

China's stock markets daily turnover hits 1t yuan —(Xinhua/chinadaily.com.cn)Updated: 2014-12-05

A New World Record for Daily Turnover

- China's stock market set a new world record for daily turnover on Friday.
- Combined daily turnover of the Shanghai and Shenzhen bourses totaled 1.07 trillion yuan (175 billion US dollars).
- Transactions on the two exchanges reached 639.19 billion yuan and 434.85 billion yuan respectively.
- The benchmark Shanghai Composite Index closed up 1.32 percent to finish at 2,937.65 points on Friday, and the Shenzhen Component Index closed at 10,067.28 points, up 0.37 percent.
- Over 60 stocks on the two bourses surged by the daily limit of 10 percent on Friday.
- Sectors with strong performance:
 - banking and oil sectors.
 - ✧ China Construction Bank: 5.7 yuan per share, up 10 % daily limit.
 - ✧ Industrial and Commercial Bank of China: 4.59 yuan per share, up 7.49 %.
 - ✧ PetroChina: closed 9.88 % higher.
 - ✧ Sinopec: closed 4.96 % higher.
 - aviation,
 - futures, and
 - the military and weapons industry.

Reasons for the Booming Market

- Analysts believe recent interest rate cuts were the trigger for the booming market.
- The rise was also helped by heavyweights and stock brokerages, the strong growth of which lured numerous individual investors into the capital market.
- Policy makers' determination to reduce the cost of financing also reversed market sentiments.
- Both risk-free interest rates and risk premiums stayed on a downward streak after the cuts, which contributed to a hot A share market.

¹ Source: http://www.chinadaily.com.cn/business/2014-12/05/content_19032306.htm