

Headline news

⇒ SSE 50 index options trading approved

The China Securities Regulatory Committee (CSRC) last week approved the trading of index options on the Shanghai Stock Exchange 50 index. The significance to rate and FX market participants who might otherwise be indifferent is the rationale provided. The CSRC stated that such options were "a risk management tool in the capital market and an important part of the multi-level capital market", which is auspicious for the development of rate and FX derivatives.

⇒ Slight curve flattening continues

Last week's flattening trend continued, with short rates moving up by a basis point or two, while past 7 years, rates moved down marginally. The benchmark DragonX10 is now exactly where it opened at inception, meaning that an investment in 10-year bonds since 30th September could be expected to have earned the investor 0%, income gain being offset by capital loss.

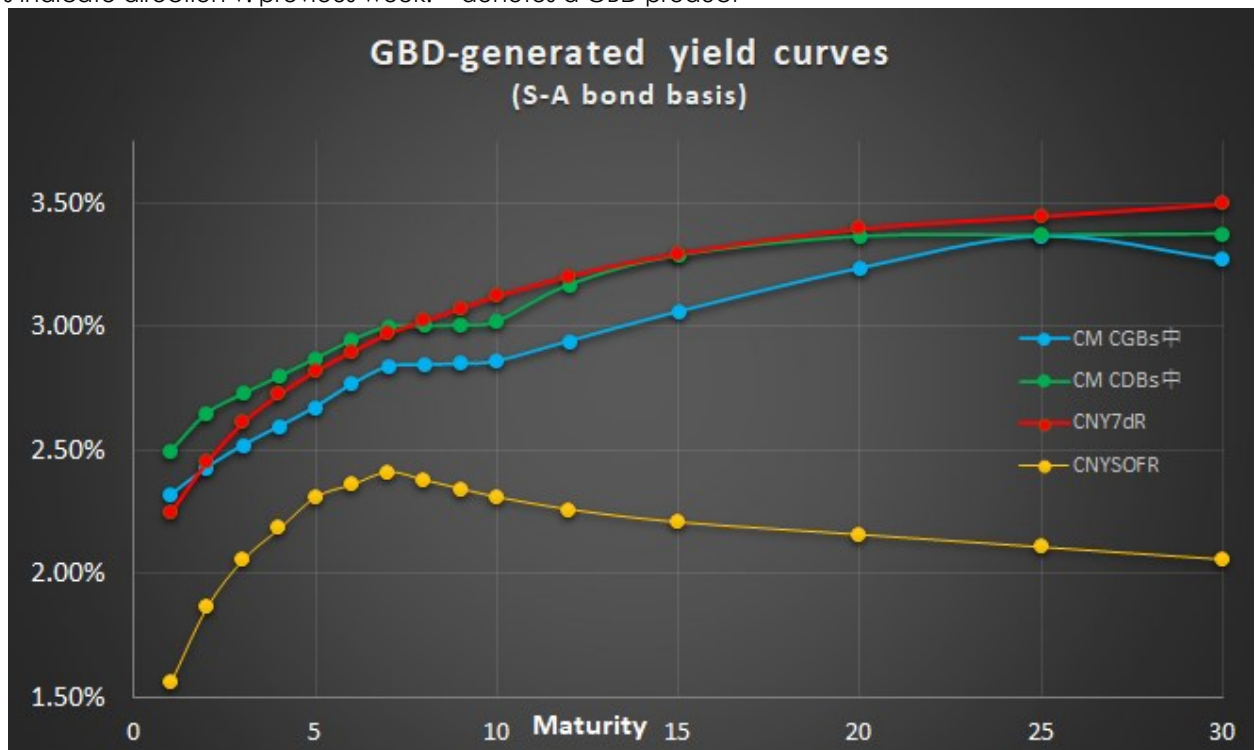
7-day repo 1.82% ▲

5Y CNY7dR 2.82% ▼

10Y CM CGB[#] 2.86% ▼

DragonX10[#] ¥1000.0 ▲

Arrows indicate direction v. previous week. # denotes a GBD product



GB Dragon's current proprietary data

- Our performance DragonX indices (1, 5, 10 and 30y) for CGBs
- 30-year curves for
 - ◊ Swaps and currency forwards in a broad range of markets
 - ◊ Par and zero-coupon interest rate swap curves
 - ◊ Constant maturity (CM) China Government and China Development Bank bonds

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