

## Index Futures Weekly Report

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### Summary and trading advice:

The stock index showed a sharp decline this week, A shares are still mainly affected by the external drag. The Shanghai composite index began to fall on Monday and it did not appear a certain degree of rebound until Friday. The overall turnover of the week is significantly reduced. Throughout the week, the CSI 300 index fell -6.21% to 3,653.22, and IF2004 fell -7.97% to 3,584.00. The SSE 50 fell -6.09% to 2,628.42, while the IH2003 fell -8.24% to 2,569.20. The CSI 500 index fell -4.36% to 5219.28, while the IC2003 fell -5.50% to 5147.40. In addition, stock index futures was delivery on Friday.

All SWS Index of first industry were bearish. Compared with the last Friday, discounts of IC2004 was slightly narrowed, all IF, IH and IC contract are all went wide. The IH/IC ratio went down. In terms of trading positions, IF and IH went up on average daily trading volume and ending positions, but IC average daily trading volume and ending positions decreased. In terms of fund flow, the CSI 300, SSE 50 and CSI 500 continued to see significant outflows. Approximately 32 billion RMB flowed out through the Stock Connect, with significant outflows from Monday to Thursday and inflows at the end of Friday.

On the news this week, the US economy is starting to show signs of stress, liquidity in financial markets is tightening, instability is clearly on the rise, the FED has eased significantly after a slight improvement, but it is still worth watching. The ECB, Japan, Canada and others have also introduced significant easing programs. As the liquidity crisis and the epidemic worsen, strong stimulation policies in overseas economies may improve pessimism, but a complete reversal is still in waiting. In China, the accumulative industrial added value, social consumption and investment in January and February all experienced a precipitous decline, and the negative growth rate was significantly higher than expected. The improvement of the data in March may be limited. The state council called for a speedy resumption of work and steady employment.

Several ministries are ready to take actions to stimulate consumption, and some localities are stabilizing consumption through consumption vouchers and other forms. The central bank said it would support the resumption of work with re-lending and rediscount, and carry out 100 billion RMB MLF operation, but the

interest rate and LPR remained unchanged. At present, the risks of overseas economy are rising, the central bank easing continues, and the domestic monetary policy is weaker than expected. However, the decline in international oil and commodity prices will weigh on PPI. The deflation risk is still high, and the central bank may still cut interest rates again. In addition, the main risks remain in overseas, with particular attention to the extent to which overseas economies are dragging down the domestic economy and the potential impact of an increase in imported cases on the domestic resumption process. Overall, the Marco fundamentals are only bearish to be digested, there is no obvious bullish factors, we need to keep an eye on the economic data later on.

Technically speaking, SSE composite was hitting low near 2685 and rebound, but the main technical indicators are still bearish on weekly charts. It could dip to the monthly support level near 2600 if 2685 was break. Rebound needs volatility to fall as well as external situation went well, the main pressure level is between 3030 and 3070. In the long term, the economy has shown some signs of stabilizing after increasing signs of improving domestic demand and the continued increase of stimulus policies. However, new uncertainties still drag the upward pace of the market, especially the abnormal volatility of overseas markets and the increase of long-term market uncertainty.

## 1. Market review

	Open	High	Low	Close	Settlement	Change	Amplitude	Volume	Open Interest	Change
<b>CSI 300</b>	3899.86	3899.86	3503.19	3653.22		-6.21	10.18	82,766,234,300.00		
<b>IF2003</b>	3872.60	3876.20	3480.00	3584.00	3585.00	-7.97	10.17	453,159.00	34065	-60077
<b>IF2004</b>	3853.60	3918.20	3458.00	3561.80	3561.20	-8.32	11.84	200,374.00	85968	67305
<b>IF2006</b>	3870.00	3870.00	3418.00	3520.40	3518.60	-8.96	11.69	107,939.00	42911	7175
<b>IF2009</b>	3800.00	3830.80	3381.00	3475.60	3475.20	-9.11	11.76	24,526.00	14354	1926

