

## 711 Investors with Bond Connect Set for the Dawn of Index Inclusion

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Bond Connect has registered 711 international institutional investors as of end Mar 2019 and saw increasing trading activities in the Chinese government bonds and policy financial bonds driven by index trackers.

### Investor Adoption

By the end of Mar 2019, Bond Connect has brought on board 711 investors, of which around 44% are investment products of 39 asset management houses on the global top 100 asset manager list. In March, Bond Connect welcomed the first investor from Thailand and the debut of Irish UCITS fund within one week following the regulatory green light from the Central Bank of Ireland. The Bond Connect scheme now spans across 25 jurisdictions of institutional investors worldwide.

The accessibility and efficiency of Bond Connect have attracted immense interest from global owners that elect to tap the onshore interbank bond market as mandates or segregated managed accounts of asset management companies. Throughout the past month, Bond Connect Company Limited worked closely with onshore regulators to successfully clarify and define the onboarding procedures. An emerging and growing trend of central banks and sovereign wealth funds entering as mandate accounts in 2019 is robust. We have seen the first batch of sovereign mandates being approved in March with decent filings still in the pipeline.

### Trading

Trading volume since the beginning of 2019 accumulated to 341.8 billion, more than double compared to the same period last year. The number of tickets reached 1347 in Mar 2019, setting a new monthly record since the launch of Bond Connect. Total trading volume was RMB 112.4 billion in the 21 trading days last month, leading to an average daily turnover of RMB 5.35 billion. Global investors were net buyers of Chinese bonds for RMB 22 billion.

In alignment with index inclusion, international investors' focus started to tilt towards Chinese government bonds and policy financial bonds, which in combination accounted for 66% of the total turnover in Mar 2019, up from 37% back in Dec 2018. In terms of tenor, bonds with maturity from 7 to 10 years picked up in trading volume from around 20% throughout 2018 to 37% in Mar 2019.

Ends