

Hong Kong Market Report

Asia Securities Forum 2017

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Hong Kong Securities Association



ECONOMIC PERFORMANCE



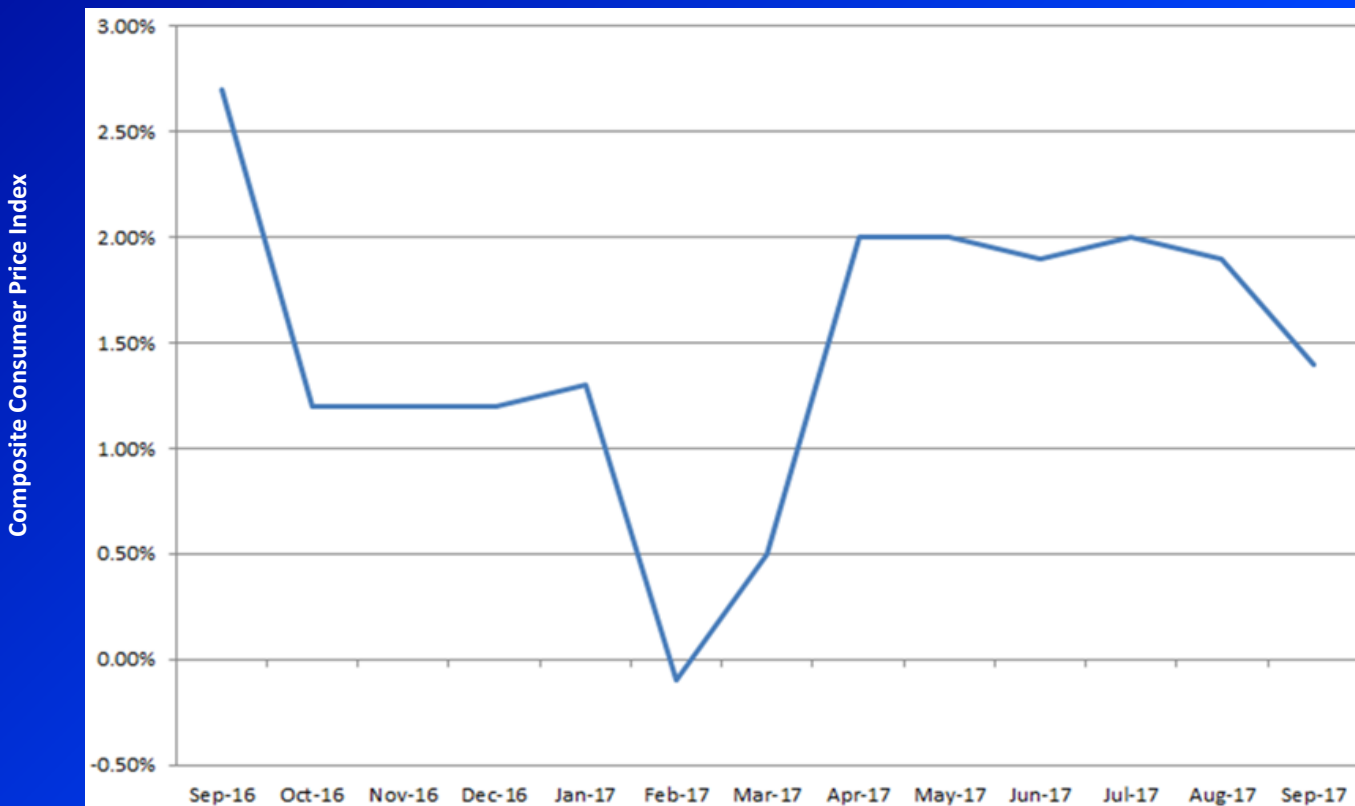
Key Economic Indicators

	2014	2015	2016	2017Q2
GDP(yoy,%)	2.8	2.4	2.0	3.8
CPI(yoy, %)	4.4	3.0	2.4	2.0
Unemployment rate(%)	3.3	3.3	3.4	3.2
Foreign reserve (US\$billion)	328.5	358.8	386.2	408.0
Overall Balance of Payments (HK\$billion)	139.09	281.99	8.86	76.11