	Open	High	Low	Close	Settlement	Change	Amplitude	Volume	Open Interest	Change
<b>SSE 50</b>	2800.00	2800.18	2517.30	2628.42		-6.09	10.11	21,294,025,600.00		
<b>IH2003</b>	2781.40	2783.20	2496.80	2569.20	2569.60	-8.24	10.23	159,981.00	19846	-24842
<b>IH2004</b>	2779.80	2785.80	2468.40	2541.00	2541.20	-9.02	11.36	64,493.00	31841	23215
<b>IH2006</b>	2775.00	2775.00	2432.20	2501.00	2502.00	-9.76	12.37	46,282.00	19522	2336
<b>IH2009</b>	2750.00	2750.00	2385.20	2470.00	2468.00	-10.02	13.29	16,162.00	11072	1853

	Open	High	Low	Close	Settlement	Change	Amplitude	Volume	Open Interest	Change
<b>CSI 500</b>	5496.89	5496.89	5020.44	5219.28		-4.36	8.73	79,238,142,500.00		
<b>IC2003</b>	5419.00	5443.00	5001.00	5147.40	5139.80	-5.50	8.11	463,736.00	30006	-74690
<b>IC2004</b>	5333.00	5390.00	4943.80	5099.60	5087.80	-5.39	8.28	215,343.00	87457	64762
<b>IC2006</b>	5302.00	5302.00	4824.00	4966.80	4956.00	-6.32	9.02	126,226.00	57578	1635
<b>IC2009</b>	5190.00	5190.00	4701.00	4841.60	4827.40	-6.71	9.42	53,746.00	31307	3704

Chart I. Market price of IF, IH, IC and corresponding index

Source: Wind, Research Institute of Founder CIFCO Futures Co., Ltd.

**2. Up or down in various industries**

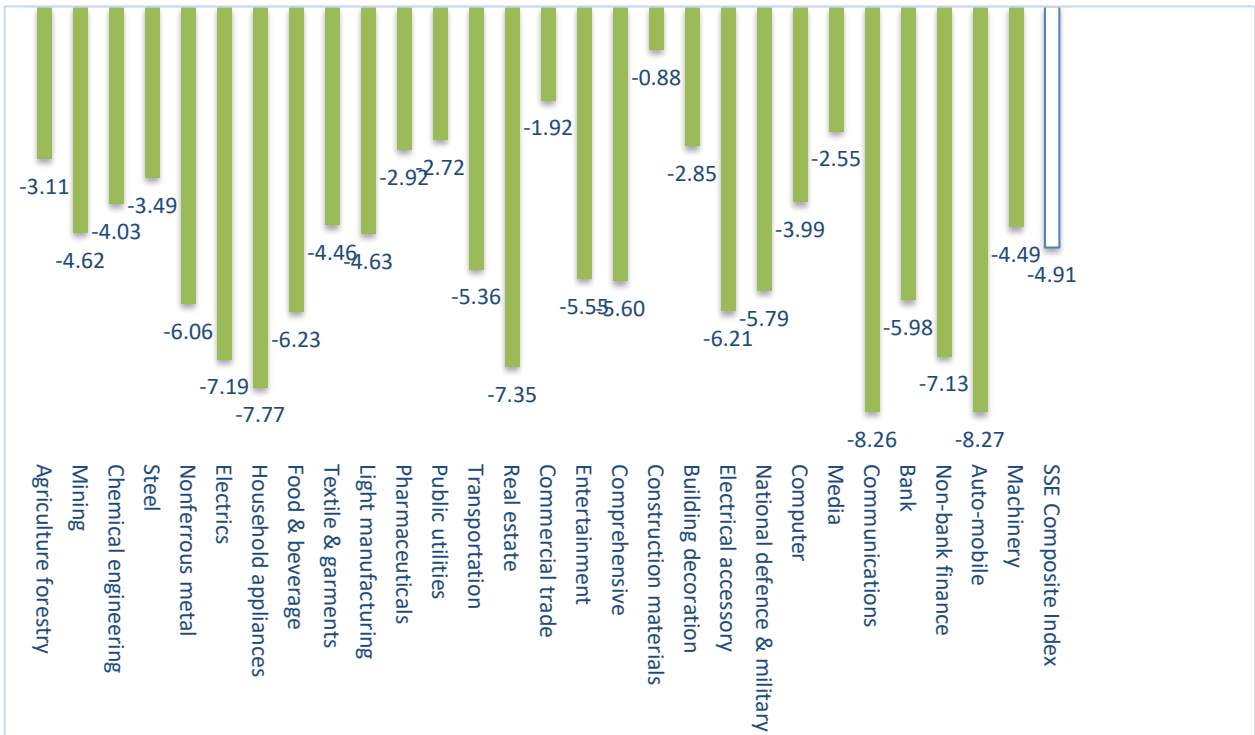


Chart II. Weekly up or down of SWS Index of first industry

Source: Wind, Research Institute of Founder CIFCO Futures Co., Ltd.

