

NEWSLETTER

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Chinese Derivatives Market Update



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MINMETALS & JINGYI FUTURES

1. China's Factory Outlook Eases Again, Services Slow Down

(Bloomberg) An official gauge of China's manufacturing output slipped for a second month in January, while activity in the services sector slowed to the lowest reading since March.

The official manufacturing purchasing managers' index fell to 51.3 from 51.9 in December, according to data released Sunday by the National Bureau of Statistics.

The non-manufacturing gauge dropped to 52.4 from 55.7 in January. That was the biggest fall since February last year, when China locked down to contain Covid-19.

China's recovery from the pandemic gathered pace toward the end of 2020, fueled by an export boom for medical and electronic goods. Economists expected some weakness in the PMI ahead of the Lunar New Year holiday in February.

Aside from a seasonal drop in production, strict travel restrictions and virus control measures following recent Covid-19 outbreaks in China mean many workers won't make the annual trip back home, which will likely result in weaker spending on gifts and dining out.

"These measures will impair the recovery in the services sector, especially the hospitality industry," economists at Nomura Holdings Inc. led by Lu Ting wrote in a report before the data were released. However, they "may provide a small boost to industrial production and construction in South China, as workers would remain at workplaces."

Overall, the new control measures will drag on economic growth in the first quarter, they wrote.



1. 中国制造业 PMI 再度下滑 服务业活动大幅减缓

(彭博)中国国家统计局周日发布的数据显示，1 月份官方制造业采购经理指数(PMI)从去年 12 月的 51.9 下降到了 51.3。非制造业 PMI 从 55.7 下降到了 52.4，创出了去年 2 月中国实施抗疫封锁措施以来的最大降幅。

去年年底时，受到医疗和电子产品出口增长的推动，中国经济从新冠疫情中的复苏加快了脚步。

经济学家们料到 2 月份春节假期前 PMI 会一定程度趋弱。除了季节性的产量下降外，最近因为疫情再现而采取的严格管控措施也意味着很多人春节无法返乡，由此有可能导致礼品和餐饮消费减少。

“这些措施将会损害到服务业、尤其是酒店餐饮业的复苏，”陆挺等野村控股经济学家在数据发布前的一份报告中说。不过他们同时表示，这些措施“或许也会给南方的工业生产和建设带来一定程度的提振，因为工人们会继续工作。”

不过当下他们同时表示，这些措施“或许也会给南方的工业生产和建设带来一定程度的提振，因为工人们会继续工作。”他们表示，总体而言，新的防疫管控措施会拖累一季度的经济增长。

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2. China to Widen Fight Against Monopolies to the Giant Gig Economy

(Bloomberg) China “resolutely” opposes monopolies and unfair competition and will step up regulation in sectors such as platform businesses, according to a plan released by the general offices of the powerful Communist Party Central, Committee and the State Council, the cabinet.

Contained within a broad set of guidelines intended to enforce “high standards” in Chinese finance and markets, the agencies singled out a so-called gig economy as one area that needed more oversight. The industry typically encompasses services such as Didi Chuxing-led ride-hailing, food, and grocery delivery that’s the province of Meituan, or Airbnb-style operators like Tujia.

Beijing has signaled its intention of curbing the mounting influence of private tech giants across the world’s No. 2 economy, scrapping Ant Group Co.’s record initial public offering and publishing new rules preceding an antimonopoly China “resolutely” opposes monopolies and unfair competition and will step up regulation in sectors such as platform businesses, according to a plan released by the general offices of the powerful Communist Party Central Committee and the State Council, the cabinet.

The government didn’t single out any firms in its broadly worded action plan published over the weekend. Authorities will improve rules to identify monopolistic platform companies and regulate consumer data collection and use, the agencies said. The government will also roll out guidelines to help Chinese companies meet antitrust rules overseas.

The action plan serves as a roadmap for the integration of an “efficient market and effective government” as China plans its economy for the next half-decade, state news agency Xinhua said in a commentary Sunday. The 51-point plan targeted areas where regulations are weakest and ordinary market development most curtailed, Xinhua added.

Chinese officials have in recent months zeroed in on an evolving online tech and finance sphere that Jack Ma’s Ant, before regulators scrapped its \$35 billion IPO and initiated an overhaul, was making rapid inroads into. Fintech players are now rushing to shore up their capital, mulling how to restructure their businesses, and bracing for more turbulence as industry watchdogs examine everything from lending practices to banking partnerships to data privacy.