Source: Census and Statistics Department, the HKSAR Government



Year-on-year Rates of Change in the Consumer Price Index



Source: Census and Statistics Department, the HKSAR Government



SECURITIES MARKETS



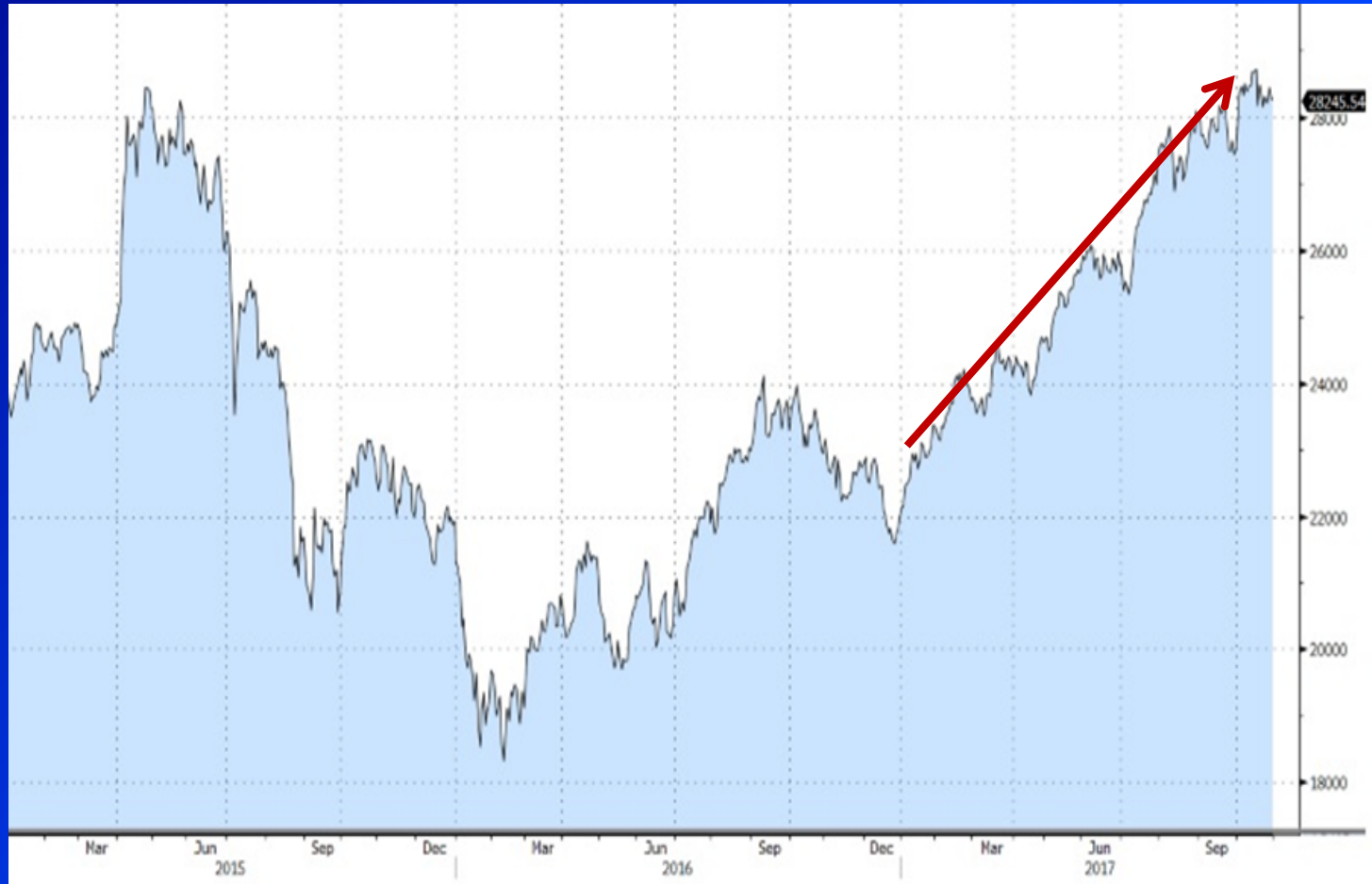
Key Statistics of Securities Listed on SEHK

	2013	2014	2015	2016	2017(Oct)
Number of listed companies	1,463	1,752	1,866	1,973	2,082
Total market capitalization(HK\$Bil)	24,043	25,072	24,684	24,761	32,253
Number of listed securities	8,522	9,060	9,015	8,591	12,072
Number of equity warrants	8	10	13	9	8
Number of derivatives warrants	4,715	4,938	4,590	3,705	5,509
Number of Callable Bull/Bear Contracts	1,620	1,579	1,630	1,844	3,315
Number of mutual funds	129	134	145	157	148
Number of debt securities	403	640	762	892	994

