

China stocks rise on economic data

Tech shares up as regulators clear way for offshore-listed firms' domestic IPOs

SHANGHAI — China stocks rebounded sharply on Monday amid optimism about robust April economic data despite lingering Sino-US trade dispute. Investors were especially enthusiastic about tech shares after regulators detailed rules paving the way for domestic flotation of overseas-listed technology giants.

The blue-chip CSI 300 Index rose 1.6 percent to 3,834.19 points, and the Shanghai Composite Index gained 1.5 percent to 3,136.64 points.

A flurry of Chinese data in the coming weeks is expected to show that the country remained strong in April, underpinned by a pickup in industrial output and a rebound in exports despite ris-

ing trade tensions with the United States.

Moreover, continued negotiations will likely result in a scale-back of the current proposal on tariffs as China quickens its implementation of some announced opening and reform measures in the next couple of months, UBS Securities wrote on Monday.

Tech shares in China rose sharply, after China's securities regulator on Friday published draft rules on the issuance of China Depository Receipts, paving the way for domestic flotation of offshore-listed technology giants.

The CSI 300 Index posted robust gains, with its financial sector sub-index higher by 1.02 percent, the consumer

staples sector up 4.49 percent, the real estate index up 1.83 percent and healthcare sub-index up 2.54 percent.

The ChiNext Index, China's Nasdaq-style board of growth enterprises, rose 2.07 percent to close at 1,852.34 points on Monday.

Starting trading in 2009, the ChiNext Board mainly lists high-tech companies and those with high growth potential. The ChiNext Index, together with the Shenzhen Component Index and the Shenzhen SME Board Index, are major indices reflecting the performance of stocks listed on the Shenzhen Stock Exchange.

Around the region, MSCI's Asia ex-Japan stock index was firmer by 0.05 percent, while Japan's Nikkei index closed down 0.03 percent.

REUTERS — XINHUA



An employee works on a production line of Moutai, a brand name Chinese liquor distilled in Southwest China's Guizhou province. DA SHAN / FOR CHINA DAILY

Kweichow Moutai's general manager Li Baofang selected as new chairman

By ZHU WENQIAN in Beijing and YANG JUN in Guiyang

Kweichow Moutai Co Ltd, China's signature high-end spirit maker, announced on Sunday night that Li Baofang, the current general manager, will be appointed the chairman of the group, and Yuan Renguo will step down as chairman.

Li will maintain his position as general manager and Party secretary of Moutai. The company said in a statement that the process will be handled according to relevant legal procedures.

Li, who has been working at Moutai for nearly three years, has been leading the growth of the group and the industry with his distinct personal style and strong principles.

Xiao Zhuqing, a liquor industry analyst, said Moutai's change of chairman should be good news for the

company and is expected to help further its bullish sales growth.

"Moutai needs an innovative leader who is determined to forge ahead and break the rules," Xiao said.

"Li has been advocating the concept of competition and cooperation at the same time. He will also help to promote the technology advance of the industry and help to foster the influence of Chinese liquor in the international markets," Xiao said.

Li has been helping to lift the price of Moutai from the second half of 2016 and to stabilize it during this year's Spring Festival.

He has been focused on market research, emphasizing price stability and the importance of overseas expansion.

In addition, he led the management team to visit competitors such as Wuliangye Yibin Co Ltd and Gujing

“Moutai needs an innovative leader who is determined to forge ahead and break the rules.”

Xiao Zhuqing, a liquor industry analyst

Group to learn from the company's peers.

Shanghai-listed Moutai closed 5.33 percent higher at 698.17 yuan (\$108) per share on Monday. Based on Monday's closing price, the company's valuation now stands at 877 billion yuan, which is higher than that of London-based liquor maker Diageo Plc and Brazil-based Ambev SA.

Among the 15 listed Chinese companies with high market valuations, Moutai is the only one from the consumer sector, with the others from sectors including technology, finance, telecommunications and petroleum.

In 2017, Moutai achieved sales revenue of 76.4 billion yuan, up 50.5 percent year-on-year.

In 2018, it aims to net revenue of 90 billion yuan, an increase of 18 percent or more, and it plans to achieve annual sales revenue of more than 100 billion yuan in the near future.

A 500-ml bottle of Moutai's classic Feitian 53 percent liquor now retails for 1,580 yuan on online platform JD. In January, the price of the same product on JD was 1,499 yuan.

Contact the writers at zhuwenqian@chinadaily.com.cn

Banks fined for financial violations

BEIJING — China's banking and insurance regulator recently fined three commercial banks for improper practices in wealth management.

China Merchants Bank, one of the country's biggest, was fined more than 65.7 million yuan (\$10.3 million) for 14 violations, including guaranteeing principal on some wealth management products, the regulator said in an online statement on Friday.

Shanghai Pudong Development Bank was fined more than 58.5 million yuan for 19 offenses including allocating too much money raised from WMPs to risky assets.

