

Shanghai Market Outlook - 3 August 2021

Chinese stocks rose sharply as authorities sought to allay fears of a tech crackdown, and the ruling Communist Party's top decision-making body stated China would maintain stable macro policies in the second half of the year to assure growth.

The Shanghai Composite Index in China rose 66.93 points, or 2%, to 3,464.29, while the Hang Seng Index in Hong Kong rose 274.77 points, or 1.1 percent, to 26,235.80.

Investors' attention had switched to attractive prices by mid-morning, with the CSI300 banking sector sub-index up 3.14 percent by lunchtime. The consumer staples sector increased by 3.91 percent.

According to Refinitiv data, foreign investors were net buyers of A-shares on Monday, with inflows totaling 5.9 billion yuan (\$913.23 million) on the Stock Connect Northbound leg.

The heavily indebted property developer China Evergrande Group was the top gainer among H-shares on Monday morning, jumping 6.84 percent after agreeing to sell holdings in its internet company HengTen Networks Group Ltd for HK\$3.25 billion.

China reported 55 new locally transmitted coronavirus cases on Monday, as a fast-spreading Delta variant outbreak extended over more than 20 cities and a dozen provinces.

Chinese athletes have never been under such pressure to perform. Furious nationalists on social media are accusing athletes of being unpatriotic if they don't win gold.

A series of economic and diplomatic spats between China and Australia has spilled over into regional vaccine distribution, with Papua New Guinea the most recent flashpoint.

Last month, China shocked the world when the English-language publication of the Chinese Communist Party, Global Times, accused Australia of "vaccine sabotage." It alleged that Australia was intimidating senior officials by refusing to accept Chinese vaccines.

Top Gainers

Company	Last Price	Change%
China National Electric Apparatus Research Institute Co. Ltd. A	¥35.16	20.00%
Shenzhen JPT Opto-Electronics Co. Ltd. A	¥65.15	19.87%
Sino Medical Sciences Technology Inc. A	¥11.43	19.69%
Guangzhou Risong Intelligent Technology Holding Co. Ltd. A	¥46.08	15.20%
Shanghai Shen Lian Biomedical Corp. A	¥13.98	13.66%

Top Losers

Company	Last Price	Change%
Espressif Systems Shanghai Co. Ltd. A	¥238.00	-15.43%
Suzhou Secote Precision Electronic Co. Ltd. A	¥33.09	-10.01%
ZheJiang Kanglongda Special Protection Technology Co. Ltd. A	¥12.23	-10.01%
Hoshine Silicon Industry Co. Ltd. A	¥94.19	-10.00%
Yanzhou Coal Mining Co. Ltd. A	¥16.94	-9.89%

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