Source: HKEx



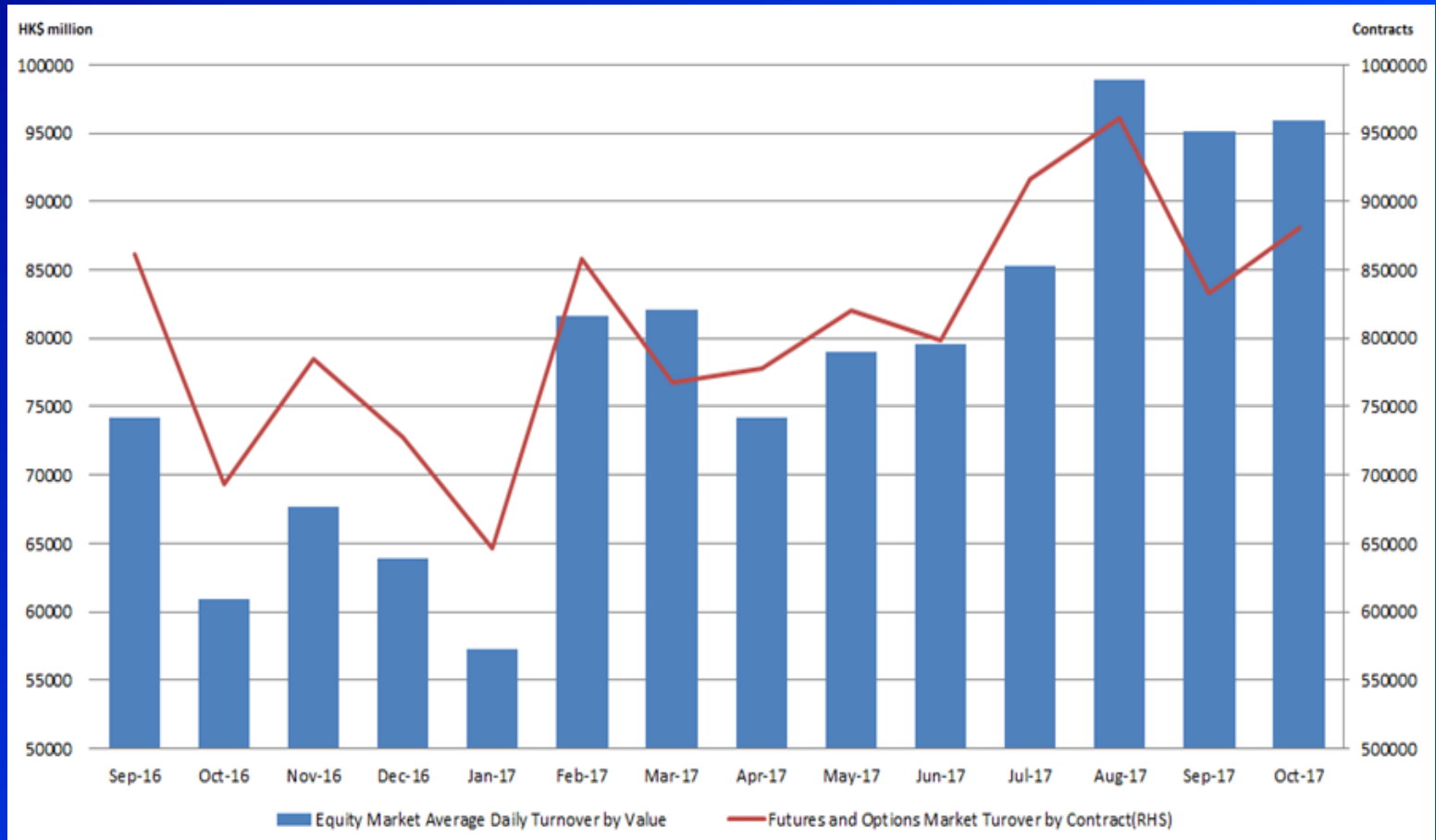
Movements of Hang Seng Index



Source: Bloomberg



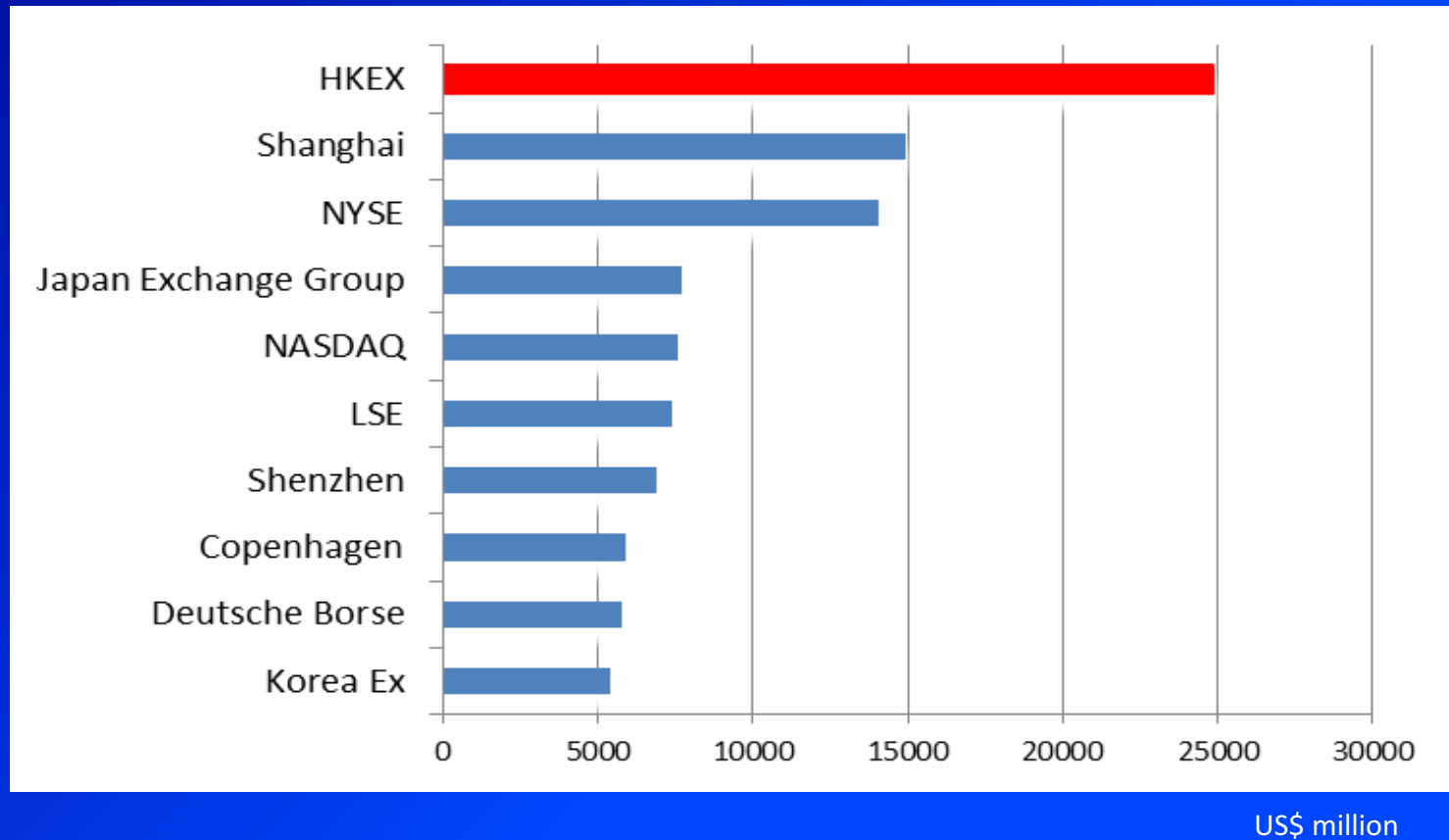
Trading Statistics



Source: HKEx



2016 Global IPO League Table By Equity Funds Raised



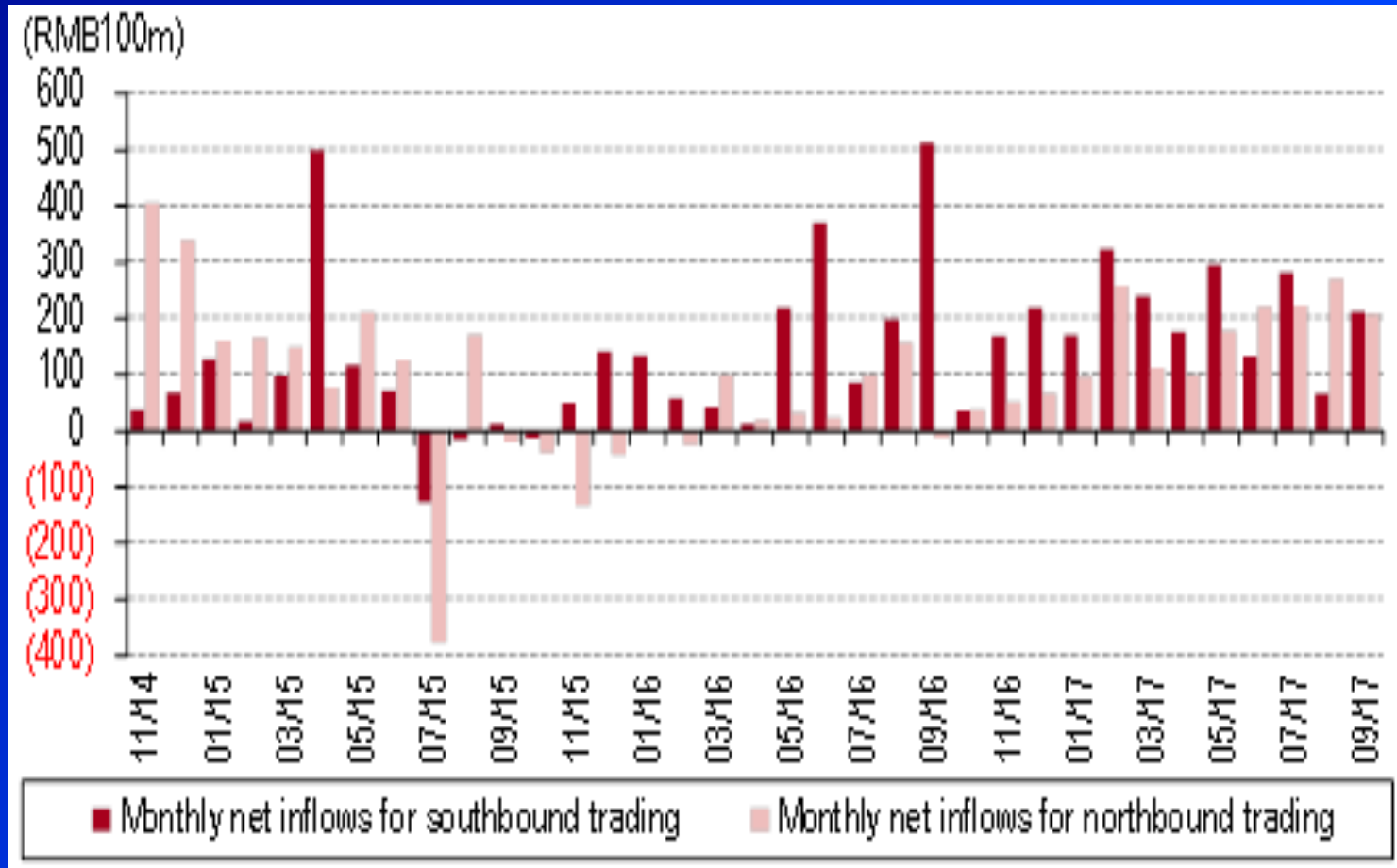
Source: HKEx



RECENT MARKET DEVELOPMENT



Monthly Net Fund Inflows for Mainland-HK Stock Connect



Source: HKEx



Newly Launched Bond Connect

China's Bond Market

- ❑ World's 3rd largest - RMB 72 trillion outstanding in 3Q2017.
- ❑ Only 2 percent of outstanding bonds are held by foreign investors.
- ❑ Bond Connect allows international investors a new access
- ❑ Trading via the Bond Connect is expected to be more active in future once Chinese bonds are included in major international bond indexes.

21 Jan 16

- HKEx announced its intention to explore the Bond Connect scheme in its 2016-2018 Strategic Plan.

29 Nov 16

- The Financial Services Development Council released a proposal on the Bond Connect.

4 Jan 17

- HKEx released a research report on the offshore RMB market and advised setting up the Bond Connect.