2. 中国将改进反垄断执法 加强新业态领域反不正当竞争规制

根据中共中央办公厅和国务院办公厅印发的《建设高标准市场体系行动方案》，中国“坚决”反对垄断和不正当竞争行为，并将加强平台经济、共享经济等新业态领域反垄断和反不正当竞争规制。

行动方案专门提及需要加强平台经济和共享经济的监管，这一领域通常包括以滴滴出行为首的网约车服务、以美团为首的食品和杂货配送服务以及爱彼迎式的途家网等运营商。

北京已经表示有意遏制民营科技巨头在世界第二大经济体中日益增长的影响力，叫停了蚂蚁集团创纪录的首次公开募股、(IPO)，发布新规则后对电商领军企业阿里巴巴展开了反垄断调查。中国大型科技企业在投资和进军医疗及在线金融等众多相邻领域方面享有非同寻常的自由，投资者选择担心他们下一步会面临什么。

在周末发布的措辞宽泛的行动方案中，政府没有具体提及任何一家公司。根据方案，政府将推动完善平台企业垄断认定、数据收集使用管理、消费者权益保护等方面的法律规范。政府还将出台实施企业境外反垄断合规指引。

新华社周日发表评论文章称，在中国制定下一个五年经济发展规划之际，行动方案为推动有效市场和有为政府更好结合列出了路线图。新华社补充称，行动方案提出 51 条具体行动举措，着力从制约市场体系发展最突出、群众反映最迫切、社会各界最关注、市场监管最薄弱的环节和领域入手。

最近几个月，中国官员瞄准了不断发展的在线科技和金融领域--在监管机构叫停其 350 亿美元的 IPO 并展开全面整顿前，马云的蚂蚁集团正在迅速涉足该领域。随着行业监管机构对贷款发放、银行合作模式、数据隐私等方方面面展开审查，金融科技公司目前正在争先恐后地增加资本，考虑重组业务，并准备迎接更多动荡。

3. INE: provide more risk management tools for global investors

Shanghai's role as a leading global financial center has been further consolidated as the city has accelerated its launch of a number of yuan-denominated futures products over the past few years.

Bonded copper futures contracts, which are open to foreign traders, are one of the latest attempts. The new product, which began trading on the Shanghai International Energy Exchange on Nov 19, allows overseas investors to trade via a futures firm member of the INE or an overseas broker. Major overseas trading platforms such as Tradex and Bloomberg also have access to bonded copper futures on the INE.

In one month's time, the number of trading lots for bonded copper futures stood at 401,300, with the total trading amount exceeding 102.3 billion yuan (\$15.8 billion). As of Dec 18, the total outstanding position of the product were 17,500 lots, up 736.1 percent compared to the first trading day.

Matthew Chamberlain, London Metal Exchange's chief executive, said that the product has bridged the London and Shanghai markets by taking the bonded area in Shanghai as the venue for physical product delivery. Investors will thus be able to conduct cross-market arbitrage, he said.

Bonded copper futures, also known as international copper futures, is the fourth international futures product launched by the INE. Yuan-denominated crude oil futures unveiled in 2018 was the exchange's first international product, followed by rubber and low-sulfur fuel oil futures.

Jiang Yan, chairman of the Shanghai Futures Exchange—INE's parent institution—said bonded copper futures can directly reflect the international spot market's supply and demand for the metal, elevating China's role as a global pricing center for copper.

In addition to bonded copper futures, more products are in the pipeline. Alumina futures, container freight rate index futures and shipping index futures are scheduled to be launched. Efforts will be made to develop nonferrous metal index futures, rubber futures and options for already-launched futures. More financial tools such as natural gas and refined oil futures, crude oil options and crude oil exchange traded funds will be contemplated, Jiang said.

The long-term goal of the 21-year-old Shanghai Futures Exchange is to grow into a top global trading venue. To serve that goal, the exchange will further optimize its system and

risk management tools so that more international investors participate in trading yuan-denominated products, and use or refer to commodities futures prices, he added.

Apart from adjusting current futures products on offer, an over-the-counter market will be set up at a faster pace so that resources can be allocated more efficiently.

But more importantly, the exchange will carry out opening up unswervingly to enhance China's influence on commodities in the global market, Jiang said.

"Based on instruction from the China Securities Regulatory Commission, we will guide qualified foreign institutional investors and renminbi-qualified foreign institutional investors to take part in the trading of specific commodities futures. Meanwhile, we will promote overseas development by exploring the possibility of increasing registered products and setting up delivery warehouses in markets involved in the Belt and Road Initiative," he said.

Low-sulfur fuel oil futures, which was rolled out in June, will be the first products to participate in an overseas delivery warehouse experiment. The Shanghai Futures Exchange will work with overseas exchanges in terms of authorization of settlement prices and proxies for commodities futures, Jiang added.

