

## **Bond Connect Market Activities Remain Vibrant After Chinese New Year**

1 Mar 2019

Despite the long holiday in onshore market during Chinese New Year, the total number of registered institutional investors under Bond Connect surged to 617 in Feb 2019. Average daily trading volume went up to RMB 6.48 billion, another leap following the increase in Jan 2019.

### **Investor Adoption**

Synchronizing with the inclusion of Chinese bonds in the global major fixed income indices, Bond Connect has attracted another 59 investors in Feb 2019. The bulk of the investor group is investment products by global top asset managers and fund managers. In Feb 2019, the scheme saw the fastest adoption by US investors amid the 24 jurisdictions covered.

With Bloomberg joining as the second trading platform, the Information Update Form was revamped for investors to add Bloomberg as another channel of Bond Connect in a more efficient manner.

### **Trading**

The first trade through Bloomberg was executed smoothly on 22 Feb 2019 by Bank of China Hong Kong Branch and Bank of China (Hong Kong), trading with Bank of China as the onshore dealer, for a short-term financial bill and an NCD respectively.

Trading volume of Bond Connect accumulated to RMB 97.2 billion with 780 trades in 15 trading days in Feb 2019. Average daily turnover further increased to RMB 6.48 billion, up 8% from Jan 2019 and up 82% compared to the last month of 2018. Global investors were net buyers of Chinese bonds totaling RMB 11 billion.

Policy financial bonds and NCD collectively accounted for 86% of the total turnover in Feb 2019, and activities among the two bond types were evenly distributed. Bonds with maturity below 3 years and from 7 to 10 years represent 92% of trading in terms of tenor. In the primary market, 16 new issues equivalent to RMB 78.2 billion have been marketed via Bond Connect in Feb 2019. (Primary issues data source: Wind).

Ends