

Index Futures Weekly Report

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Summary and trading advice:

This week the stock index still showed volatility trading. The Shanghai Composite index rose sharply on Monday, followed by less volatility in the next four trading sessions, which was basically at the highest level since the rally in April. The overall trading volume of the whole week was significantly enlarged. For the week, the CSI 300 index rose 0.05% to 4003.08, while the IF2006 rose 0.18% to 3986.20. The SSE 50 index fell -0.42% to 2884.12, while the IH 2006 fell -0.37% to 2870.60. The CSI 500 rose 0.11% to 5,591.49, while the IC 2006 rose 0.67% to 5,578.20.

Most of SWS industry Index was trading mixed. IF, IH monthly and the forward month, IC monthly and the forward month and the quarterly contract basis discount narrowed, other contracts discount widened compared with the previous Friday. The IH/IC ratio decreased significantly. In terms of open positions and average daily trading volume, IF, IH and IC all rose to a certain extent. In terms of funds, the CSI 300, SSE 50 and CSI 500 index all had outflows. Fund inflow throughout the Stock Connect was significantly reduced.

Fundamentally speaking, the US economy is still at the bottom and is expected to recover gradually after returning to work. The Federal Reserve meeting left interest rates and the pace of asset purchases unchanged, but remained vigilant and generally dovish about the outbreak. European countries are divided over a new round of stimulus. In China, CPI affected by pork prices continue to fall more than expected, it is expected that the future may continue to weaken, the second half of the year might drop to near 0. PPI is approaching to the bottom and there may be some rebound in the future. The performance of financing and lending was weaker than seasonal, but the absolute volume was still high. After easing policy took effect, the corporate sector's funding needs were met and the economy was still on track for recovery. Auto sales growth accelerated in May from a year earlier, according to the CPCA. We believe that auto consumption and service consumption will continue to lead to a recovery in demand. The macro economy is still recovering from the bottom trend and this is a positive impact for the stock index. In terms of policies, CSRC took the lead in

reforming the GEM board and piloting the registration system, and issued relevant policies before the end of June, which were implemented within this year. The central bank withdrew a net 300 billion RMB this week. In terms of risk events, the trade conflict between China and the United States worsened in the week and then eased. The long-term competition between China and the United States still exists, which was still a risk factor that continues to affect the market. In addition, the COVID-19 situation in the US is returning to the focus of the market, and its impact on sentiment needs to be watched.

From a technical point of view, the Shanghai Composite index fell slightly in the week, the weekly technical index changes little, the above 2968 gap pressure was still there and waiting for the testing. Keep watched on short-term support level 2871 and 2830, the medium-term shock upward trend unchanged, 3050 and 2600 were strong pressure and support. 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	4023.61	4052.16	3927.25	4003.08		0.05	3.12	62697161000		
IF2006	3995.00	4026.00	3920.00	3986.20	3986.20	0.18	2.66	384183	77355	-13240
IF2007	3948.60	3968.60	3853.20	3923.00	3920.20	-0.03	2.94	47336	29144	14138
IF2009	3877.00	3910.00	3789.60	3853.40	3851.60	-0.36	3.11	47358	34836	7131
IF2012	3847.20	3873.00	3741.40	3796.60	3794.60	-0.94	3.43	10660	8885	1858

	Open	High	Low	Close	Settlement	Change	Amplitude	Volume	Open interest	Change
SSE 50	2907.68	2931.54	2837.55	2884.12		-0.42	3.25	13951366200		
IH2006	2888.00	2915.00	2828.60	2870.60	2866.00	-0.37	3.00	130476	29075	-6071
IH2007	2848.00	2865.00	2782.00	2824.40	2820.60	-0.40	2.93	20243	10630	4176
IH2009	2795.00	2818.00	2734.60	2772.20	2769.60	-0.54	2.99	28015	18399	2447
IH2012	2775.00	2793.40	2705.40	2741.00	2736.20	-0.90	3.18	6786	5992	1197

	Open	High	Low	Close	Settlement	Change	Amplitude	Volume	Open interest	Change
CSI 500	5618.38	5673.31	5479.27	5591.49		0.11	3.47	59974613500		
IC2006	5572.00	5646.60	5480.00	5578.20	5586.80	0.67	3.01	436977	88231	-17306
IC2007	5507.60	5553.20	5397.00	5499.20	5503.60	0.71	2.86	53797	29196	17884
IC2009	5361.40	5388.00	5241.60	5359.80	5360.20	0.54	2.75	71484	54065	6175
IC2012	5220.00	5228.40	5079.80	5185.80	5186.20	0.00	2.87	25698	25382	4686

