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CDS Trading Launched in Interbank Market

On October 31, 2016, 14 institutions were registered as core traders of credit risk mitigation instruments after being reviewed and approved by NAFMII's Financial Derivatives Committee. On the same day, 10 institutions, including ICBC, ABC, BOC, CCB and BOCOM, as well as Minsheng Bank, Industrial Bank, CZBANK, Bank of Shanghai and China Bond Insurance Corporation (CBIC), conducted 15 CDS transactions, with a total nominal principal of RMB 300 million. The deals, with a term of 1-2 years, involved such industries as petroleum and natural gas, power, water, coal, telecommunication, food and aviation.

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Macro & Financial

Market News

First "Innovation, Start-up" Corporate Bonds Issued

To further diversify the mix of corporate bond issuers, optimize the capital formation mechanism for SMEs and truly support technological startup and innovation, CSRC supported InfoVision Optoelectronics Kunshan and Suzhou Derpin Medical Science and Technology to successfully issue corporate bonds through private placement, as a pilot for CSRC's efforts to support innovation and startup companies to issue bonds. The two bonds, which will be traded at Shanghai Stock Exchange shortly, raised RMB55 million, and the money raised will be spent on technological innovation, product R&D and explorations for new businesses and markets.

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Insurance Industry Develops Fast in 2016Q1-Q3 and Its Capacity for Serving the Economic Society Enhanced

In general, the insurance industry registered fast growth in the first three quarters of 2016. The effect of structural adjustment begins to unfold, risk precautions were effective and its ability of serving the economy and society was notably improved. First, insurance business developed rapidly, with insurance premium in the first three quarters exceeded the all-year premium of 2015. Second, the structure of insurance business continued to improve, which lead to improvement in serving the Belt and Road Initiative and guaranteeing people's livelihood enhanced. Third, compensation expenses increased steadily, with payout amount in for life insurance

in the first three quarters exceeding the all-year payment of 2015. Fourth, foreign-funded insurance institutions registered faster business growth than industrial average, and their market share slightly expanded year-on-year. Fifth, yield from capital operation was reduced. Sixth, operational profit was reduced. Seventh, the number of insurance employees increased drastically.

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