

Shanghai Market Outlook - 09 February 2022

The Mainland China share market finished volatile session mixed on Tuesday, 08 February 2022, as risk sentiments subdued after Washington on Monday said it had added 33 Chinese entities to its "unverified list", which requires U.S. exporters to go through more procedures before shipping goods to the entities. However, market losses capped after reports that Chinese state-backed funds intervened in the stock market to buy local shares in the afternoon session.

At close of trade, the benchmark Shanghai Composite Index advanced 0.67%, or 23.05 points, to 3,452.63. The Shenzhen Composite Index, which tracks stocks on China's second exchange, fell 0.24%, or 5.48 points, to 2,280.51. The blue-chip CSI300 index sank 0.55%, or 25.32 points, to 4,608.77.

Rising coal prices buoyed the likes of China Shenhua Energy, Yankuang Energy and China Coal Energy, which were 4.2%-6.2% higher. WuXi AppTec tumbled 10% and Luxshare Precision, which also wasn't included on the list, shed 7.0%.

China's economists have sounded warning of dire implications and ripple effects if the trend of China's college graduates delaying their entry into the job market continues. Authorities have also repeatedly stressed the importance of creating and finding jobs for the nation's ever-growing army of fresh graduates, which was seconded again by China's top economic planner this week.

This trend if continued, will have a more far-reaching effect on Chinese economy and demography in long term as educated group of young people will not get married nor have kids when they are unemployed with uncertain income prospects. So, the age of marriage will be further delayed while the birth rate will keep dropping.

China's yuan gained against the dollar on Tuesday, after firmer mid-point fixing by central bank. Prior to market opening, the People's Bank of China (PBOC) set the midpoint rate CNY=PBOC at 6.3569 per dollar, stronger than the previous day fix 6.3580. Spot yuan CNY=CFXS opened at 6.3565 per dollar and was changing hands at 6.3599 at midday, 26 pips stronger from the previous late session close.

Top Gainers

Company	Last Price	Change%
Huaihe Energy(Group) Co. Ltd. A	¥2.61	10.13%
Ningbo Fuda Co. Ltd. A	¥4.03	10.11%
Lioning SG Automotive Group Co. Ltd.A	¥5.02	10.09%
Nanjing Textiles Import & Export Corp Ltd.	¥5.46	10.08%
Fanli Digital Technology Co. Ltd. A	¥7.43	10.07%

Top Losers

Company	Last Price	Change%
Trina Solar Co. Ltd. A	¥60.03	-10.74%
Ningbo Yongxin Optics Corp. A	¥100.05	-10.00%
Shanghai New Centurion Network Information Technology Co.Ltd. A	¥50.21	-10.00%
WuXi AppTec Co. Ltd. A	¥94.06	-9.99%
Star Power Semiconductor Ltd. A	¥292.75	-9.52%

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