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

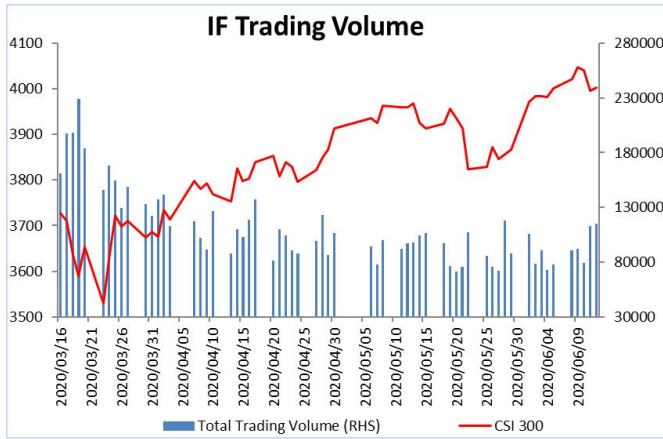


Chart VI. IF trading volume

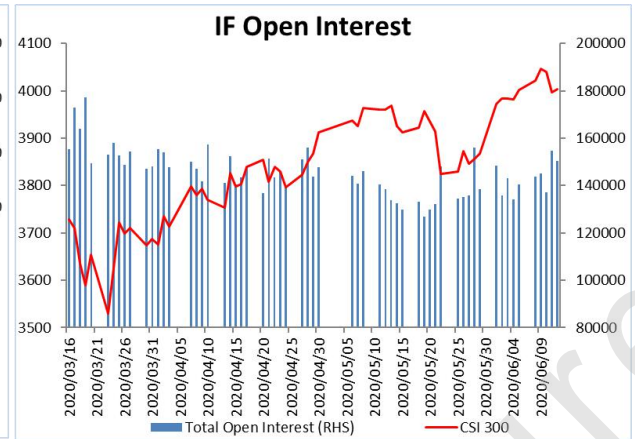


Chart VII. IF open interest

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

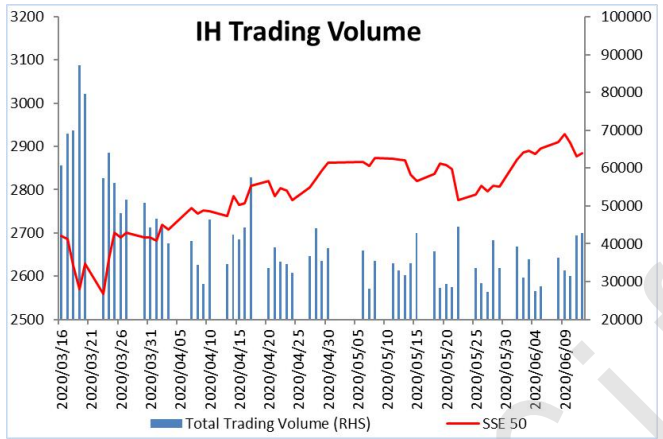


Chart VIII. IH trading volume

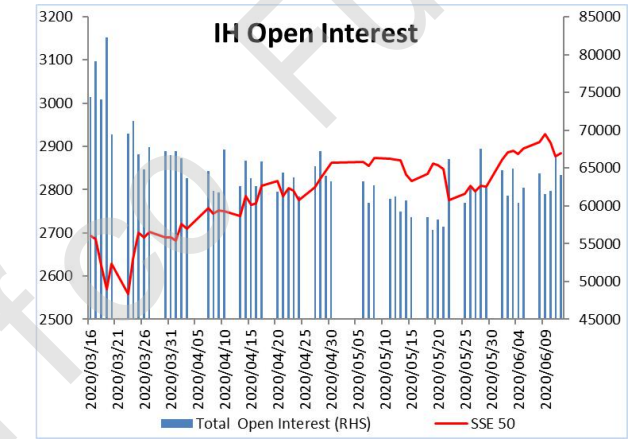


Chart IX. IH open interest

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

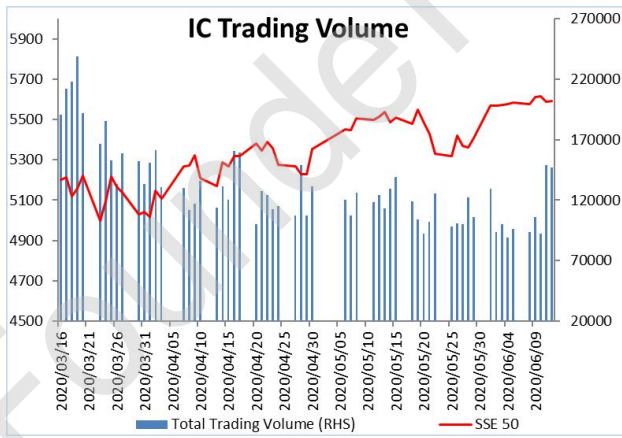


Chart X. IC trading volume

