

Index Futures Weekly Report

LI Yansen, Research Institute of Founder CIFCO Futures

Summary and trading advice:

This week the stock market shows the trend of concussion. The Shanghai composite index fluctuated at a low level on Monday and opened higher on Tuesday. The remaining four trading days were basically above the technical support level, with the overall trading volume shrinking throughout the week. For the week, the CSI 300 index rose 1.12% to 3867.02, while the IF2006 rose 0.98% to 3820.00. The Shanghai composite index rose 1.11% to 2806.66, while the IH2006 rose 1.31% to 2777.60. The CSI 500 index rose 1.47% to 5,406.34, while the IC2006 rose 0.97% to 5,318.80.

Most of SWS industry Index were rose except communications and electronics, except IF2006 discount was narrowed, other contracts discount was widened. IH/IC has gone down slightly. In terms of trading positions, the IF contract declined but the average daily trading volume increased, IH and IC contracts will both decreased on the average daily trading volume and trading positions. In terms of funds, fund outflows from the CSI 300 index, the SSE 50 index and the CSI 500 index slowed down significantly. Fund inflow throughout the Stock Connect continued to expand.

On the news this week, signs of a bottom in the U.S. economy continue to emerge, especially with employment showing signs of improving and a recovery in the works. The FED slowed its pace of easing, key officials remained dovish, and the fed's beige book was cautious about the economic outlook. In Europe, the European Union is discussing new stimulus measures such as emergency bond purchases, but some countries are opposed to adding to the uncertainty. But the economy is getting back on track. on, the market is pessimistic about reaching a deal in the Brexit negotiations with the European Union next week. Overall, overseas developed countries are beginning to enter the stage of recovery, but still need to be paid attention to the overseas risks. In China , the profits of industrial enterprises have been remarkably restored. The combination of the decline in inventory growth and PPI decline shows that the passive stocking has turned to the active destocking, and the prospect of future economic recovery is further clear. The "Two sessions" ended

this week, but the policy did not exceed expectations, the market reaction is limited. The government continued to emphasize jobs and people's well-being, saying the economy was too expecting to be able to take action, suggesting the easing policy will not stop. In terms of monetary policy, month-end effects, tax payments and bond issuance have led to a tightening of funds. The central bank has restarted reverse repos in the past two months and injected 670 billion RMB of liquidity in a week. We believe that monetary policy will continue to focus on hedging against liquidity fluctuations caused by government bond issuance, and easing measures such as interest rate cuts will slow down. In addition, the central bank will introduce 11 financial reform measures. The China banking insurance regulatory commission will allow insurance funds to invest in more bank capital supplement debt, which will help small and medium-sized banks replenish capital and hedge against the impact of bad debts on the financial system. It was also a factor in this week's rally in the banking sector and the Shanghai composite index. In terms of risk events, the conflict between China and the United States continues to expand. We should pay attention to whether the United States escalates its confrontation and guard against potential negative effects on the financial market.

Technically speaking, the Shanghai composite index was in the trend of concussion, the weekly technical indicators change little, the concussion range between 2800 and 2850. We still need to pay attention to the pressure around 2900 and support around 2600, the upward trend of concussion was still there but the pace has slowed down. In the long run, domestic demand continues to show signs of improvement, and the stimulus policy continues to increase, and the economy gradually recovers after stabilizing. However, new uncertainties still weigh on the upward pace of the market, especially overseas economic and trade risks, and there are still uncertainties in the long-term market.

