

New Record for Bond Connect Investor Adoption and Trading

1 Feb 2019

Bond Connect had a strong start of 2019 by welcoming another 55 institutional investors and a record-high monthly trading volume since launch, reaching RMB 132.3 billion in Jan 2019.

Investor Adoption

Investor adoption accelerated to a new record speed, bring in 55 newly onboarded investors, with 53% increase compared to last month. The investor community has grown to 558, including global top asset management and fund products, banks and securities companies, as well as other forms of investors from 24 jurisdictions. Specifically, Bond Connect welcomed the first Australian asset manager into the scheme.

The high onboarding rate is a result of the enhancements Bond Connect Company Limited (BCCL) rolled out recently targeting investor onboarding. For batched applications of funds / products filed under the same asset manager, only one copy of compliance declaration is required for submission and can be signed on asset manager level. BCCL has also rolled out a one-to-one onboarding service scheme in which a dedicated account manager is assigned to each investor to optimise investor experience from market education to filing.

Trading

Trading gained immense momentum to begin 2019. Monthly total trades and trading volume of Bond Connect both reached a record high of 1332 trades, which is equivalent to RMB 132.3 billion in Jan 2019. Average daily turnover surged to RMB 6.01 billion, up 68% from Dec 2018 and 64% year on year. Global investors were net buyers of Chinese bonds totaling RMB 27.6 billion.

Trading in policy financial bonds reached RMB 60 billion, the highest reading since the launch of Bond Connect. Bonds with maturity below 3 years and from 7 to 10 years represent more than 90% of trading in terms of tenor.

In the primary market, 23 new issues equivalent to RMB 135.9 billion have been marketed via Bond Connect in Jan 2019. The total primary issues through Bond Connect amounted to RMB 4.3 trillion since launch (Primary issues data source: Wind).

Ends