Industrial Bank Financial Leasing Company, a wholly owned subsidiary of Industrial Bank Co Ltd, was fined 1.1 million yuan for bundling the sales of WMPs with its financial leasing business, among other violations.

The punishment comes as China's regulators toughen their stance on market irregularities, targeting risky business such as shadow banking.

Last month, the central bank tightened regulations on asset management businesses of financial institutions.

The new rules unify regulatory standards for asset management products and address issues such as implicit guarantees by banks on many WMPs.

While the new rules give financial institutions until the end of 2020 to fully reform their practices, risks in existing business may be gradually exposed, and more fines could be imposed, analysts said.

The China Banking and Insurance Regulatory Commission has also limited commercial bank's risk exposure to avoid systemic risk. A commercial bank's risk exposure

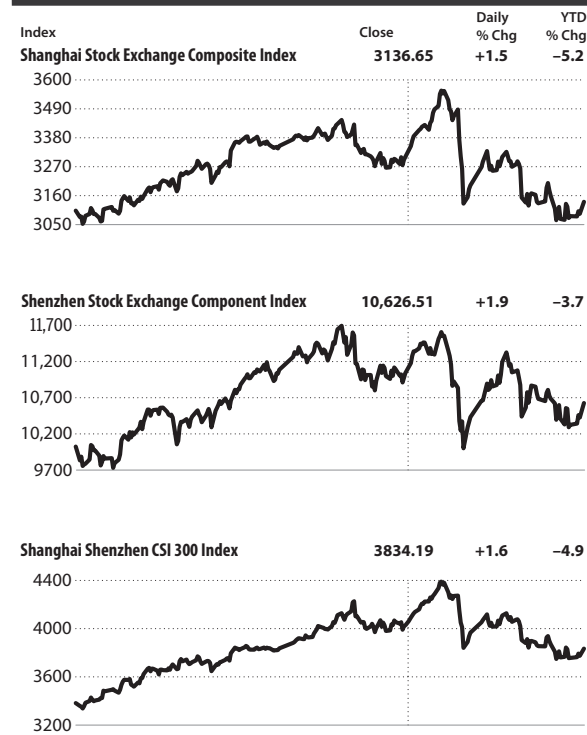
to an interbank client shall not exceed 25 percent of its tier-1 capital, according to a document released by the regulator on Friday.

Nicholas Zhu, an analyst with Moody's Investors Service, said in a research note that the coordinated and comprehensive regulation covering all asset management products reflects the government's focus on taking risk out of the financial system and helping reduce the scope for regulatory arbitrage.

"China's various licensed financial institutions had total assets under management of 100 trillion yuan at year-end 2017. The regulation prohibits unlicensed entities such as internet platforms from originating and distributing asset-management products," Zhu said.

XINHUA — CHINA DAILY

Daily Stock Market Performance



Gainers and Losers

GAINERS		LOSERS	
Close	Daily % Chg	Close	Daily % Chg
Shanghai Stock Exchange		Aurora Optoelectronics	14.09 -10.03
FujianKuncaiMaterialTch	12.72 10.03	Zhejiang Chimin Pharma	10.94 -9.96
Yibin Paper Industry	21.18 10.03	Dahu Aquaculture Co	6.84 -7.57
AnhuiGoldenSeed Winery	6.92 10.02	Tibet Tourism Co Ltd	10.93 -5.04
ShandongShidaShengHChm	25.05 10.01	Lawton Development Co	5.47 -5.03
HefMtlfrmgIntlgntMfg	8.46 10.01	ShanghaiFukngInttrctEnt	6.45 -5.01
HangzhYngsIntlgntEqp	8.90 10.01	ShenzhnSnxngLghtAllysm	41.28 -2.55
Tsingtao Brewery Co	47.25 10.01	XinjingQngsngBldngMtrl&	3.77 -2.33
GuangdngDcntAtoPartsSt	10.55 10.01	Shanghai No 1 Pharmacy	12.24 -2.00
Shanghai Aiyingshi Co	60.05 10.00	Anji Foodstuff Co Ltd	31.29 -1.76
JiangsnKng'SLckBrrwyJSC	20.13 10.00		
Shenzhen Stock Exchange		TaihaiManoirNclrEqpmnt	24.93 -5.75
Beijing Lanxun Tech	14.95 10.01	CEFC Anhui Intl	3.55 -5.08
Yunnan Baiyao Group Co	109.00 10.00	Shenzhen Bauing Constr	7.05 -4.34
BeijingShunxinAgrcltre	30.04 10.00	HangzhouTigermdCnsltng	56.02 -2.74
BeijingEaspringMtrlTch	28.20 9.98	LianChuang Electr Tech	14.86 -1.98
Sichuan Yahua Indstr	12.78 9.98	Dalian Zeus Ent	13.14 -1.57
LandOcean Energy Svcs	6.42 9.93	MYS Group Co Ltd	5.78 -1.37
JiangxiGanfeng Lithium	69.96 9.76	ZhejiangJnkCltrIndstry	10.99 -0.99
BeijingYanjing Brewery	7.86 9.02	Beijing Dabeinong Tech	5.35 -0.93
WuxiLeadIntlgntEqpmnt	70.69 8.60	Jinke Properties Group	5.45 -0.73
Qtone Edu Grp Guangdong	10.47 7.83		
Hang Seng		Lenovo Group Ltd	3.60 -3.23
Geely Automobile	21.80 4.31	Wharf RealEstate Invst	57.10 -1.89
CNOOC Ltd	13.46 3.06	HongKongExchngs&Clrmg	252.00 -0.94
China Mengniu Dairy Co	26.05 2.76	WH Group Ltd	7.97 -0.75
PetroChina Co Ltd	5.71 2.70	Link REIT	66.50 -0.75
China Resources Power	15.26 2.42		

