

NEWSLETTER

March 16, 2021

Chinese Derivatives Market Updates



Official: Keep opening up to overseas investors

China will continue attracting foreign investment to its advanced manufacturing and high-tech sectors this year, offering new business opportunities for global stakeholders to participate in its next-stage, high-quality development paradigm as mapped out by the country's new five-year development plan, officials and analysts said.

The country will encourage foreign investment participation in the development of China's high-end manufacturing industry, new infrastructure construction and innovation-driven development, according to the country's top economic regulator.

Ning Jizhe, deputy head of the National Development and Reform Commission, said the country will strive to promote the implementation of major foreign investment projects. So far, four groups of major foreign-funded investment projects have been launched in China, with a total investment of over \$110 billion.

"This year, the fifth group of major foreign-funded projects will be launched (in China), backed by supportive policies in terms of industrial planning, land use, environmental

assessment and energy use," Ning said at a State Council Information Office news conference on Monday.

A white paper by the American Chamber of Commerce in South China said 94 percent of member companies based in the United States said they were optimistic toward 2021's business outlook in China. Also, China remained the top investment destination of more than half of the surveyed companies.

Experts said China's ongoing efforts to boost foreign investment are in line with the draft Outline for the 14th Five-Year Plan (2021-25) for Economic and Social Development and Long-Range Objectives Through the Year 2035, which says China has vowed to unswervingly open its economy wider and expand institutional opening-up in the coming five years.

Citing specific opening measures outlined by the 2021 Government Work Report, Cheng Shi, chief economist at ICBC International, said the government is pursuing expanding opening-up at a larger scale and at a deeper level.

"China is seeking all-around cooperation and long-term exchanges," Cheng said. "China's economic and financial openness highlights both consensus on sentiments and values and mutual benefits and win-win outcomes. It will be committed to promoting the building of the community with a shared future for mankind and expanding opening-up at higher levels."

To facilitate the establishment of an open economy at a higher level in 2021, the NDRC said it will further shorten the negative lists for foreign investment access, advance orderly opening-up in the services sector, open more industries to foreign investment, fully implement the system for post-establishment national treatment and better resolve issues foreign companies face in investment, production and operation.

"China will open its doors wider," Wang Wentao, China's commerce minister, said on the sidelines of the two sessions on Monday. "This year, we'll further shorten the negative lists to attract more foreign investments. And we'll also shorten the negative lists for service trade."

China has revised negative lists for foreign investment market access for four consecutive years, from 2017 to 2020, and the number of items on the lists has been reduced by nearly two-thirds, officials said.

对境外投资者继续实行对外开放

今年，中国将继续吸引外资进入先进制造、高新技术等领域，为全球投资者参与到下一个五年发展规划中提出的高质量发展提供更多商业机遇。据悉，中国将积极引导外商更多投向先进制造、新基础设施建设以及高新技术领域。

