

Market Summary

Listed Companies (No.)	2,224
- Main Board	470
- SME Board	949
- ChiNext Market	805
Funds	545
Bonds	7,181
Market Cap. (US\$ bn)	3,378.9
- Main Board	1,030.9
- SME Board	1,408.9
- ChiNext Market	939.1
Average Turnover Ratio	2.56
Average P/E Ratio	25.28
No. of IPO (YTD)	20

Most Active Companies

1	Zte Corporation (000063)
2	Jiangsu Yuyue Medical Equipment & Supply Co., Ltd. (002223)
3	East Money Information Co., Ltd. (300059)

Top Gainers

1	China Leadshine Technology Co., Ltd. (002979)
2	Hyunion Holding Co., Ltd. (002537)
3	Beijing Ultrapower Software Co., Ltd (300002)

Top Decliners

1	China Dive Company Limited (300526)
2	Sichuan Injet Electric Co., Ltd. (300820)
3	Zhengzhou Sino-crystal Diamond Co., Ltd. (300064)

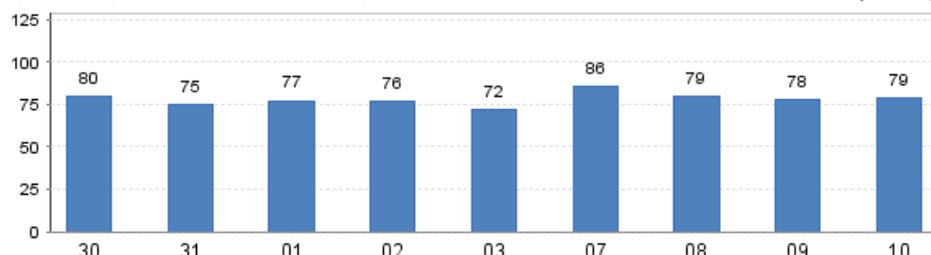
New Listing

Leadshine Technology (002979)

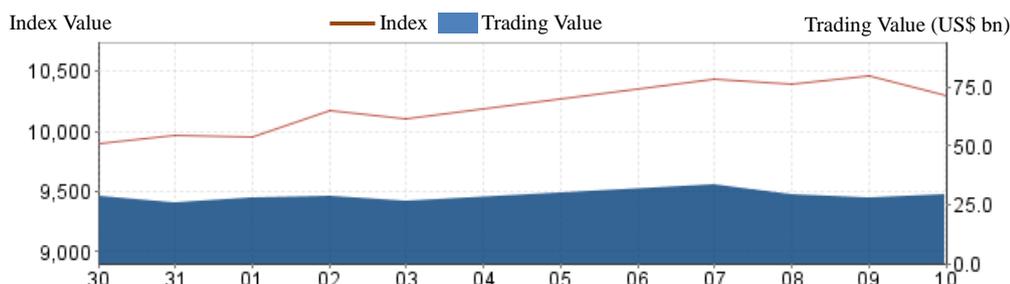
China Leadshine Technology Co., Ltd. principally engages in the research, development, production and sale of motion control core components controllers, drivers and motors. In 2019, its operating income reached 663 million yuan with the net profit of 107.61 million yuan.

Daily Trading Value (March 30 – April 10)

(US\$ bn)



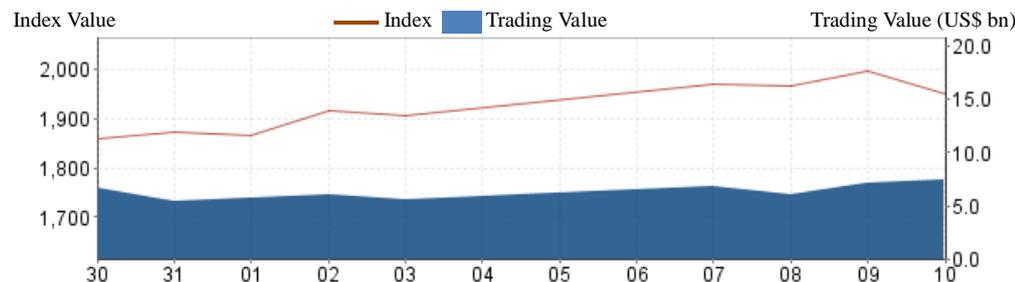
SZSE Component Index (March 30 – April 10)



SME Index (March 30 – April 10)



ChiNext Index (March 30 – April 10)



Market News

1. Guideline Unveiled for Improving Market-Based Allocation of Production Factors

China has issued a guideline on improving the market-based allocation mechanism of production factors to facilitate the free and orderly flow of factors and stimulate market vitality. Efforts will be made to deepen reform and opening-up and remove institutional barriers that hinder the free flow of factors including land, labor, capital, technology and data.

2. SZSE refines Arrangements on Postponement of Disclosure of Annual Reports and intensifies Regulatory Service Measures during the Fight against the Pandemic

In line with the *Announcement on Matters Relating to Auditing and Disclosure of Annual Reports of Listed Companies* issued by the China Securities Regulatory Commission on April 8, SZSE released the *Notice on Supporting Listed Companies in Auditing and Disclosure of 2019 Annual Reports* to address the issue of disclosure of listed companies caused by the

Sineng Electric (300827)

Sineng Electric Co., Ltd. principally engages in the research, development, production and sale of power electronic equipment. In 2019, its operating income reached 923 million yuan with the net profit of 83.84 million yuan.