1. Market review

	Open	High	Low	Close	Settlement	Change	Amplitude	Volume	Open interest	Change
CSI 300	3828.32	3885.42	3800.18	3867.02		1.12	2.23	42707111900		
IF2006	3794.00	3855.80	3768.60	3820.00	3818.60	0.98	2.31	379031	95329	-14739
IF2007	3745.80	3811.60	3728.60	3776.60	3773.80	0.87	2.22	18976	10807	3798
IF2009	3708.00	3761.00	3680.20	3719.40	3718.20	0.68	2.19	35900	27109	1017
IF2012	3673.00	3731.40	3658.00	3687.40	3688.00	0.47	2.00	5901	5239	211

	Open	High	Low	Close	Settlement	Change	Amplitude	Volume	Open interest	Change
SSE 50	2784.43	2830.46	2762.30	2806.66		1.11	2.46	10095968300		
IH2006	2750.20	2807.60	2730.40	2777.60	2774.80	1.31	2.82	135472	37321	-4801
IH2007	2711.40	2766.60	2693.60	2732.00	2730.80	1.04	2.70	7464	5145	571
IH2009	2666.20	2723.00	2653.20	2689.80	2687.40	1.01	2.62	17539	15830	335
IH2012	2660.20	2703.60	2637.40	2668.20	2669.00	0.67	2.50	4529	4114	102

	Open	High	Low	Close	Settlement	Change	Amplitude	Volume	Open interest	Change
CSI 500	5323.97	5426.56	5290.29	5406.34		1.47	2.56	48684256100		
IC2006	5266.00	5355.00	5223.60	5318.80	5316.60	0.97	2.49	430364	114990	-7568
IC2007	5200.20	5289.20	5150.00	5252.80	5249.00	0.93	2.67	16370	7030	2400
IC2009	5091.00	5171.80	5047.40	5133.80	5132.40	1.02	2.45	61690	46589	1465
IC2012	4962.00	5039.80	4916.20	5003.00	5000.00	1.00	2.50	19520	19008	2686

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

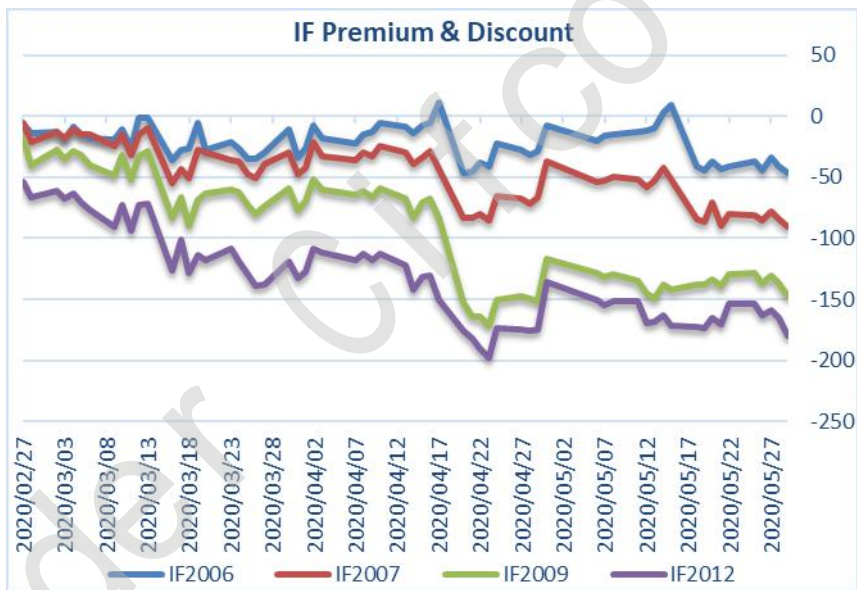


Chart III. IF premiums and discounts

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.

