

# Shanghai Market Outlook - 15 March 2022

Chinese stocks ended the session sharply lower on Monday, as several cities tightened pandemic restriction measures after more COVID-19 infections were reported.

The benchmark Shanghai Composite Index lost 2.6%, tumbling 86.21 points to 3,223.53. The Shenzhen Composite Index also slid 2.9% and the ChiNext Price Index slumped 3.6%.

Airline carriers, airport operators, hotels and restaurant chains led the downturn, while tourism agencies and entertainment companies also weakened substantially due to the lockdown imposed by the Chinese government.

This was exemplified by the CSI Tourism index (.CSI930633) which dived 6.3%, as investors fretted over the impact of strict control measures. It also effectuated a 3.1% fall in the blue-chip (.CSI300) index.

China is facing one of its worst COVID-19 outbreaks since the country contained the pandemic in early 2020, as Shenzhen suspended all public transport and asked most companies to halt offline businesses.

Former United States Commissioner of Food and Drugs, Dr. Gottlieb, claims that “China has a population that’s very vulnerable to this new variant. This is a much more contagious variant, it’s going to be harder to control, and they don’t have a population that has natural immunity.”

Due to its resurgent coronavirus cases at home, a sluggish real estate market and rising geopolitical tensions, China has set a growth target of 5.5% for this year.

China Securities Journal said in a front-page report on Monday that the central bank may lower interest rates to stabilize growth. Surveys divulge that traders anticipate the central bank to loosen policy further, lifting sovereign bonds, however China’s slowing growth momentum is taking the wind out of the yuan’s rally.

The yuan fell to its weakest in 2 months, closing at Chinese Yuan = 0.1571 USD, despite the flexibility of the yuan enabling the Chinese economy to absorb shocks from widening interest rate differentials.

## Top Gainers

Company	Last Price	Change%
Yonghui Superstores Co. Ltd.	¥4.25	10.10%
Routon EElectronic Co. Ltd.	¥3.49	10.09%
Longjian Road & Bridge Co. Ltd.	¥3.71	10.09%
Huafang Co. Ltd. A	¥3.71	10.09%
Saurer Intelligent Technology Co. Ltd. A	¥3.17	10.07%

## Top Losers

Company	Last Price	Change%
Pylon Technologies Co. Ltd. A	¥118.10	-12.26%
Jinzhou Port Co. Ltd. A	¥4.93	-10.04%
Wenyi Trinity Technology Co. Ltd. A	¥11.30	-10.03%
Qingdao NovelBeam Technology Co. Ltd. A	¥72.26	-10.00%
Dali Pharmaceutical Co. Ltd. A	¥10.44	-10.00%

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