

## **Bond Connect Witnesses 3 Consecutive Months of Record Trading Activities**

1 August 2019

The Bond Connect investor base continued to expand and passed the “1100” milestone as 96 global institutional investors were onboarded in July 2019. Following the record highs in the last two months, Bond Connect monthly trading volume rose again in July, reaching RMB 201.0 billion.

### **Investor Adoption**

At the end of July, a total of 1134 institutional investors from 30 different jurisdictions have enrolled in the Bond Connect scheme. The US and Hong Kong accounted for 32% and 25% of the overall investor base respectively. The scheme has onboarded 59 out of the top 100 global asset managers, with more in the pipeline.

### **Trading**

Total trading volume of Bond Connect increased to RMB 201.0 billion, while the average daily turnover was RMB 8.74 billion in July. Global investors were net buyers of Chinese bonds for RMB 52.7 billion. Policy financial bonds, Chinese government bonds and NCDs were still the focus of investors with turnover of RMB 83.9 billion, RMB 52.7 billion, and RMB 52.5 billion respectively, accounting for 41.7%, 26.2%, and 26.1% of the monthly trading volume. In terms of tenor, bonds with maturity from 7 to 10 years and under 1 year remain the most attractive, taking up 38.0% and 31.2% of total activities.

### **Primary Market**

BCCL's Primary Market Information Platform disclosed the pre- and post-issuance information of 194 bonds in July. Global investors can get new issuance information across policy financial bonds, NCDs, ABSs, financial bonds and financial commercial papers from the [BCCL website](#) for direct primary subscription.

### **Scheme Enhancements**

A total of 47 onshore dealers with Chinese and foreign backgrounds are now available in Bond Connect to provide market liquidity. Live streaming of indicative prices was introduced on Tradeweb and Bloomberg to help investors gain accessibility to a wide source of dealer quotations for reference in counterparty selections.

Bloomberg launched the pre- and post-trade allocation functionality and the support for ABS trading among other types of cash bonds, leveling the service offering for both e-trading platforms of Bond Connect. Tradeweb started to provide the iDeal Chat, a messaging tool developed by CFETS, for

investors to communicate instantly with onshore dealers. The minimum RFQ size was also reduced from RMB 100,000 to 10,000 to facilitate investment needs of investors.

Ends