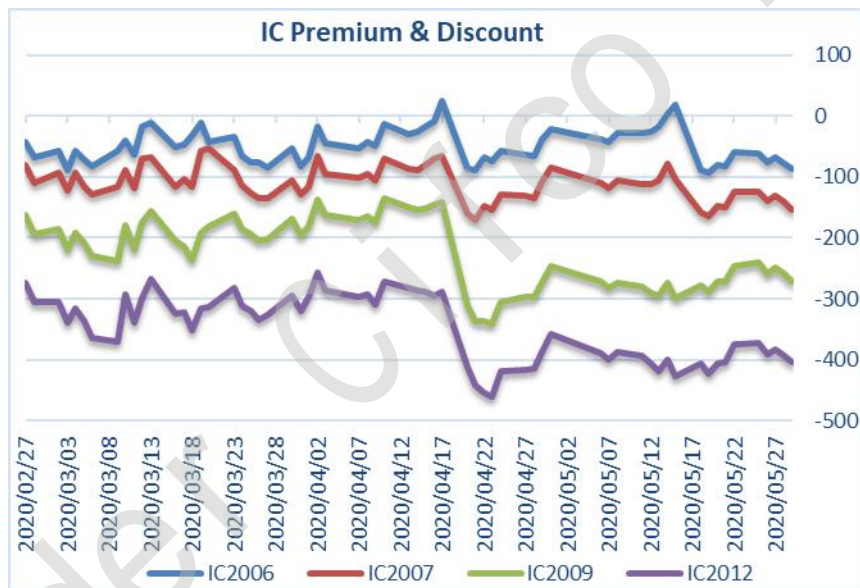


Chart V. IC premiums and discounts

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

4. Trading volume and open interests

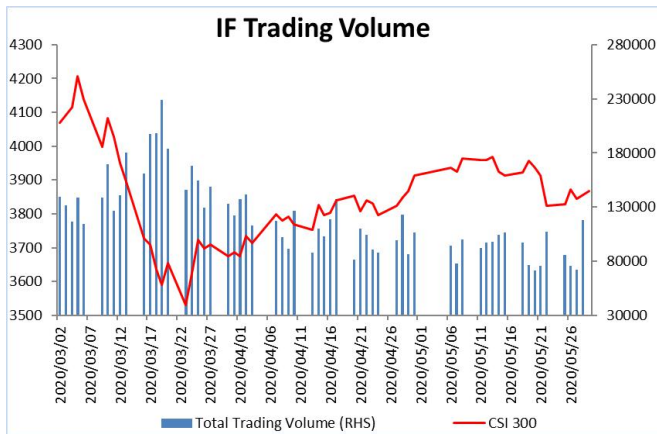


Chart VI. IF trading volume

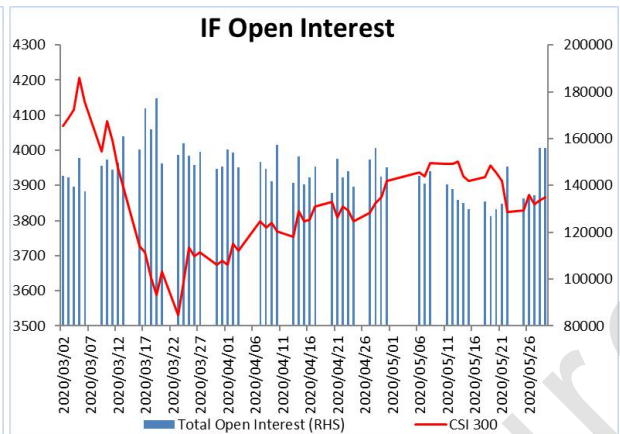


Chart VII. IF open interest

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

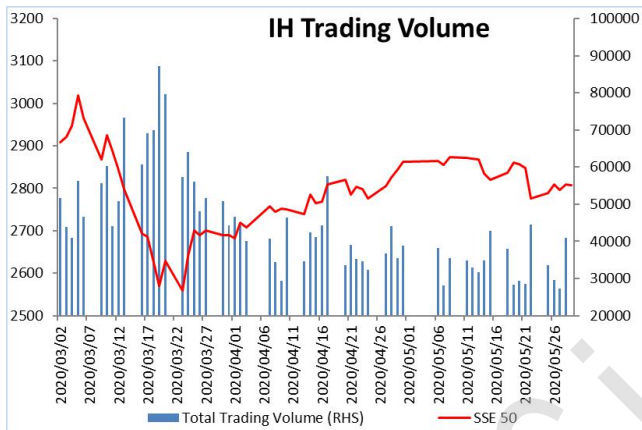


Chart VIII. IH trading volume

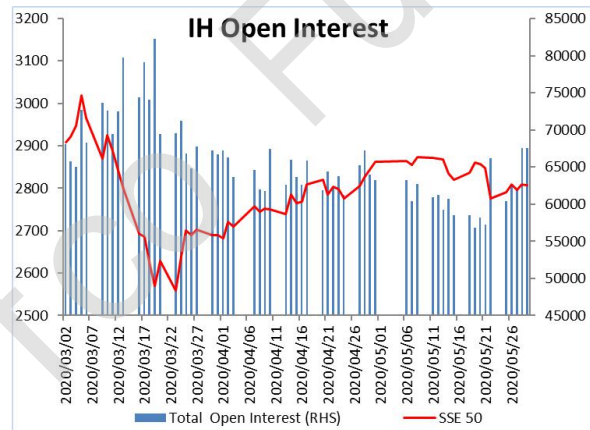


Chart IX. IH open interest

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

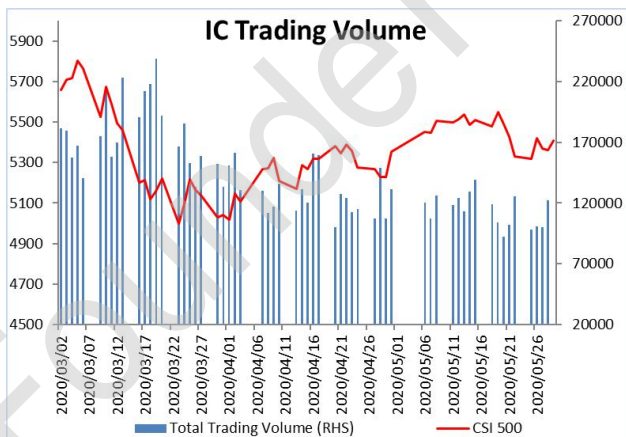


Chart X. IC trading volume

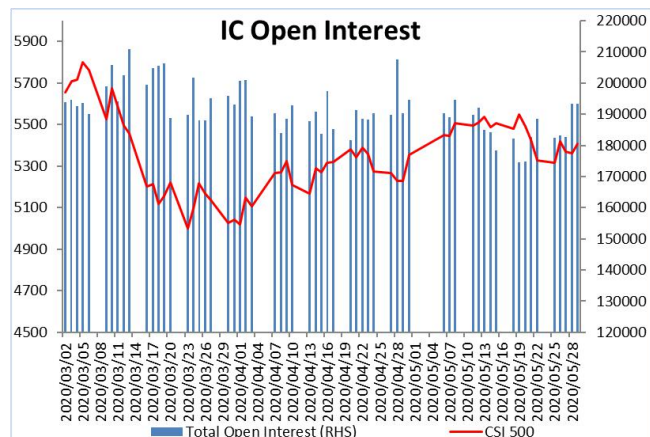


Chart XI. IC open interest

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

5. China A50 Index

