

NEWSLETTER

March 31, 2021

Chinese Derivatives Market Updates



First delivery of INE bonded copper futures completed with a delivery amount of 6,225 metric tons

(Xinhua Agency) – On March 22nd, the first Bonded Copper futures contract delivered : March 2021 (BC2103) of Shanghai International Energy Exchange (“INE”), a subsidiar the Shanghai Futures Exchange (“SHFE”), has successfully completed its delivery with total delivery volume of 6,225 metric tons and a total delivery value of CNY 370 million. Both overseas and domestic participants are involved in this delivery, including China Minmetals Non-Ferrous Metals Holding Co., Ltd, LOBB HENG PTE LTD, etc. This signifies that the various designs and processes for Bonded Copper futures stand the te of the market.

The Bonded Copper futures contract started trading at the INE on Nov 19th, 2020 on th basis of "international platform, net pricing, bonded delivery and renminbi denomiati to fully engage overseas traders. This product makes up for the lack of a renminbi-denominated hedging tools in international copper industry chain and marks the first product in China that is internationalized via dual-contract mode. Since its launch, the Bonded Copper futures contracts have been steadily expanding with diversified participi structure and growing impact on the real economy. By March 15th, 2021 (the last tradin

day of contract BC2103), the total trading volume reached 1.53 million lots over the past 77 trading days, valued at over CNY 414.3 billion.

On March 12th, INE has approved the registration of “MONYWA LPT”-branded copper cathodes produced by Myanmar Wanbao Mining Copper Limited. As the first overseas brand approved by INE for Bonded Copper futures, such measure will help amplify the influence of Shanghai copper price in Asia-Pacific region. So far, among the 52 registered and deliverable brands for Bonded Copper futures, 21 are domestic while the other 31 are overseas brands.

The Bonded Copper futures serves as a new tool for both domestic and overseas real enterprises as well as investment institutions in copper industrial chain to better manage risk with a transparent and fair global market price denominated by renminbi. Along with the Shanghai copper listed in SHFE, the “dual contract” mode is critically significant to serve the bonded market, offshore copper market and domestic copper market and has important implications to enhance the impact of Chinese copper price.

Relevant personnel in SHFE says that with the expanding market size and optimization of investor structure, Bonded Copper futures contracts will play a bigger role in the deepening integration of copper demand and supply chains both at home and abroad. The contracts will also help expand the share for renminbi in the settlement of international physical trade and financial market. Moving forward, SHFE and INE will further strengthen the market regulation and risk prevention, better educate the investors and parties concerned, optimize relevant rules according to the contract running and market demands and study the feasibility to establish overseas delivery warehouses for Bonded Copper delivery. The exchanges are dedicated to proactively facilitating the use of Bonded Copper price as the benchmark price by enterprises in global copper trade and by copper exporters in the trade with China, better serving the new development pattern in which

domestic economic circulation plays a leading role while domestic and international economic circulation promote each other and helping enhance the impact of Chinese copper price.

国际铜期货首次交割顺利完成 交割量 6225 吨

（新华社）- 3 月 22 日，上海期货交易所（下称上期所）子公司上海国际能源交易中心（下称上期能源）国际铜期货首个合约 BC2103 顺利完成交割，交割量 6225 吨，金额 3.7 亿元。参与交割的包括江西铜业、中铜国贸、五矿有色、托克投资（中国）、LOBB HENG PTE LTD、EAGLE METAL INTERNATIONAL PTE. LTD.等境内外企业。至此，国际铜期货业务流程全部走通，各项规则经受了市场检验。

2020 年 11 月 19 日，国际铜期货在上期能源正式挂牌，以“国际平台，净价交易，保税交割，人民币计价”为上市模式，全面引入境外投资者参与，填补了铜产业链国际贸易人民币计价套保工具的空白，也是中国期货市场首次以“双合约”模式实现国际化的期货品种。自上市以来，国际铜期货市场运行总体平稳，规模稳步提升，投资者结构合理，市场功能逐步发挥，截至 2021 年 3 月 15 日（BC2103 合约的最后交易日）共运行 77 个交易日，累计成交 153.38 万手，累计成交金额 4143.02 亿元。