国家发展改革委副主任宁吉喆表示中国将着力推动重大外资项目落地。目前，已推出四批重大外资项目，总投资额超过 1100 亿美元。

“今年（中国）将推出第五批重大外资项目，对这些项目给予产业规划、用地、环评、用能等政策支持，”宁吉喆在国务院新闻办公室举行的一场新闻发布会上介绍。

近日华南美国商会发布的 2021 年中国营商环境白皮书等报告显示，94% 的美资企业对中国市场持乐观态度，超过一半的企业将中国作为全球投资首选地。

专家称，中国持续吸引外商投资是符合十四五”规划和 2035 年远景目标的建议。在接下来的五年中，中国将继续坚定不移扩大经济开放，并加大对机构的开放力度。

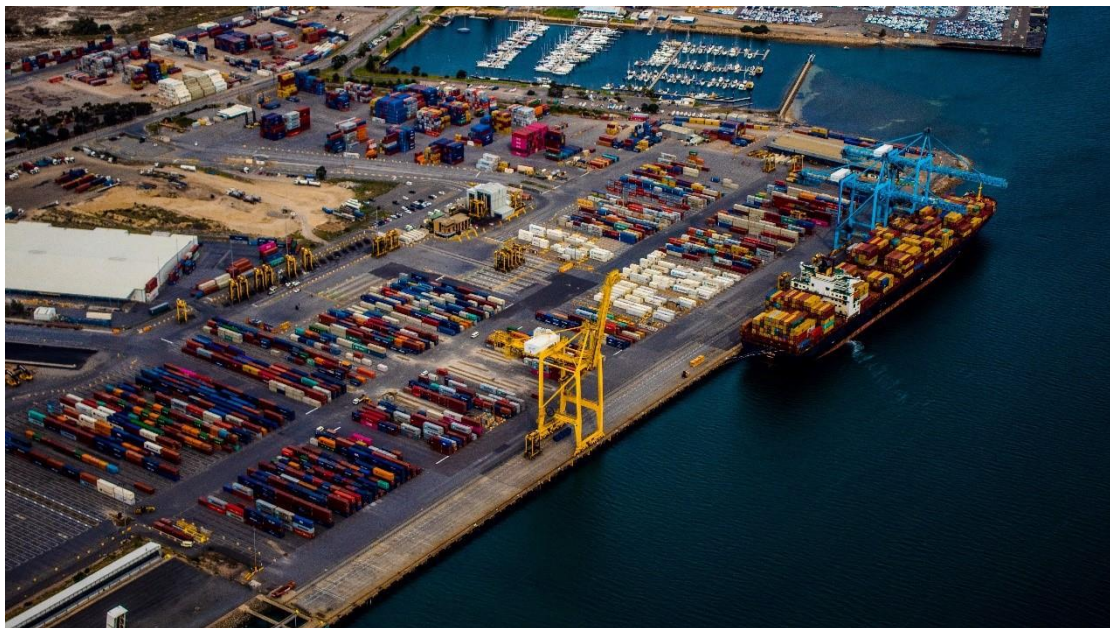
工银国际首席经济学家程实分析称，2021 年的两会政府工作报告表明了政府追求更大范围、更深层次扩大对外开放的决心。

“中国谋求的对外开放看重的是全面合作和长期交往，”程实表示，“中国经济金融的对外开放既强调情感和价值观上的共识，也凸显利益上的互利共赢。未来，中国将致力于推进人类命运共同体的建设，就此推进更高水平的对外开放。”

为了在 2021 年建立一个更高水平的开放经济，国家发改委表示将进一步缩减外商投资准入负面清单，推动服务业有序开放，开放更多行业允许外商投资，全面实行外资准入后国民待遇，并且积极协调解决外资项目投资、生产、经营中遇到的困难。

“中国开放的门将开得更大”，商务部部长王文涛在两会采访中介绍，“2021 年我们将进一步缩减外商投资准入的负面清单，同时还将缩减服务贸易的负面清单。”

2017-2020 年，我国已连续 4 年修订外资准入负面清单，限制措施累计减少了近 2/3。



To provide more convenient tools for the risk management of global copper industry chain

(INE) Wang Fenghai, chief executive of the Shanghai Futures Exchange (SHFE), joined the CEO interview session during Fastmarkets Copper Seminar virtually hosted on March 11-12, 2021, introducing our bonded copper contract.

Wang Fenghai said copper industry enjoys a high level of marketization and internationalization with a relatively developed spot market both domestically and internationally. With abundant upstream and downstream enterprises of the industry chain, there is an increasing demand for risk management.

Unlike the SHFE copper contract designed for domestic market in China, the bonded copper contract introduced by Shanghai International Energy Exchange (INE) opens to the free trade zone and offshore market, providing a price better reflect the supply and demand situation of global spot market especially in Asia-Pacific time zone and meeting the risk management demands for entity enterprises participating in international trade.