15 Mar 17

- Premier Li Keqiang announced that the Bond Connect will launch in 2017.

16 May 17

- The PBoC and HKMA jointly announced that Northbound trading in the CIBM will commence first in the initial phase.

3 Jul 17

- The Bond Connect was successfully launched, with Northbound trading in the initial phase and Southbound trading to be added later on.

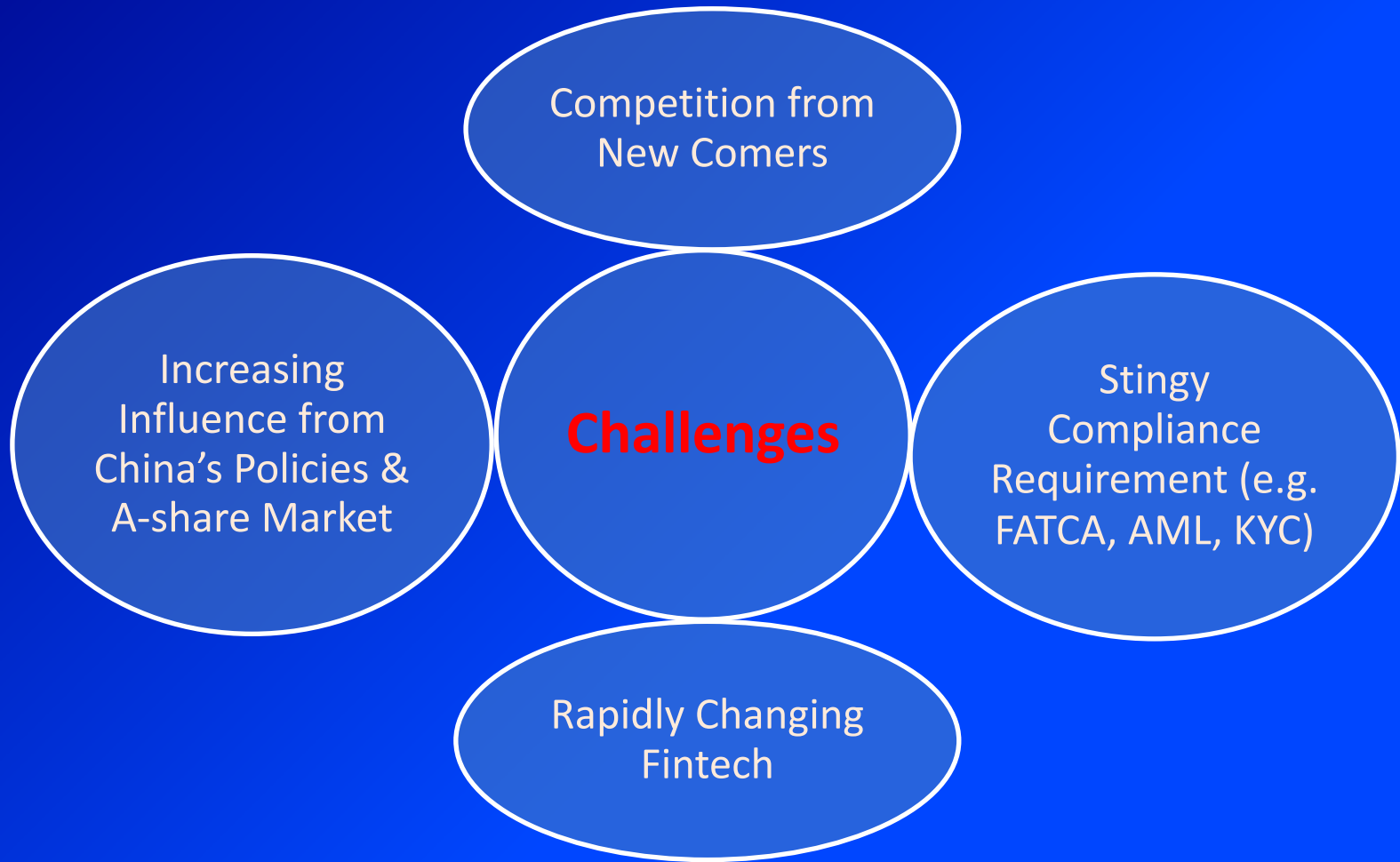
OPPORTUNITIES & CHALLENGES



Key Opportunities



Major Challenges



The End