3 月 12 日，上期能源批准同意万宝矿产（缅甸）铜业有限公司生产的“MONYMA LPT”牌阴极铜注册，这是品种上市以来首个新增的国际注册品牌对于上海铜价格影响力辐射亚太地区将产生积极影响。截至目前，国际铜期货共有 52 个注册品牌和可交割品牌，包括 21 个国内品牌和 31 个境外品牌。

市场人士认为，国际铜期货为全球铜产业链提供了新的风险管理工具，提供了以人民币计价的透明、公允的国际市场价格，更好地满足了境内外实体企业和投资机构的风险管理需求。国际铜期货与上期所沪铜期货形成合力，通过“双合约”服务境内关外保税市场和离岸铜市场、以及国内铜市场，对于提升中国铜产业价格影响力有重要意义。

上期所相关负责人表示，随着交易规模的扩大和市场投资者结构的优化，国际铜期货将在促进国内外铜产业链和供应链深度融合、拓展人民币在国际实物贸易和金融市场中的结算规模等方面发挥更大作用。下一步，上期所和上期能源将进一步加强

市场监管和风险防范，做好沪铜和国际铜期货的投资者教育和市场培育工作，根据合约运行情况和市场需求优化合约规则，研究在境外设置国际铜期货交割仓库的实施方案。积极推动企业将来在铜国际贸易中、推动主要铜资源出口国在对华贸易中使用国际铜期货价格作为基准价，更好服务“以国内大循环为主体、国内国际双循环相互促进”的新发展格局，在提升中国铜产业价格影响力方面发挥重要作用。

Three years on, Shanghai futures ride reform to enrich oil market

(ChinaDaily) – The yuan-denominated crude oil futures contracts, which were launched exactly three years ago, are celebrated as China's first products of their kind to be open to overseas investors, thanks to their strong market resilience, ability to adapt to and thrive in reforms, pricing independence, and demonstrable record in nurturing companies in the sector, experts said.

Up to 68 overseas brokerages from 23 countries and regions registered with the INE to trade in the product. Total trading volume reached 113.2 million lots over the past three years, valued at over 44 trillion yuan (\$6.7 trillion).

Both volume and positions held by investors surged last year. The average daily trading volume reached 171,100 lots, up 20 percent, while average daily positions spiked a staggering 313 percent to 118,900 lots.

Against the backdrop of an increasingly complex global economic environment, the development of China's crude oil futures market will benefit more from the country's deepened reform, driven by domestic circulation, facilitation of fair market competition and nurturing of more independent oil companies and oil refineries, said Yang Jian, discipline director of finance at the University of

Colorado Denver. Yang said that the INE's crude oil futures market has struck a long-term pricing equilibrium between the world's two other crude oil bellwethers: the WTI—West Texas Intermediate—and the Brent crude futures.

The price changes in China's crude oil futures market can exert positive influence on the WTI and Brent, which shows the Chinese crude oil futures market is able to reflect the information in the Asia-Pacific market and impact the global market.

During the 16th China (Shenzhen) International Derivatives Forum held in late December, Fang Xinghai, vice-chairman of the China Securities Regulatory Commission, said China's crude futures have withstood previous drastic fluctuations in the world crude oil market. What made that possible were efficient systemic design, risk management and the ability to grapple with emergencies. Since the launch of the futures, crude oil has been exported to South Korea and Singapore from China, showing the price influence of Shanghai oil, especially in northeastern Asia, he said.

Ouyang Xiuzhang, CEO of Freepoint Commodities in Asia, said the global commodities market has seen dramatic ups and downs over the past three years after the yuan-denominated crude oil futures were launched. But Shanghai oil helped mitigate such fluctuations to a certain extent, as the market provides the best liquidity throughout the Asian time zone.

On top of that, as the only futures contracts in northeastern Asia that reflect onshore crude oil prices, the yuan-denominated crude oil futures have provided reliable sources of commodities and helped maintain value amid changing freight rates, he said.