The introduction of bonded copper contract is to provide a new financial derivatives tool for both domestic and overseas participants. Meanwhile, active engagement of investors both at home and abroad will not only further facilitate the price discovery of copper price in Asia-Pacific time zone, help promote the cross-market arbitrage between INE, LME and CME to create more trade opportunities and market liquidity to members as well as clients, but also serve as a more convenient and complementary tool for the risk management of global copper industry chain.

The smooth running of bonded copper since launch has attracted more and more domestic and overseas institutions to take part in and received positive feedbacks. For the next phase, INE may broaden the physical delivery network of the bonded copper contract to include warehouses outside the border. Moreover, INE are also studying the

feasibility to internationalize other metal products based on experience learnt from the bonded copper contract.

为全球铜产业链风险管理提供更便利的工具

(INE) 2021 年 3 月 11 日至 12 日，Fastmarkets 铜业研讨会在线举行，上海期货交易所总经理王凤海出席会议并参加 CEO 对话访谈，向全球铜行业介绍我国国际铜期货合约。

王凤海表示，铜市场化和国际化程度高，境内外期现货市场较为发达，产业链上下游企业众多，风险管理需求强烈。

相较于沪铜期货面向中国国内市场，上海国际能源交易中心（以下简称上期能源）推出的国际铜期货则是面向中国“境内关外”保税市场和离岸市场，价格能更直接地反映全球现货市场特别是亚太时区国际市场的供需情况，更好地服务实体企业在国际贸易中的风险管理需求。

推出国际铜期货，为境内外参与者提供了新的金融衍生品工具。同时，境内外投资者的充分参与有助于进一步促进对亚太时区铜的价格发现，也将进一步推动上期能源、LME 和 CME 之间的跨市套利，为各方会员和客户提供更多交易机会和市场流动性，更是为全球铜产业链的风险管理提供更便利的工具，打造出一个相互促进的局面。

国际铜期货上市以来，运行平稳，境内外机构积极参与，规模稳步扩大，功能初步显现，境内外市场总体评价积极。下一步，上期能源将根据合约运行情况及市场实际需求，进一步拓展交割仓库覆盖地区，并积极研究在境外设库的可行性。此外，上期能源也将在推出国际铜期货的经验基础上，研究其他金属产品国际化的可行性。



China's FDI use surges for 2021

(China Daily) China's actual use of foreign direct investment surged 31.5 percent on a yearly basis to 176.76 billion yuan in the first two months of the year, the Ministry of Commerce announced on Friday.

In US dollar terms, foreign capital inflows went up 34.2 percent year-on-year to \$26.07 billion during the two-month period.

The country's service sector attracted 141.74 billion yuan of FDI from January to February, jumping 48.7 percent on a yearly basis and accounting for 80.2 percent of the country's total use of foreign investment.

In the meantime, FDI from economies related to the Belt and Road Initiative, the Association of Southeast Asian Nations and the European Union grew by 26.2 percent, 28.1 percent and 31.5 percent respectively on a yearly basis in China.

2021 年（前两月）中国吸引外资激增

（中国日报） 商务部最新发布数据显示，2021 年 1-2 月，全国实际使用外资 1767.6 亿元人民币，同比增长 31.5%。

折合美元计算，2021 年前两个月吸引外资 260.7 亿美元，同比增长 34.2%。从行业看，前两月服务业实际使用外资 1417.4 亿元人民币，同比增长 48.7%，占全国实际使用外资的 80.2%。

从来源地看，“一带一路”沿线国家、东盟、欧盟实际投资同比分别增长 26.2%、28.1%、31.5%。



Disclaimer

All the information used in this newsletter is from publicly available resources. Minmetals & Jingyi Futures Co., Ltd endeavors to ensure the information is correct and up-to-date but make no warranties or representations of any kind about the completeness or accuracy. This communication may contain sources from other sites that are neither owned nor operated by Minmetals & Jingyi Futures. Such sources are provided for your convenience only and does not imply or constitute sponsorship, endorsement, approval or responsibility for the content on, or the use of, such third party site.