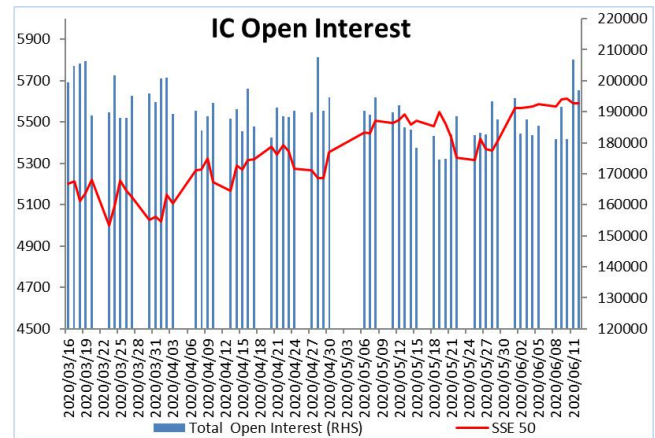


Chart XI. IC open interest

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

5. China A50 Index

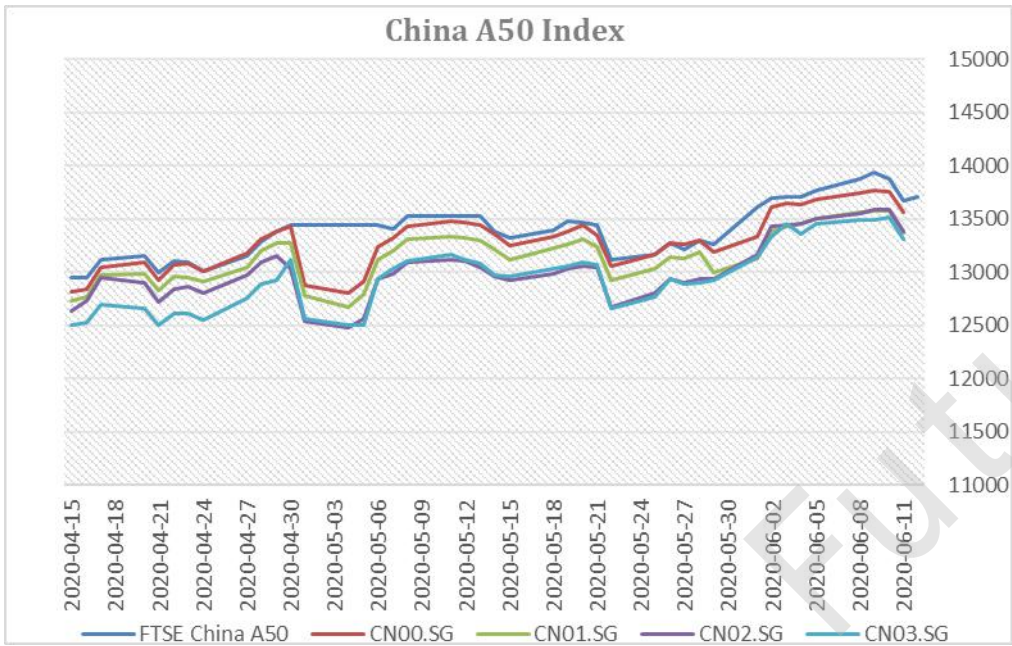


Chart XII. China A50 Index

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

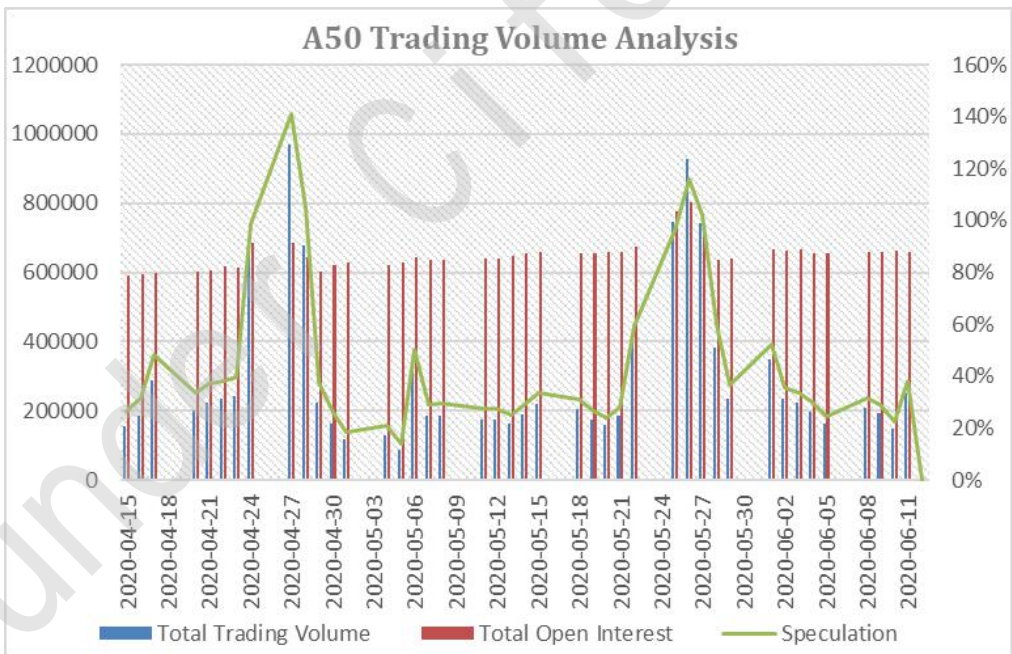


Chart XIII. Open interest of China A50 Index (Degree of Speculation = Total trading volume/ total open interest)

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

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