

# Shanghai Market Outlook - 23 March 2023

The Shanghai Composite rose by 0.31% to close at 3,266, while the Shenzhen Component grew by 0.61% to 11,497 on Wednesday, advancing for the second straight session and taking cues from a positive lead on Wall Street, amid hopes that the worst of the banking turmoil has passed and the Federal Reserve would tighten its policy less aggressively.

Meanwhile, the People's Bank of China has announced a surprise cut to lenders' reserve requirement ratio for the first time this year to aid the economic recovery. Moreover, the central bank held its key lending rates steady at its March fixing, with the one-year loan prime rate at 3.65% and that of the five-year at 4.3%. New energy, technology, and healthcare stocks led the advance, with strong gains from Contemporary Amperex (1.4%), Inspur Electronic (5.3%), and Wuxi Apptec (1.3%), among others.

Moreover, the central bank held its key lending rates steady at its March fixing, keeping the one-year loan prime rate at 3.65% and that of the five-year at 4.3%. Technology and healthcare stocks led the advance, with strong gains from Kunlun Tech (8.3%), Zhonghang Electron (3%), Inspur Electronic (1.8%), Wuxi Apptec (8.5%), and Changchun High New (7.8%).

Beijing and Xian have started offering cash subsidies on electric vehicles (EVs) in a sign that a price war among carmakers has failed to effectively boost sales.

Residents of the Chinese capital can receive a cash subsidy of 10,000 yuan (US\$1,452) if they replace their existing cars with battery-powered vehicles between March 1 and August 31, the municipal government said on Tuesday. In Xian, the capital of China's northwestern Shaanxi province, EV buyers can receive a 6,000 yuan subsidy for purchases before the end of April.

Chinese officials have once again sounded the alarm about "over-reliance" on seed imports, as food security continues to grow as a national priority.

China's seed industry lacks competitiveness in major vegetables such as corn and "seriously relies on imports" for most non-staple food, a group of officials from central China said in a recently published article.

China has vowed to boost support for seed breeding technologies to ensure food security amid worsening ties with the US – where most of its food and seed imports come from – and prepare for the increasing impact of climate change, urbanisation and shifting diets.

## Top Gainers

Company	Last Price	Change%
HitGen Inc. A	¥21.16	20.02%
QingCloud Technologies Corp.	¥53.40	20.00%
Cambricon Technologies Corp. Ltd. A	¥160.15	17.07%
Shenzhen Qingyi Photomask Ltd.	¥24.35	13.36%
Shaanxi Lighte Optoelectronics Material Co. Ltd. A	¥28.97	12.94%

## Top Losers

Company	Last Price	Change%
Beijing FJR Optoelectronic Technology Co. Ltd. A	¥20.39	-16.30%
Leader Harmonious Drive Systems Co. Ltd. A	¥102.80	-11.38%
Beijing Infosec Technologies Co. Ltd. A	¥53.60	-10.96%
RoadMainT Co. Ltd. A	¥36.44	-10.00%
Longjian Road & Bridge Co. Ltd.	¥5.76	-10.00%

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