**3. Market review**

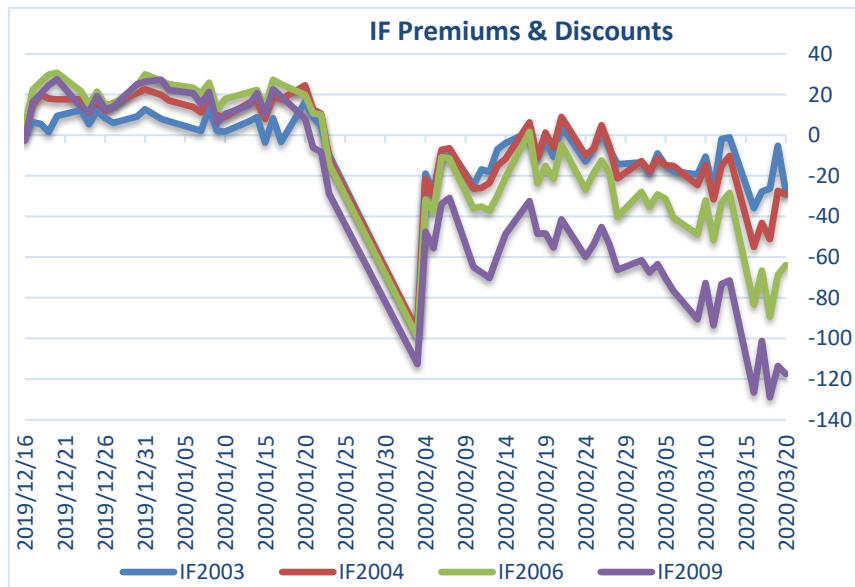


Chart III. IF premiums and discounts

Source: Wind, Research Institute of Founder CIFCO Futures Co., Ltd.

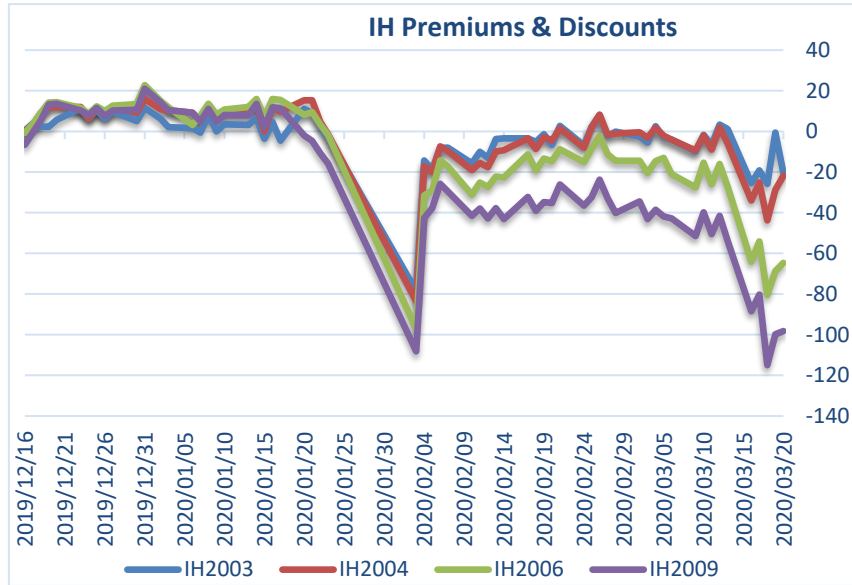


Chart IV. IH premiums and discounts

Source: Wind, Research Institute of Founder CIFCO Futures Co., Ltd.

