

Shanghai Market Outlook - 5 August 2021

On Wednesday, a rebound in IT stocks helped drive China's main stock indexes higher, a day after Tencent's market capitalization was slashed by roughly \$60 billion due to fears about stricter control of online games.

The Shanghai Composite index was up 0.56 percent at 3,467.30 at lunchtime.

The Hang Seng Index was up 1.57 percent at 26,605.79. Chinese H-shares traded in Hong Kong surged 1.9 percent to 9,497.86.

The CSI Info Tech sub-index gained 2.42 percent, while tech stocks jumped across the board. On Tuesday, it dropped 2.31 percent after a state media storey referred to online games as "spiritual opium."

The CSI300 financial sector sub-index was down 0.64 percent, the consumer staples sector was down 1.72 percent, the real estate index was down 0.95 percent, and the healthcare sub-index was down 0.58 percent.

Yanzhou Coal increased by 4.72 percent, PetroChina increased by 0.66 percent, and China Petroleum and Chemical (Sinopec) increased by 0.50 percent.

As the outbreak connected to the highly infectious Delta variety expanded over nearly half of China's 32 provinces in just two weeks, authorities scrambled to close tourist attractions, cancel cultural events, and cancel flights. According to Chinese media sources, citizens in at least 46 cities have been told not to travel unless absolutely necessary.

According to a new analysis by Harvard University's Growth Lab, China placed 16th internationally in terms of the complexity of its exports in 2019, jumping three places ahead of countries like Ireland since the trade war began in 2018.

According to observers, as US-China ties deteriorate, Beijing is making a dramatic policy shift toward social and economic control, which appears to be setting the stage for a long-term decrease in the country's corporate productivity and economic growth.

Although the economy is expected to rise by more than 8% this year, economists believe that pent-up COVID demand has peaked, and that growth rates will begin to drop.

Top Gainers

Company	Last Price	Change%
Wuxi Chipown Micro-Electronics Ltd. A	¥151.00	12.43%
Xiamen XGMA Machinery Co. Ltd.	¥3.30	10.00%
Shenzhen Gas Corp. Ltd.	¥9.59	9.98%
Tianjin Benefo Tejing Electric Co. Ltd.	¥4.22	9.90%
Hainan Mining Co. Ltd.	¥16.00	9.89%

Top Losers

Company	Last Price	Change%
Fujian Oriental Silver Star Investment Co. Ltd. A	¥36.59	-7.37%
Hunan Baili Engineering Sci&Tech Co. Ltd. A	¥14.28	-7.09%
Jiangsu Pacific Quartz Co. Ltd.	¥32.17	-6.92%
DBAPP Security Co. Ltd. A	¥313.14	-6.53%
PNC Process Systems Co. Ltd. A	¥57.95	-6.32%

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