原油期货上市三周年 价格独立性初现

（中国日报）—人民币计价的上海原油期货作为我国期货市场第一个对外开放品种，自2018年3月26日上市以来展现出较强的韧性和自我修复能力，总体运行稳中有进，价格独立性初现。

截至目前，上海原油期货境外客户分布在23个国家和地区，已有68家境外经纪机构在上期能源备案。上市三年，原油期货累计成交量11319.66万手（单边，下同），累计成交金额44.1万亿元。

2020年上海原油期货交易量、持仓量均大幅提升。日均成交17.11万手，日均持仓11.89万手，分别同比增长20.04%和312.93%。

美国科罗拉多大学（丹佛校区）商品研究中心研究主任杨坚表示，面对日益复杂的全球经济环境，中国原油期货市场的发展将受益于国家全面深入的改革开放，由国内循环不断驱动，逐步提升公平市场竞争，有助于培养更多独立的石油公司和炼厂。杨坚还表示中国原油期货价格变动已经与世界两大原油期货WTI和Brent高度相关，中国原油期货价格变动已经一致地对两大国际原油期货的价格变化有显著影响作用，这表明中国的原油期货市场已经能够反映亚太市场的动向并且对全球市场产生影响。

在去年12月举办的中国(深圳)国际期货大会上，证监会副主席方星海表示面对国际原油市场大幅波动，我国原油期货经受住了考验。而这一切都得益于中国原油期货有效的制度设计、风险管理以及应急能力。

方星海的讲话中还提到上海原油期货复出口业务落地后，使用上海原油期货价格定价的原油转运出口至韩国、新加坡等地区，进一步彰显了上海原油期货价格在东北亚区域的价格影响力。

复瑞渤集团亚洲区首席执行官欧阳修章表示，上海原油期货上市的三年也是全球大宗商品市场波澜起伏的三年，许多源于亚洲的石油市场波动在INE这个亚洲时段流动性最好的原油期货市场得以释放，上海原油期货在全球大宗商品市场波动中不

断发挥功能。特别是作为东北亚地区唯一反映到岸原油价格的期货合约，上海原油期货为市场参与者提供了可靠的保值标的。



China Still Has Room to Provide Liquidity to Economy: PBOC Chief

(Bloomberg) – China still has room to pump liquidity into the economy while keeping its leverage ratio stable, People’s Bank of China Governor Yi Gang said in Beijing on Sunday.

China’s macro-leverage ratio, or total debt-to-GDP ratio, remains at a stable level, Yi said at the China Development Forum in Beijing. “This will not only provide positive

incentives for economic players, but also help create an environment less likely to spawn financial risks.” he said.

China’s monetary policy is within the normal range with ample tools to moderate interest rates, according to the governor. The country’s financial policy framework will also take into account climate change, while its foreign-exchange reserves will invest more in green bonds and put a cap on high carbon assets, he said.

中国央行行长称中国仍有向经济注入流动性的空间

(彭博) – 中国央行行长易纲周日在北京表示，中国在保持杠杆率稳定的同时，仍有向经济注入流动性的空间。

“中国的宏观杠杆率基本保持稳定，在为经济主体提供正向激励的同时，抑制金融风险的滋生和积累。”易纲在中国发展高层论坛上说。

易纲表示，中国的货币政策处于正常区间，在提供流动性和合适的利率水平方面具有空间。另外，中国央行的政策框架中全面纳入气候变化因素，在外汇储备投资方面将继续增加对绿色债券的配置，控制投资高碳资产，在投资风险管理框架中纳入气候风险因素。

China’s Central Bank Estimates Potential Growth of Under 6%

(Bloomberg) – China’s central bank estimated the maximum the economy can expand without fueling inflation, known as the potential growth rate, is under 6% in the next five years.

In a working paper released Thursday, the statistics department of the People's Bank of China said potential growth was projected at 5%-5.7% in the period covering the government's latest five-year plan through 2025. That represents an overall "medium to high" growth rate, it said.

Potential output measures the maximum sustainable expansion of gross domestic product without causing inflation. The objective of monetary policy should be to match actual output with potential, and the support of monetary policy to the real economy should be in line with the expansion of potential GDP, according to the paper.

China's official growth target for 2021 is "above 6%," though economists predict much higher expansion of more than 8%, partly because of last year's low base during the pandemic.