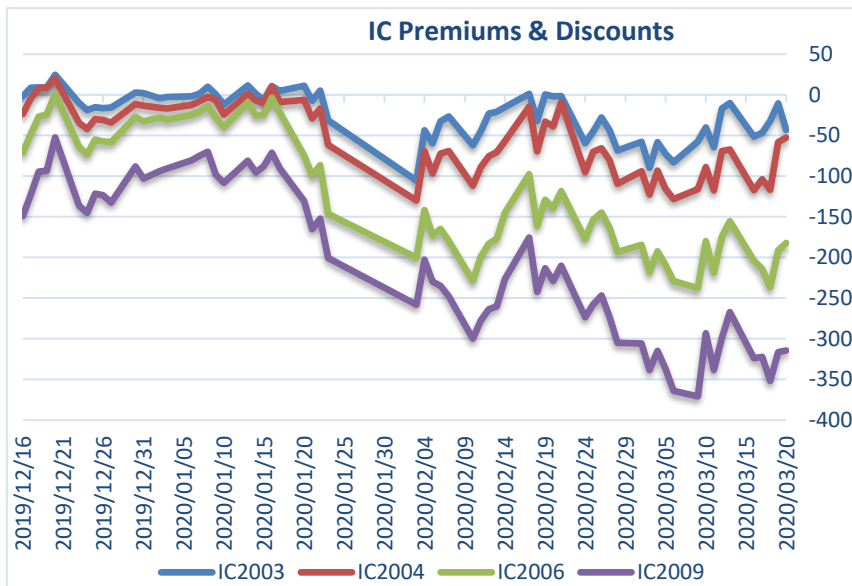


Chart V. IC premiums and discounts

Source: Wind, Research Institute of Founder CIFCO Futures Co., Ltd.

**4. Trading volume and open interests**

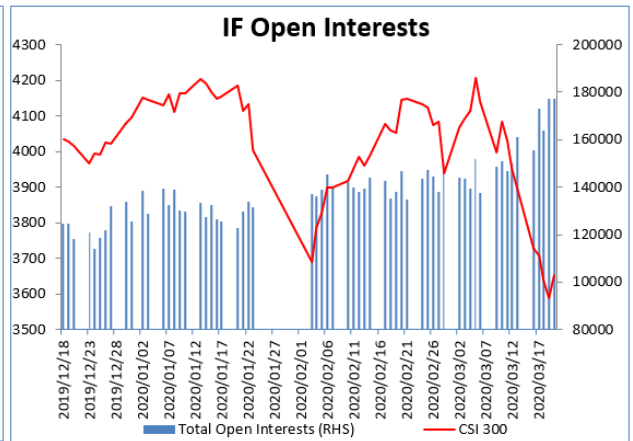
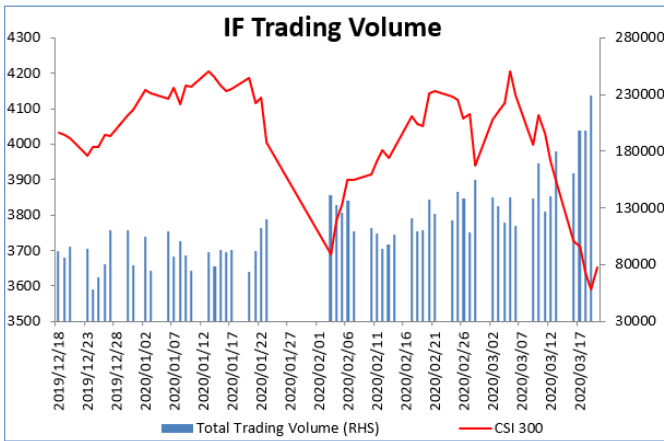


Chart VI. IF trading volume

Chart VII. IF open interest

Source: Wind, Research Institute of Founder CIFCO Futures Co., Ltd.

