion yuan had already been allocated.

2. PBOC cuts rates to absorb pandemic's effects

The one-year loan prime rate, which reflects the lending rate 18 banks offer to their best clients, decreased to 3.85 percent, down from 4.05 percent, the largest decline since the new rate was set in August 2019, to lower financing costs and offset downward pressures from the coronavirus pandemic. The five-year LPR, which is related to mortgage rates, dropped by 0.1 percentage point to 4.65 percent according to the People's Bank of China, the central bank.

Risuntek (002981)

Risuntek Inc. principally engages in the research and development, production and sale of electroacoustic products. In 2019, its operating income reached 828 million yuan with the net profit of 83.1382 million yuan.

3. Digital currency to be circulated

People's Bank of China, the central bank, is in the process of developing the digitalized legal tender, called the "digital currency and electronic payment" (DC/EP). Its values will be equivalent to paper notes and coins in circulation.

4. China regained some ground in March amid a dip in GDP caused by COVID-19

China's economy experienced a contraction in the first quarter due to disruptions caused by the COVID-19 outbreak, but major economic indicators improved substantially in March, indicating the country's recovery has gained a firmer footing. China's job market improved last month as life and work gradually resumed in the virus-hit economy, a total of 2.29 million new urban jobs were created in the first quarter of 2020. In March, the profitability of 43 central SOEs returned to average growth levels in 2019, while 37 central SOEs saw the rate of profit decline narrow by more than 10 percentage points from the first two months of this year.

5. China's consumer market recovering from coronavirus-induced downturn

As the country's epidemic control and prevention situation continues to improve, the consumer market is warming up, with a clear increase recorded in sales. Growth of sales revenue at 5,000 major retailers rose 15.8 percentage points in March compared with that of February, and further improved into April. For the longer term, the Chinese economy has great resilience, potential and plenty of room for policy maneuvering, and the economic fundamentals for sound development remain unchanged.

6. SZSE virtually signs MoU with Bursa Malaysia

On April 15, SZSE and Bursa Malaysia signed an MoU through video conferencing. According to the MoU, the two sides will share information and resources via the V-Next Platform and promote China-Malaysia industrial chain cooperation, developing a convenient and effective mechanism of cross-border investment and financing matchmaking for enterprises and investment institutions in the two countries. Meanwhile, the two sides will strengthen index cooperation and share market development experience to lay a solid foundation for further cooperation.

7. SZSE continually improve service for SMEs

On April 10, investment and financing matching activities for enterprises invested by the National Small and Medium-sized Enterprises Development Fund began. Five enterprises from AI, advanced manufacturing and integrated circuit industries held livestream roadshows through V-Next, SZSE's investment and financing platform for innovation and entrepreneurship. Over 300 investment institutions and listed companies participated in the online interaction. The activities were aimed to expand direct financing channels for SMEs and facilitate work resumption in an orderly way.

8. Treasury Bond Futures open to commercial banks on a pilot run

On April 10, three Chinese commercial banks signed membership agreements with the China Financial Futures Exchange. Fang Xinghai, Vice Chairman of the CSRC, said that, "As the largest holders of treasury bonds, commercial banks' participation will lead to a better priced futures contract and a more integrated financial market which will enhance the efficiency of resources allocation. Commercial banks could utilize treasury futures to manage interest rate risk and preserve asset values."



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SZSE Market: A Market Driven by "Technology & Consumption"

Since 1990, Shenzhen Stock Exchange, aimed at serving small and medium-sized private-sector enterprises, has gathered a group of listed companies with distinctive characteristics and strong competitiveness. China is speeding up its transition toward a new economic growth model based upon consumption and technology. This article highlights some leading enterprises in niche sectors represented at SZSE.

1. Electronics and telecommunications. Home to China's new-economy firms, SZSE has become a listing venue of choice for firms in consumer electronics and telecommunication industry. In the past 30 years, 260 of 340 listed companies in the industry have

chosen Shenzhen Stock Exchange, accounting for 3/4 of the national market. Industry leaders such as LXJM (002475), Avary Holdings (002938), ZTE (000063), TCL TECH (000100), Lens Technology (300433) and HAN'S LASER (002008) have grown rapidly in recent years.

2. Automotive power battery. Both established in the 1990s, ATL and BYD, are major companies in global automotive power battery industry. With the rise of new energy vehicles, BYD(002594) has rapidly become the leader of the industry in China thanks to its head start in automotive power battery business. CATL(300750), former ATL power battery business department, also becomes the leader of global power battery with its excellent R&D capacity. Both companies are listed at SZSE. Up to now, SZSE is home to over 30 listed enterprises in the power battery industry chain, covering lithium and cobalt resources.

3. Consumption. Consumer enterprises are also an important part of SZSE market. After 30 years's development, SZSE has gathered a group of fast-growing and competitive enterprises from consumption industries.

1)Liquor. SZSE covers four of the top five domestic liquor brands, including Wuliangye (000858), Yanghe Brewery (002304), Luzhou Lao Jiao (000568) and Niulanshan Erguotou from Shunxin Agriculture (000860).

2)Home appliances. SZSE hosts not only the leading firms with steady growth in white goods and kitchen appliances like Midea Group(000333) and GREE(000651), but also fast-growing firms in small household appliances like JOYOUNG (002242) and Bear Electric (002959) as well.

3)Agriculture and husbandry. SZSE has attracted many excellent companies in agriculture and husbandry sector. WENS (300498), Muyuan(002714), New Hope (000876) and Zhengbang Technology (002157), the top four hog-breeding listed companies in China, are all listed at SZSE.

4. Food. Consumption upgrading has driven the growth of fast-moving consumer goods (FMCG) enterprises in China. All three domestic FMCG leaders, including Three Squirrels (300783), Qiaqia Food (002557) and Haoxiangni (002582)are all listed at SZSE.

Chinese people spent 41.2 trillion yuan or 5.9 trillion US dollars on consumer goods in 2019, contributing 43% to the national GDP. The number put China at par with the United States as a leading consumer market in the world. And for six consecutive years domestic spending has been the dominant driving force for China's economic growth. But on a per capita basis, Chinese consumption is less than a quarter of America's. That means there is a lot of potential for growth in China's consumer market. The potential for continuous growth in China's consumer market may stem from increase in people's disposable income, massive urbanization, efficient domestic transport network and Internet-based e-commerce development.



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