The PBOC's paper points out that traditional large-scale fiscal and monetary stimulus policy won't be able to lift real GDP growth above potential. Such stimulus would only lead to inflation and a rapid increase in the debt ratio, causing systemic risks to the economy, it said.

At its quarterly meeting this week, the PBOC's monetary policy committee reiterated its stance on keeping policy flexible and appropriate. However, a statement released Thursday after the meeting omitted previous phrasing used by the PBOC of "no sharp turn" in policy, suggesting policy makers are giving themselves more room to act if needed.

中国央行测算：“十四五”期间中国潜在产出增速预计在 5%-5.7%

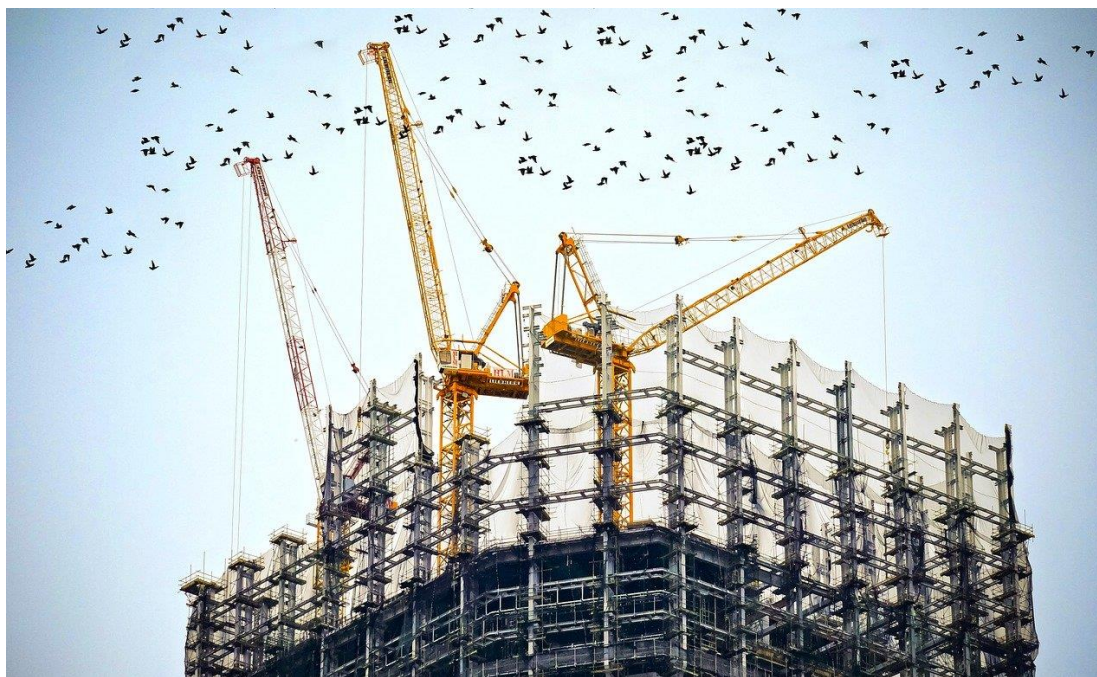
（彭博）－ 中国央行研究局周四发布研究报告称，根据测算“十四五”期间中国潜在产出增速预计在 5%-5.7%，总体继续保持中高速增长。

潜在产出是指在不引起通货膨胀前提下，宏观经济能够获得的最大产出。报告指出，货币政策操作的目标应该是让实际产出保持在潜在产出水平，确保货币政策对实体经济支持力度和潜在产出增速大体匹配。

2021 年中国 GDP 增速官方目标在 6% 以上，不过经济学家预测将超过 8%，去年大流行期间基数较低是部分原因。

中国央行的这份报告指出，通过传统大规模的财政和货币刺激政策将实际 GDP 增速长期维持在潜在产出增速之上是无法实现的，不仅如此，还容易造成通货膨胀和宏观杠杆率的过快上升，进而增加经济系统性风险。

中国人民银行货币政策委员会 2021 年第一季度例会日前召开，会议重申将延续政策的灵活性和合理性。但在政策取向方面，本次例会去掉了“不急转弯”，给应对政策的制定保留了一定空间。



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