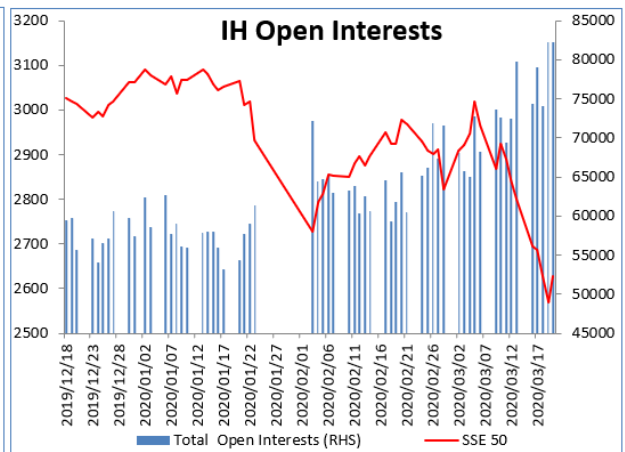
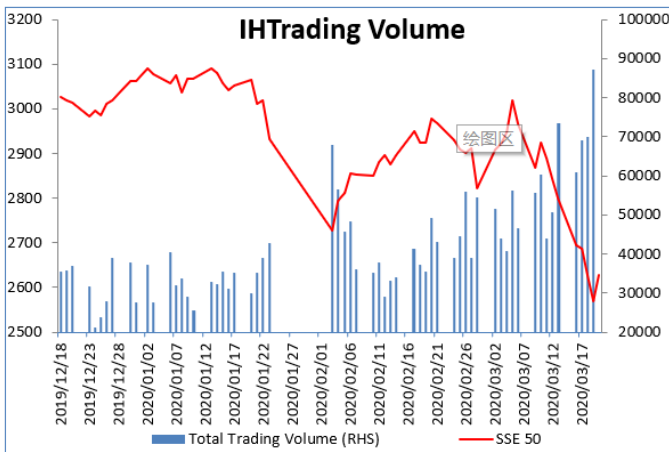


Chart VIII. IH trading volume

Chart IX. IH open interest

Source: Wind, Research Institute of Founder CIFCO Futures Co., Ltd.

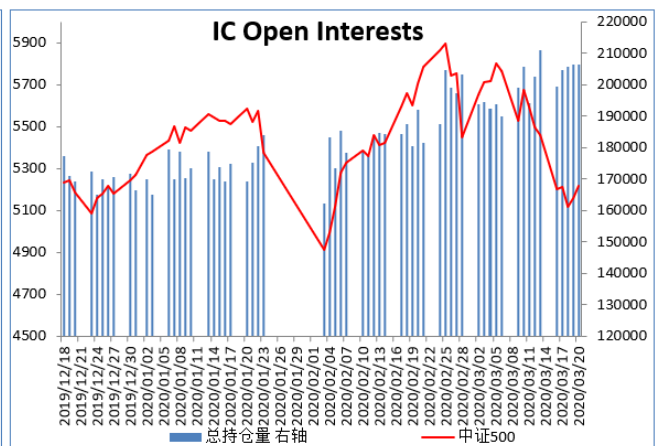
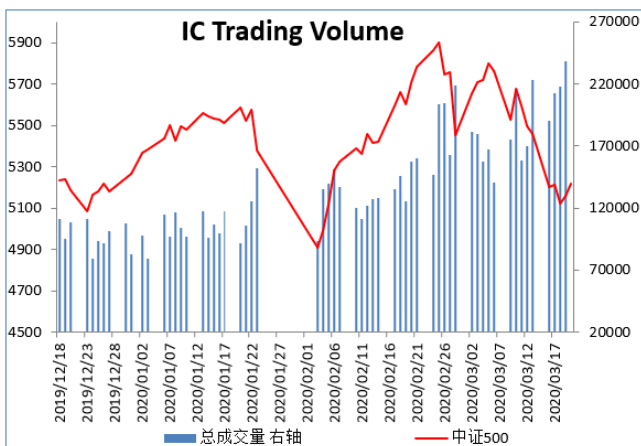


Chart X. IC trading volume

Chart XI. IC open interest

Source: Wind, Research Institute of Founder CIFCO Futures Co., Ltd.