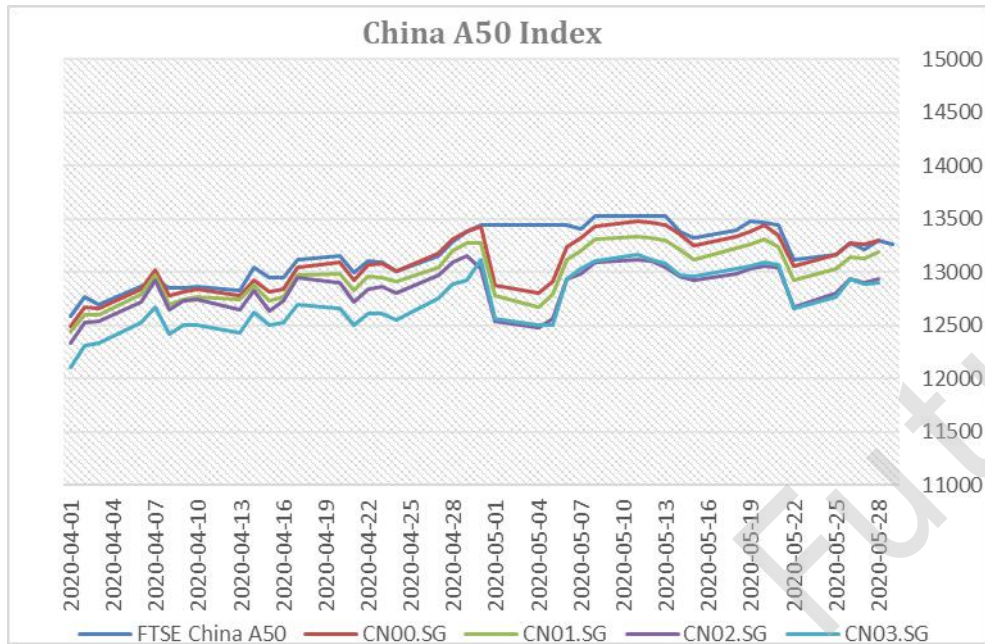


Chart XII. China A50 Index

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

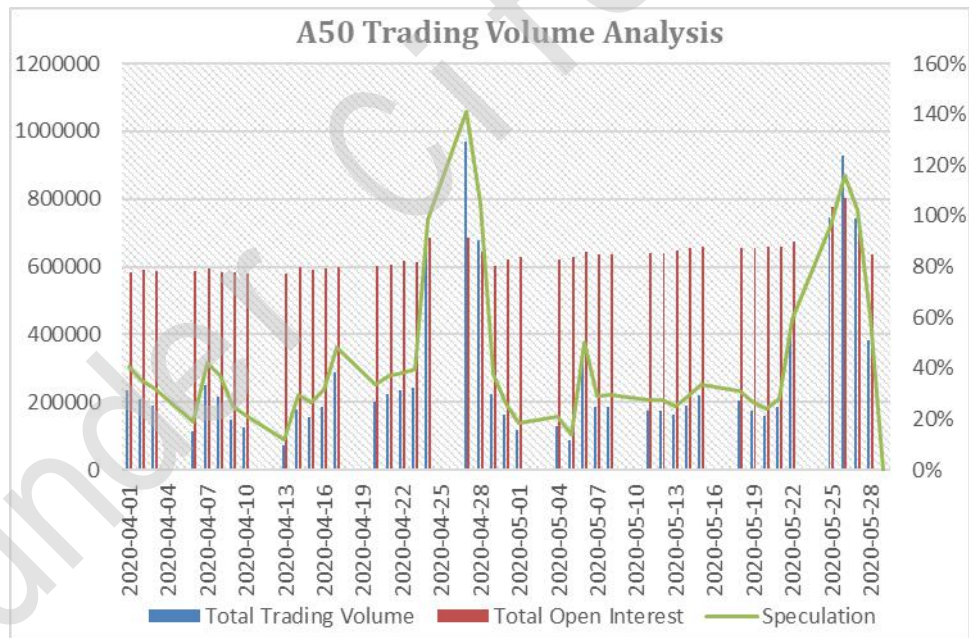


Chart XIII. Open interest of China A50 Index (Degree of Speculation = Total trading volume/ total open interest)

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

行方正 以致远

FIND FOUNDER, FIND FUTURES

Disclaimer:

All information contained in the report are public materials and is for your reference only. Research Institute of Founder CIFCO Futures strives to be accurate and reliable yet it doesn't guarantee the correctness and completeness of the information contained within the report. The report doesn't constitute to be investment advice on buy or sell of any products mentioned in the report under any circumstances and it doesn't take account of special investment purposes, financial status and requirements of certain investors. The report shall not be disseminated to others without prior consent from the Research Institute of Founder CIFCO Futures. Any quotation, repost or other dissemination to third-party may be subject to legal obligation. Founder CIFCO Futures doesn't bear any loss resulted from conducting the report and we kindly remind investors of the possible risks during trade. Copyright reserved by Founder CIFCO Futures.

Contact information:

International Business Dept.

Founder Cifco Futures Co., Ltd.

Tel: +86 10 85881336

Fax: +86 10 85881177

E-mail: gjywb@foundersc.com

Website: www.founderfu.com/en

22/F Taikang Financial Tower, Building1, 38# East 3rd Ring North Road, Chaoyang District, Beijing, P. R. China 100026
