

# Shanghai Market Outlook - 19 January 2022

Chinese shares rose notably as the cut of two key policy interest rates opened the door to more monetary easing actions ahead.

The benchmark Shanghai Composite index climbed 28.25 points, or 0.80 percent, to 3,569.91 while Hong Kong's Hang Seng index ended down 105.25 points, or 0.43 percent, at 24,112.78.

China's economy grew 8.1% for full year 2021 from a year earlier, exceeding the government's target of above 6% and following a revised 2.2% growth in 2020, according to official data from China's National Bureau of Statistics.

The economy expanded 4% year-on-year in the fourth quarter of 2021, easing from a 4.9% growth in the previous period. It was the slowest pace of expansion since the second quarter last year, amid several headwinds including a property downturn and COVID-19 outbreaks.

On seasonally adjusted basis, the economy expanded 1.6% on quarter in the three months to December 2021, following an upwardly revised 0.7% advance in the previous quarter. This was the fastest quarterly growth since the fourth quarter of 2020.

Meanwhile, China's central bank, on Monday cut the borrowing costs of its medium-term loans for the first time since April 2020 to cushion any economic slowdown.

The People's Bank of China (PBOC) said it was lowering the interest rate on CNY 700 billion of one-year medium-term lending facility (MLF) loans to some financial institutions by 10 basis points to 2.85% from 2.95% in previous operations.

The central bank also lowered the borrowing costs of seven-day reverse repurchase agreements, or repos, by the same margin to 2.10% from 2.20%

## Top Gainers

| Company                                       | Last Price | Change% |
|---|------------|---------|
| Longyan Zhuoyue New Energy Co. Ltd.           | ¥79.03     | 11.31%  |
| Guizhou BC&TV Information Network Co. Ltd. A  | ¥6.91      | 10.03%  |
| Hainan Yedao Group Co. Ltd. A                 | ¥17.77     | 10.03%  |
| Inspur Software Co. Ltd. A                    | ¥16.47     | 10.02%  |
| Qinghai Jinrui Mineral Development Co. Ltd. A | ¥16.59     | 10.01%  |

## Top Losers

| Company                                      | Last Price | Change% |
|--|------------|---------|
| Beijing Hotgen Biotech Co. Ltd. A            | ¥174.57    | -16.39% |
| Sansure Biotech Inc. A                       | ¥61.83     | -12.36% |
| Maider Medical Industry Equipment Co. Ltd.   | ¥37.78     | -12.14% |
| Ucap Cloud Information Technology Co. Ltd. A | ¥45.28     | -11.16% |
| Shanghai Newtouch Software Co. Ltd. A        | ¥17.05     | -10.92% |

# Shanghai Market Outlook - 19 January 2022

## Disclaimer and General Advice Instructions:

This document is provided by Laverne Securities Pty Ltd T/as Laverne Investing the Corporate Authorized Representative No. CAR No. 001269781 of Laverne Capital Pty Ltd AFSL 482937. The Research Analyst who prepared this report/article hereby certifies that the views expressed in this document accurately reflect the analyst's personal views about the Company and its financial products. The information provided in the Report/Article is provided by Morningstar. Laverne Fund is not a fund manager, however, the portfolio and the document is for general advice only, prepared by the Analysts and Research team for our clients.

This report/article have Different Assumptions, Views, Analytical Method of the analyst with no guarantee of reliability and accuracy of the content. The Research Analyst has not been, is not, and will not be receiving direct or indirect compensation for expressing the specific recommendations or views in this report/article. Laverne Securities has its own Research methodology, with regards to the rating and is confirmed by the team for long term Strategic rating of the concerned security as an Investment for Portfolios with High Growth High Risk Profile. Individual Stock is Speculative and of High Risk in nature and strongly

This Document is provided for the Advisors, their Clients, and Financial Professionals for information only and should not be considered an offer or solicitation of an offer to buy or sell a particular security or financial product or instrument.

The information or services provided in this report/article may not be suitable for you and we strongly recommend taking the advice of your Financial Planner or Investment advisors. Laverne Investing will not treat the recipients as its customer by virtue of their receiving the report/article and should seek the advice of their consultant, prior to making any investment decision considering this report/article