



Workers from Zhejiang Fengrui Engine Co Ltd assemble engines for Geely automobiles in Yiwu, Zhejiang province. LYU BIN / FOR CHINA DAILY

Huaxintong to build US research center

By MASI in Beijing and ZHANG JIE, YANG JUN in Guiyang

2.85 billion yuan

Guizhou Huaxintong Semiconductor Technology Co, a joint venture between Qualcomm Inc and the Guizhou provincial government, plans to start shipping China-customized server chips in 2018, a senior company executive said.

Earlier this year, Qualcomm and the Guizhou government poured another 1 billion yuan (\$144 million) into the company, bringing the total investment to 2.85 billion yuan.

"We are scrambling to absorb all the licensed technologies from Qualcomm. We are also working on a customized encryption algorithm which will live up to China's security standards," said Wang Kai, CEO of Huaxintong.

Huaxintong has a R&D center in Beijing which focuses on chip design, a facility in Shanghai for chip production, and a complex in Guiyang for chip packaging.

Qualcomm owns a 45 percent stake in Huaxintong, with the Guizhou provincial government accounting for the remainder. It is part of a

Total investment of Qualcomm and the Guizhou government in Guizhou Huaxintong Semiconductor Technology Co

broad effort by Qualcomm, which dominates the smartphone chip sector, to compete with Intel Corp in server chips.

Qualcomm President Derek Aberle said in an earlier interview, that Huaxintong would be one of its biggest growth engines in five years, as China's Internet Plus strategy fuels an explosive growth of internet data centers.

The joint venture is also an example of how international companies are adjusting their strategies in China, where State-owned enterprises are embracing homegrown IT products amid increasing concerns over cybersecurity.

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Govt eyes further opening-up

Plans to relax foreign ownership limits in key sectors, including automotive electronics

By JING SHUYU
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China is planning to relax foreign ownership limits in key sectors, including automotive electronics, new energy vehicle batteries and motorcycles, as the country moves to level the playing field for business, a Ministry of Commerce spokesman said on Thursday.

Sun Jiwen said the government has been expanding efforts to further open up high-end manufacturing to foreign investment.

He told a news conference in Beijing that a revised version of the Catalog for the Guidance of Foreign Investment Industries will be

released and put into effect in the near future.

Sun's comments follow recent remarks made by German Economy Minister Brigitte Zypries that China's foreign investment limits went against its position on free international trade.

Sun said absorbing foreign investment was an important part of China's opening-up policy. He said the government had striven to open the market more to foreign investors in accordance with World Trade Organization rules.

According to data from the ministry, foreign direct investment totaled 286.4 billion yuan (\$41.6 billion) in the first four months of this year, a year-on-year drop of 0.1

17.2 percent

year-on-year growth of the internationally funded companies in the first four months in 2017

percent. During the same period, 9,726 internationally funded companies were established across the country, up 17.2 percent from the same period last year.

In addition to the manufacturing sector, the guidance is expected to offer more foreign investment access to the services sector and the mining industry, and reduce the number of restrictive measures from 93 to 62.

Wang Binggang, a senior

researcher working on a new energy vehicle research project financed by the Ministry of Science and Technology, said that the policy changes showed the government's resolution to level the playing field and encourage fair economic activity.

Wang added that in this new environment, local manufacturers would have more incentive to optimize their production technology and improve the quality of products.

The researcher said that local governments should not overreact in implementing the central government's policy, by giving much more preferential treatment to overseas companies than their mainland competitors.

Otherwise, he said, it would hamper wider efforts toward creating a fair and competitive environment.

Blue-chip shares enjoy best day in 21 months

SHANGHAI — Chinese mainland stocks rebounded sharply on Thursday, as the blue-chip CSI300 index posted its best day in 21 months, amid growing hopes that global index provider MSCI Inc will add mainland shares to its benchmark next month.

Investors appear to have shrugged off Moody's Investors Service downgrade of China's credit rating, after several senior government officials criticized the decision.

The blue-chip CSI300 index rose 1.8 percent, to 3,485.66 points, while the Shanghai Composite Index advanced 1.4 percent to 3,107.83.

The strongest performers were banking and real estate stocks, whose indexes jumped 3.3 percent and 4.0 percent, respectively.

The Nasdaq-style board ChiNext inched up 0.1 percent, reversing earlier losses to follow the

broader market higher.

The SSE 50 — dubbed China's "Nifty Fifty" index — jumped 2.7 percent to close at a near 17-month high.

Expectations were building that MSCI will announce China's inclusion into its Emerging Markets Index when it issues its annual classification review on June 20.

