

Shanghai Market Outlook - 11 October 2021

China stocks closed higher on Friday after a week-long national holiday, helped by encouraging service sector data and easing political tensions with the United States.

The blue-chip CSI300 index rose 1.3%, to 4,929.94, while the Shanghai Composite Index gained 0.7% to 3,592.17 points.

The consumer staples and the tourism shares jumped over 3% each.

The agriculture sub-index gained 3.4%, while the insurance sub-index added 5.3%.

The coal sub-index slumped 4.1%, after China's top coal region has told mines to boost output immediately, the latest attempt by authorities to boost coal supply amid record-high prices and shortages of electricity.

The real estate firms dropped 1.5% as markets reopened with few clues as to how regulators propose to contain the contagion from cash-strapped China Evergrande Group's debt problems.

Activity in China's services sector returned to growth in September as a major COVID-19 outbreak in the eastern province of Jiangsu receded, a private-sector survey showed on Friday, offering some support to a slowing economy.

The U.S. and China have agreed in principle for their presidents to hold a virtual meeting before year's end after high-level talks meant to improve communication between the two big powers.

China's service sector returned to growth in September as the resurgence in local COVID-19 cases abated and boosted supply and demand in the sector, according to the Caixin/Markit PMI report.

The Caixin China General Services Purchasing Managers' Index came in at 53.4 last month, up from 46.7 in August.

U.S. President Joe Biden and Chinese President Xi Jinping have agreed in principle to hold a virtual meeting to hold high-level talks meant to improve communication between the two big powers.

China's yuan was tad lower against the U.S. dollar on Friday, despite firmer mid-point fixing by central bank.

Top Gainers

Company	Last Price	Change%
China Fortune Land	¥4.41	9.98%
China Life Insurance	¥31.30	5.03%
PetroChina	¥6.28	4.49%
China Petroleum and Chemical	¥4.59	2.91%
China Construction Bank	¥6.04	1.17%

Top Losers

Company	Last Price	Change%
Huaneng Power	¥7.44	-10.04%
Yanzhou Coal	¥27.20	-6.17%
China Shenhua Energy	¥21.40	-5.56%
Gemdale	¥10.87	-2.95%
Aluminum Corp of China	¥7.55	- 2.58 %

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