COVID-19. Companies who do have difficulties in issuing the audited annual reports on due time may postpone the issuance to not later than 30th June. Preliminary announcements for the first quarter 2020 can be exempted from for companies whose disclosure work is severely disrupted. The annual shareholders' meeting will be accordingly postponed on condition. Companies waived of the disclosure requirements are required to disclose important information in a phased manner and disclose the reason for not being able to conduct auditing work and the risks related to the change. 359 SZ-listed companies have issued their annual reports for 2019 while difficulties does exist for some other listed companies for whom the auditing work was disrupted by the outbreak of the epidemic.

3. SZSE's online training for Hubei SMEs serves over 3,000 enterprises in business resumption

SZSE concluded last week a four-week online training named "Fight the Pandemic Together and Facilitate Growth" for SMEs in Hubei. The training was live-streamed via the V-Next platform, providing free professional services for more than 3,000 SMEs across China, mostly in Hubei, and helping SMEs to achieve business transformation by expanding financing channels and enhancing human resources management.

4. Investors take a shine to China bonds

Global investors traded record volumes of Chinese bonds during the first three months of this year amid the COVID-19 outbreak. According to People's Bank of China, by the end of March, 822 foreign institutions held bonds worth 2.26 trillion yuan. Purchase of China's sovereign yuan-denominated bonds soared to 2.28 trillion yuan by 6 April, according to data from Bond Connect Co. Ltd, a Hong Kong-based entity providing services that allow investors from the mainland and overseas to trade in each other's bond markets.

5. Smooth restart signals steel Q2 demand rebound

Despite the severe hit seen by the COVID-19 outbreak, the Chinese steel sector is showing signs of recovery in the second quarter, prompted by rising demand from the orderly resumption of production and business across the country. According to the Lange Steel Information Research Center in Beijing, PMI for China's steel distribution enterprises came in at 53.4 for March, up from 47.1 in February. Analysts say that China's focus on new infrastructure projects to offset the economic impact of COVID-19 will inject new momentum into sustainable growth of the steel industry

6. China to set up new integrated pilot zones for cross-border e-commerce to stabilize foreign trade

The fast growth of cross-border e-commerce in recent years has become a new highlight in the country's foreign trade. According to the State Council's executive meeting chaired by Premier Li Keqiang on 7 April, another 46 integrated pilot zones for cross-border e-commerce are expected to be set up on top of the 59 existing ones. Firms in these zones will enjoy such support policies as exemption of value-added and consumption taxes on retail exports.

Analysis

SZSE's 2019 Survey on Individual Investors



Jie Chen
Investor Education Centre

SZSE recently released *2019 Individual Investors Survey*, which shows changes in the individual investor structure and behavioral characteristics. The survey has been conducted annually since 2010. A total of 24,896 investors ("respondents") from 342 cities of different sizes nationwide responded to the survey this year. Key findings from the survey include:

- **The average account assets of the respondents increased, the proportion of small and medium investors decreased.** In 2019, the average securities account assets of the respondents reached 547,000 yuan, up from 2018's 45,000 yuan. Among the respondents, small and medium investors with securities account assets below 500,000 yuan accounted for 75.1%, down 4.9% year on year.
- **Respondents are more willing to invest in stocks indirectly.** In 2019, respondents who participated in mutual fund transactions accounted for 45.8%, the highest level in the past four years, a significant year on year increase of 17.2%.
- **Respondents' investment knowledge improved significantly.** In the investment knowledge test, the respondents' average score was 73.8, up from 2014's 57.6. Besides, the average score of the ChiNext Market investors was 75.5, higher than the overall level.
- **Respondents are more rational.** The respondents who traded several times within one week accounted for 35.0%, down by 11.4% from 2018. Common irrational biases such as excessive panic, speculation and disposition behaviors decreased markedly. Profit-making investors' disposal behavior ((selling profit-making stocks too early and holding money-losing stocks in the long term), credulity with rumors, and present-biased preference (rather buying stocks that may rise 10% in price tomorrow than buying those that may double in price in a year) were 14.8%, 8.1% and 7.6% lower than those of money-losing investors.
- **Investor education demands were strong, while the long-term investment awareness still needs to be further cultivated.** Respondents thought that the most needed investor education were basic securities knowledge, investment risk disclosure, investment products and strategy introduction, and rules and regulations interpretation. Only 27.4% small and medium investors upheld a long-term value investment awareness, a relatively lower proportion than that of other investors.
- **Respondents expected reform of ChiNext Market.** Most respondents looked forward to the strengthening of inclusiveness of the ChiNext Market, improvement of the delisting system, the enhancing of issuers' and intermediaries' responsibilities and other relevant matters.

Respondents paid much attention to investor protection in the newly amended *Securities Law* and the improvement of the quality of listed companies. Of the arrangements for investor protection in the newly amended *Securities Law*, establishing a "securities class action system with Chinese characteristics" was most anticipated. Of the measures aimed to improve the quality of listed companies, cracking down on fraudulency and account manipulation received the most attention.

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We welcome any feedbacks with respect to Market Bulletin or other information services offered by the SZSE. Should you have any inquiries, comments or proposal for cooperation, please let us know at international@szse.cn

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