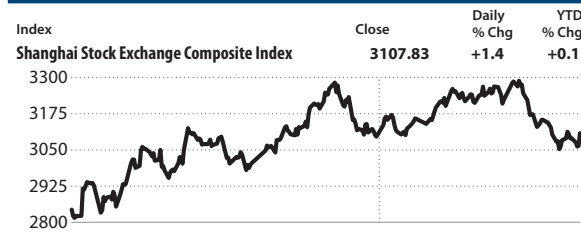
Snubbing China last year, MSCI cited concerns over share suspension rules and monthly limits on repatriating capital.

China Securities Co, a brokerage, said in a report on Wednesday: "The chance of an A-share inclusion into MSCI has risen drastically for 2017."

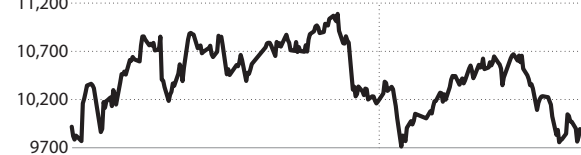
JPMorgan Chase & Co, China International Capital Corp and BlackRock Inc have also expressed optimism over the prospect that A shares could be included by the MSCI this year.

REUTERS

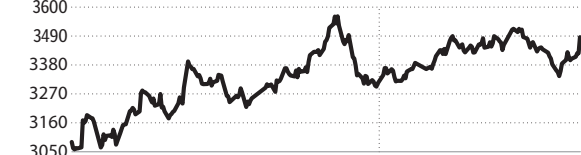
Daily Stock Market Performance



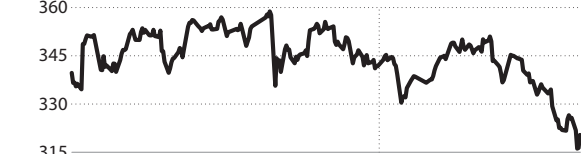
Shenzhen Stock Exchange Component Index



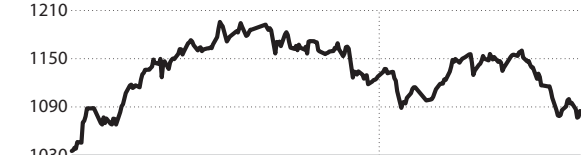
Shanghai Shenzhen CSI 300 Index



Shanghai B-Share Stock Price Index



Shenzhen B-Share Stock Price Index



Gainers and Losers

Index	Close	Daily % Chg
GAINERS		
Shanghai Stock Exchange		
Beijing Vantone RE	4.91	10.09
HNA Innovation Co Ltd	4.81	10.07
Beijing Haohua En Res	7.44	10.06
Future Land Holdings	17.35	10.02
Zhejiang Shouxiangqu Ph	38.79	10.01
BeijingArprtHghTechPrk	21.10	10.01
Center International	26.39	10.00
Huida Sanitary Ware Co	32.34	10.00
Beijing Teamsun Tech	9.16	9.96
Qijing Machinery Co	30.67	9.19
Shenzhen Stock Exchange		
Centre Testing Intl	10.00	10.01
Guoyuan Securities Co	11.99	10.00
First Capital Sec	15.24	9.25
Changjiang Securities	9.38	7.69
China Vanke Co Ltd	20.50	6.83
GF Securities Co Ltd	16.65	6.19
Hangzhou Binjiang RE	6.84	6.05
JointoEnlnvst Co Hebei	14.21	5.97
Shanxi Securities Co	9.28	5.82
ZhejiangJULIHitechMtls	8.46	5.49
Hang Seng		
China Resources Land	22.35	3.71
Lenovo Group Ltd	5.05	3.70
PingAnInsGrpCoof China	50.15	3.40
ChinaOverseasLnd&Invst	23.40	2.86
China Life Insurance	25.50	2.00
LOSERS		
Sichuan Western Res	8.71	-10.02
Wolong Real Estate	9.26	-10.01
HarbinAir Conditioning	13.67	-10.01
TimePublishing & Media	16.46	-10.01
ShanghaiNew Huangpu RE	13.95	-10.00
Banbao Co Ltd	28.21	-9.99
Shandong Hiking Intl	13.61	-9.99
Joeone Co Ltd	16.95	-9.55
Shanghai Lianming Mach	27.80	-9.48
JiangsuXinri E-Vehicle	20.46	-8.33
Guangdong Advertising	12.41	-10.01
Shenwu Envir Tech	29.84	-9.98
LianChuang Electr Tech	15.40	-7.78
JiangsuZhongnan Constr	6.54	-4.53
Fujian Sunner Dev	12.68	-3.79
Leyard Optoelectronic	18.83	-3.44
Meinian Onehealth Hlth	15.07	-3.34
Hytera Communications	14.31	-3.05
BeijingSnjEnvrPrctn&Nw	38.91	-2.92
MeishengCultural&Crvtv	23.80	-2.86
Cathay Pacific Airways	11.94	-1.97
China Mengniu Dairy Co	15.68	-1.26
AIA Group Ltd	54.55	-0.82
China Unicom Hong Kong	11.14	-0.71
Bank of East Asia Ltd	31.95	-0.62