**5. China A50 Index**

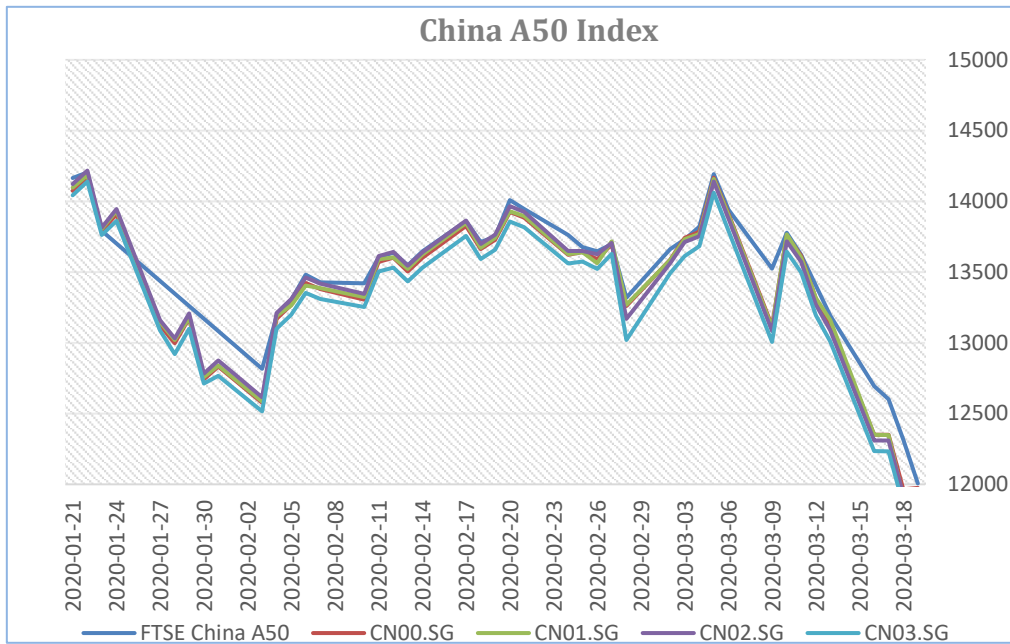


Chart XII. China A50 Index

Source: Wind, Research Institute of Founder CIFCO Futures Co., Ltd.

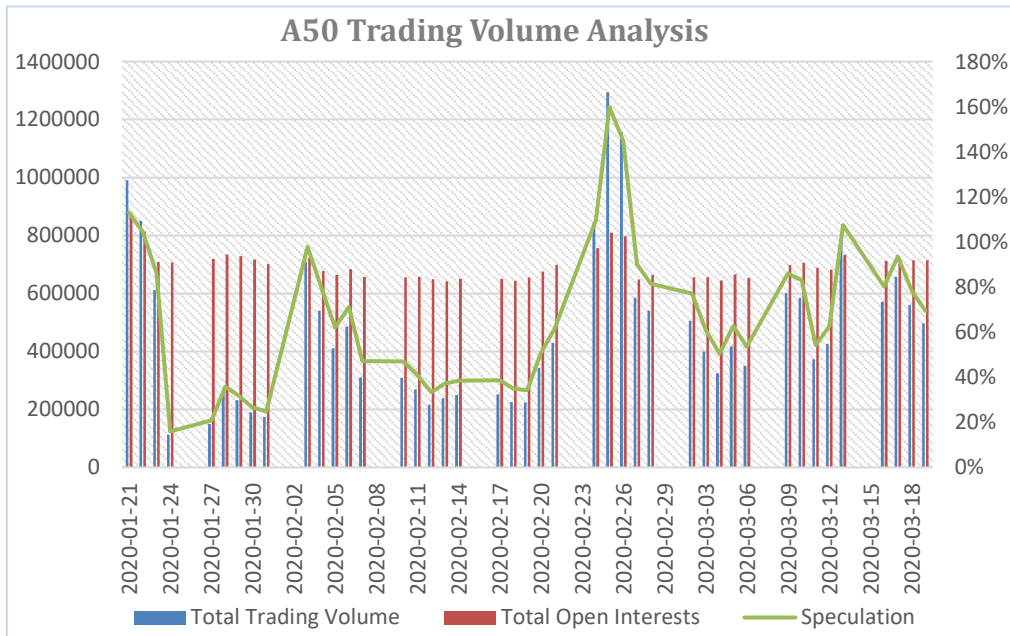


Chart XIII. Open interest of China A50 Index (Degree of Speculation = Total trading volume/ total open interest)

Source: Wind, Research Institute of Founder CIFCO Futures Co., Ltd.

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