International Stock Markets

Index	Close	Daily % Chg	YTD % Chg
Hang Seng Index	29,994.26	0.2	-8%
Hang Seng China Ent Index	11,966.41	0.6	0%
TAIEX Taiwan Stock Index	10,604.91	0.7	+8%
Nikkei 225	22,467.16	0.0	0%
Sensex	35,142.78	0.7	0%
KOSPI	2,461.38	-1.0	0%
S&P/ASX 200	6,084.47	0.4	0%
New Zealand 50 Gross Index	8,587.94	0.5	0%
Straits Times Index STI	3,533.81	-0.3	0%
Bangkok SET Index	1,779.30	0.0	0%
Bursa Malaysia KLCI Index	1,829.95	-0.6	0%
VN-Index	1,062.26	3.5	0%
Dow Jones	24,262.51	1.4	0%

Commodities

Commodity	Close	Daily % Chg	YTD % Chg
Brent Crude Oil (USD/bbl)	75.49	0.8	+25%
Gold (USD/t oz.)	1314.70	0.2	0%
Silver (USD/t oz.)	16.52	0.4	0%
Copper (USD/lb.)	3.09	0.2	0%
Aluminum (USD/MT)	2374.00	4.4	0%
Corn (USD/bu.)	4.06	-0.4	0%
Wheat (USD/bu.)	5.26	-2.2	0%
Soybeans (USD/bu.)	10.37	-1.6	0%
Coffee (USD/lb.)	1.23	-1.4	0%
Sugar #11 (USD/lb.)	0.12	-1.5	0%
Palm Oil (MYR/MT)	2373.00	1.4	0%

Cross Currency Rates

	USD	EUR	CNY	HKD	GBP	KRW	BRL	RUB	JPY	INR	CAD
USD		1.193	0.157	0.127	1.354	0.001	0.283	0.016	0.009	0.015	0.777
EUR	0.838		0.132	0.107	1.135	0.001	0.237	0.013	0.008	0.012	0.651
CNY	6.364	7.593		0.811	8.615	0.006	1.803	0.101	0.058	0.095	4.946
HKD	7.850	9.365	1.233		10.625	0.007	2.224	0.125	0.072	0.117	6.100
GBP	0.739	0.881	0.116	0.094		0.001	0.209	0.012	0.007	0.011	0.574
KRW	1078.030	1288.880	169.451	137.333	1461.220		305.763	17.207	9.869	16.057	838.920
BRL	3.529	4.222	0.555	0.450	4.778	0.003		0.056	0.032	0.053	2.743
RUB	62.733	74.839	9.857	7.992	84.916	0.058	17.772		0.574	0.934	48.754
JPY	109.290	130.390	17.173	13.923	147.945	0.101	30.963	1.742		1.628	84.937
INR	67.139	80.099	10.549	8.553	90.882	0.062	19.021	1.070	0.614		52.179
CAD	1.287	1.535	0.202	0.164	1.742	0.001	0.365	0.021	0.012	0.019	

ETFs

EQUITY ETFs	Ticker	Close	Daily % Change
China 50	510050	2.67	1.52
China AMC CSI 300 Index	510330	4.14	1.15
China CSI 500	510500	6.34	1.93
China SME	159902	3.50	2.13
China Universal CSI Consumer Staples Index	159928	2.27	4.13
E Fund ChiNext Price Index	159915	1.75	2.16
E Fund CSI 300	510310	1.62	1.25
E Fund CSI 300 Financials ex Banks Index	512070	1.85	1.15
E Fund Hang Seng China Enterprises Index	510900	1.22	0.41
E FUND SZSE100 INDEX FUND	159901	4.71	1.93
Fortune SGAM Xianjin Tianyi Money Market	511990	100.01	-0.02
Guangfa CSI 500	510510	1.68	1.82
Guotai Shanghai Stock Exchange 180 Financial Index	510230	5.92	0.84
Harvest CSI 300 Index	159919	4.17	1.56
Huatai-Pinebridge CSI 300	510300	3.83	1.62
Shanghai SSE180	510180	3.27	1.37
SSE Pledge Urban Investment Bond	511220	94.08	-0.18
Yinhua Traded Money Market Fund	511880	101.59	0.01

Data provided by Bloomberg