Cross Currency Rates

	USD	EUR	CNY	HKD	GBP	KRW	BRL	RUB	JPY	INR	CAD
USD		1.124	0.146	0.128	1.298	0.001	0.305	0.018	0.009	0.015	0.745
EUR	0.890		0.130	0.114	1.154	0.001	0.272	0.016	0.008	0.014	0.662
CNY	6.869	7.723		0.882	8.913	0.006	2.097	0.122	0.061	0.106	5.116
HKD	7.790	8.757	1.134		10.108	0.007	2.379	0.139	0.070	0.121	5.802
GBP	0.771	0.866	0.112	0.099		0.001	0.235	0.014	0.007	0.012	0.574
KRW	1116.520	1255.330	162.549	143.320	1451.650		341.606	19.926	10.000	17.295	833.180
BRL	3.278	3.677	0.477	0.420	4.250	0.003		0.058	0.029	0.051	2.439
RUB	56.146	63.104	8.179	7.208	72.847	0.050	17.144		0.502	0.872	41.815
JPY	111.790	125.660	16.272	14.350	145.056	0.100	34.111	1.991		1.732	83.258
INR	64.564	72.580	9.399	8.287	83.763	0.058	19.714	1.150	0.578		48.077
CAD	1.343	1.509	0.196	0.172	1.742	0.001	0.410	0.024	0.012	0.021	

International Stock Markets

Index	Close	Daily % Chg	YTD % Chg
Hang Seng Index	25,630.78	0.8	
Hang Seng China Ent Index	10,571.60	1.7	
TAIEX Taiwan Stock Index	10,108.49	0.6	
Nikkei 225	19,813.13	0.4	
Sensex	30,615.38	1.0	
KOSPI	2,342.93	1.1	
S&P/ASX 200	5,789.63	0.4	
New Zealand 50 Gross Index	7,434.47	0.2	
Straits Times Index STI	3,238.25	0.2	
Bangkok SET Index	1,569.07	0.2	
Bursa Malaysia KLCI Index	1,774.08	0.2	
VN-Index	741.91	-0.1	
Dow Jones	21,012.42	0.4	

Commodities

Commodity	Close	Daily % Chg	YTD % Chg
Brent Crude Oil (USD/bbl.)	53.69	-0.5	
Gold (USD/t oz.)	1256.50	-0.2	
Silver (USD/t oz.)	17.12	-0.1	
Copper (USD/lb.)	2.58	-0.5	
Aluminum (USD/MT)	1939.00	0.1	
Corn (USD/bu.)	3.71	0.5	
Wheat (USD/bu.)	4.33	0.7	
Soybeans (USD/bu.)	9.48	0.0	
Coffee (USD/lb.)	1.29	0.0	
Sugar #11 (USD/lb.)	0.16	-0.6	
Palm Oil (MYR/MT)	2594.00	0.5	

ETFs

Equity ETFs	Ticker	Close	Daily % Change
China 50	510050	2.47	2.96
China AMC CSI 300 Index	510330	3.72	1.89
China CSI 500	510500	6.12	0.76
China SME	159902	3.12	0.45
China Universal CSI Consumer Staples Index	159928	1.65	0.37
E Fund ChiNext Price Index	159915	1.70	0.00
E Fund CSI 300	510310	1.46	1.89
E Fund CSI 300 Financials ex Banks Index	512070	1.75	4.29
E Fund Hang Seng China Enterprises Index	510900	1.15	1.68
E FUND SZSE100 INDEX FUND	159901	4.12	1.03
Fortune SGAM Xianjin Tianyi Money Market	511990	100.01	0.01
Guangfa CSI 500	510510	1.62	0.87
Guotai Shanghai Stock Exchange 180 Financial Index	510230	5.53	3.68
Harvest CSI 300 Index	159919	3.76	2.06
Huatai-Pinebridge CSI 300	510300	3.49	2.13
Shanghai SSE180	510180	3.11	2.27
SSE Pledge Urban Investment Bond	511220	92.45	0.00
Yinhua Traded Money Market Fund	511880	101.39	0.02

Data provided by Bloomberg