

## **Bond Connect ADT Exceeds RMB 9 Billion in June**

1 July 2019

The total number of international investors registered on the Bond Connect scheme hit the “1000” mark, with another 91 investors onboarded in June 2019. During the past month, Bond Connect witnessed record highs in monthly trading volume at RMB 172.2 billion, average daily turnover RMB 9.06 billion, and the highest single day turnover at RMB 16.2 billion respectively.

### **Investor Adoption**

By the end of June 2019, Bond Connect has onboarded 1038 investors, up 106% from 503 investors ending 2018. In June, Bond Connect welcomed the investor from Abu Dhabi, expanding the coverage to 29 jurisdictions globally. The scheme has engaged 62 out of the top 100 asset managers, including 58 already onboarded and 4 in the pipeline.

### **Trading**

Trading activities continue to break records in terms of total trading volume, rising to RMB 172.2 billion in June 2019 from RMB 158.6 billion last month. Global investors were net buyers of Chinese bonds for RMB 36.7 billion. Policy financial bonds, NCDs, and Chinese government bonds remained as focus with turnover of RMB 81.0 billion, RMB 54.3 billion, and RMB 27.4 billion, respectively, accounting for 47%, 32%, and 16% of monthly trading volume. In terms of tenor, bonds with maturity under 1 year and from 7 to 10 years remain most attractive, taking up 39% and 36% of the activities.

### **Primary Market**

In the primary market, 34 new issues equivalent to RMB 141.5 billion were marketed via Bond Connect in June 2019. (Source: Wind). In June, BCCL's Primary Market Information Platform welcomes China Development Bank, extending its pool of onshore issuers and underwriters to 12 active members. The Platform has been disclosing pre-issuance and post-issuance information of 131 bonds on a daily basis in June, with majority as PFBs and NCDs.

### **Scheme Enhancements**

Bond Connect Backup Trading Procedures are now live as an alternative trading service in contingency.

Visit [<http://www.chinabondconnect.com/documents/BackupTradingProcedures.pdf>] for more details.

Block Trade Allocation Function has seen further upgrade with the maximum number of allocation accounts increased from 30 to 50. Both pre-trade and post-trade allocations are covered. The enhancement is now live on Tradeweb and will be closely followed by Bloomberg which is in test phase.

Ends