The exchange's international development answers the central and municipal government's call for enhancing China's pricing for commodities.

In a speech delivered on Nov 12 at a grand gathering in Shanghai to celebrate the 30th anniversary of the development and opening-up of the Pudong New Area, President Xi Jinping said efforts should be made to enhance the area's influence on the pricing of commodities in order to better serve and lead the development of the real economy.

One of the goals for the municipal government of Shanghai over the next five years is to see products such as yuan-denominated crude oil futures become more influential worldwide, according to the city's 14th Five-Year Plan (2021-25) guidance released at the end of last year.

Crude oil futures, a milestone in China's financial opening-up, has attracted about 280 overseas members in two years' time. Traders, manufacturers and leading funds make up most of the overseas members. It can be said that the influence of the internationalized product has been built indirectly, as our trading rules have been recognized, Jiang said.

"But more efforts can be made to enhance the direct influence of crude oil futures. It is when more investors are referring to our pricing that the global influence of yuan-denominated crude oil futures is truly built," he added.

3. 上能所：为国际交易者提供更多风险管理工具

过去几年，上海加快推出以人民币计价的期货产品，进一步巩固了其作为全球领先金融中心的地位。

最新的尝试是对境外交易者开放了保税铜期货合约。保税铜期货合约已于11月19日开始在上海国际能源交易中心交易，允许境外投资者通过上海国际能源交易中心的期货公司成员或海外经纪商进行交易。投资者也可通过Tradex和彭博社等主要海外交易平台参与上海国际能源交易中心保税铜的交易。

在短短一个月内，保税铜期货交易量为401,300手，总交易金额超过1023亿元（158亿美元）。截至12月18日，该产品的总持仓数为17,500手，较首个交易日上升736.1%。

伦敦金属交易所首席执行官马 Matthew Chamberlain 表示，该期货合约以上海保税区为实物产品交付地，有利于为伦敦和上海两个市场架起桥梁，从而进一步方便投资者进行跨市场套利。

保税铜期货，又称国际铜期货，是上海国际能源交易中心推出的第四个国际化期货产品。继2018年推出以人民币计价的原油期货作为第一个国际化产品之后，该交易所又陆续推出20号胶和低硫燃料油期货。

上海期货交易所，即上海国际能源交易中心的母公司，总经理姜岩表示，保税铜期货可直接反映国际现货市场对铜的供求关系，有助于提升中国作为全球铜定价中心的作用。

除了保税铜期货，更多的产品也正在酝酿中。氧化铝期货、集装箱运价指数期货和航运指数期货计划陆续推出。上期所还将大力发展有色金属指数期货、橡胶期货和已推出的期货期权。姜岩说，上期所也在考虑推出更多金融工具，如天然气和成品油期货、原油期货和原油ETF。

已成立21年的上海期货交易所现在的长期目标是成长为全球顶级交易所。为实现这个目标，交易所将进一步优化其系统和风险管理工具，让更多的国际投资者参与以人民币计价产品的交易中来，更多的使用或参考商品期货价格。

除了调整现有期货产品外，还将以更快的速度建立场外市场，以便更有效地分配资源。

但更重要的是，交易所将坚定不移地开展对外开放，进一步增强中国在全球市场对大宗商品的影响力。

"根据中国证监会的指示，我们将引导符合条件的境外机构投资者（QFII）和具有人民币资格的外国机构投资者（RQFII）参与特定商品期货交易。同时，我们会探讨增加海外注册产品的可能性以及在"一带一路"计划所涉及的地区设立交割仓库，以此促进海外发展。

今年6月推出的低硫燃料油期货，将试验成为首批参与海外仓库交割的产品。上海期货交易所将在授权结算价格和商品期货代理方面与海外交易所合作。

上能源的国际发展响应了中央和市政府关于加强中国在大宗商品上的定价权呼吁。

11月12日，在上海庆祝浦东新区开发开放30周年的大集会上，习近平主席发表讲话表示，要进一步建设国际金融资产交易平台，提升重要大宗商品的价格影响力，更好的服务和引领实体经济发展。

上海市政府未来五年的目标之一是，依照上海去年年底发布的"十四五"规划（2021-25年）指导意见，进一步扩大以人民币计价的原油期货等产品在全球的影响力。

原油期货的推出是中国金融对外开放的里程碑，两年内吸引了约280名海外参与者参与交易，其中大部分都是专业的交易者，制造商和头部基金。姜岩表示，随着我们交易规则被逐渐认可，国际化产品的影响力已经间接建立。

"但上能源还是会持续努力，提升原油期货的直接影响力。当更多的投资者参考我们的定价时，人民币计价原油期货的全球影响力才能真正建立起来，"他补充道。

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