

Treasure Hunt – Northbound Fund Flow Tracker

Strong buying interest in Bafang Electric & Jiangsu Guomao

While the A-share market was strong in Jul, the Northbound net fund inflow was only RMB10bn in Jul, down from RMB52.6bn in Jun. In 7M20, the net inflow reached RMB128.5bn. In this note, we focus on the top 30 stocks in each of Shenzhen and Shanghai market, in terms of foreign holdings between 1 Jul and 4 Aug. During this review period, **Bafang Electric (603489 CH)** and **Jiangsu Guomao Reducer (603915 CH)** reported the most notable increase in foreign holdings.

Shanghai market:

- **Net fund inflow in Jul was only RMB701mn**, down sharply from RMB24.4bn in Apr. In 7M20, the net fund inflow was RMB39.4bn.
- **Key changes in foreign holdings during the review period:** Foreign holdings in **Bafang Electric (603489 CH)** jumped 13.4ppt to 21.5%. Bafang is a key component maker for pedelec with a focus in the European market. Another stock that reported major change is **Jiangsu Guomao Reducer (603915 CH)**, with foreign holdings surging 7.4ppt to 9.5%. Listed in Jun 2019, Guomao is a manufacturer of speed reducers which are applied in various industries. Import substitution is expected to be the upcoming growth opportunity.

Shenzhen market:

- **Net fund inflow in Jul was RMB9.7bn**, down from RMB28.2bn in Jun. In 7M20, the net fund inflow was RMB89bn.
- **Key changes during the review period:** Foreign holdings in **Han's Laser (002008 CH)** and **Chacha Food (002557 CH)** increased 5ppt and 3.2ppt, respectively, to 14.8% and 11.8%. **Weichai Power (000338 CH, BUY)**, **Zoomlion (000157 CH, BUY)**, **Shenzhen Sunway (300136 CH)** and **Beijing Sinnet Tech (300383 CH)** reported 2-3ppt increase in foreign holdings during the review period. Medical names, **Hangzhou Tigermed (300347 CH, BUY)** and **Dian Diagnostics (300244 CH)** saw 2ppt decrease in foreign holdings. That said, both stocks performed well during the review period.
- **CTIG (300012 CH) still top of the table.** Foreign holdings in CTIG was 19.6% as at 4 Aug. The holdings increased 0.5ppt during the review period but still dropped 3.7ppt YTD, the most among the top 30 stocks. In spite of this trend, the stock has continued to outperform YTD.

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Northbound monthly net turnover



Source : HKEx, CMBIS

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Figure 1: Foreign investors' holdings in Shenzhen listed companies

Top 30 holdings stocks						
Ticker	Company name	Sector	Foreign holding as at 4 Aug 2020	YTD chg	MoM chg	
300012 CH	CENTRE TESTING INTERNATIONAL GROUP	Research & Development	19.6%	-3.7%	0.5%	
002572 CH	SUOFEIYA HOME COLLECTION	Manufacturing	19.3%	4.2%	-1.8%	
000333 CH	MIDEA GROUP	Home appliance	16.8%	-0.1%	-0.5%	
000651 CH	GREE ELECTRIC APPLIANCES INC OF ZHUHAI	Home appliance	16.5%	1.4%	1.0%	
300347 CH	HANGZHOU TIGERMED CONSULTING	Pharmaceutical	15.9%	1.7%	-2.0%	
002008 CH	HAN'S LASER TECHNOLOGY INDUSTRY GROUP	Industrial automation	14.8%	9.5%	5.0%	
002439 CH	VENUSTECH GROUP INC	IT	14.6%	5.5%	0.3%	
002508 CH	HANGZHOU ROBAM APPLIANCES	Home appliance	13.7%	-0.5%	-0.3%	
000338 CH	WEICHAI POWER	Auto & industrial	12.8%	6.0%	2.2%	
002557 CH	CHACHA FOOD	F&B	11.8%	3.9%	3.2%	
002271 CH	BEIJING ORIENTAL YUHONG WATERPROOF TECH	Manufacturing	11.5%	2.4%	-0.8%	
300124 CH	SHENZHEN INOVANCE TECHNOLOGY	Industrial automation	11.4%	0.4%	-0.4%	
300244 CH	DIAN DIAGNOSTICS GROUP	Public Health	11.3%	2.9%	-2.1%	
000157 CH	ZOOMLION HEAVY INDUSTRY SCI AND TECH	Construction Machinery	11.0%	1.4%	2.0%	
002410 CH	GLODON	IT	10.4%	0.8%	-0.3%	
300285 CH	SHANDONG SINOCERA FUNCTIONAL MATERIAL	Manufacturing	9.8%	0.5%	-0.2%	
300383 CH	BEIJING SINNET TECHNOLOGY	Data centre	9.6%	1.5%	2.5%	
002179 CH	AVIC JONHON OPTRONIC TECHNOLOGY	Technology	9.5%	2.3%	0.1%	
002027 CH	FOCUS MEDIA INFORMATION TECHNOLOGY	Media	9.1%	0.1%	0.6%	
002697 CH	CHENGDU HONGQI CHAIN	Wholesale & Retail	8.7%	1.4%	-1.4%	
300136 CH	SHENZHEN SUNWAY COMMUNICATION	Communication	8.3%	5.7%	3.0%	
000001 CH	PING AN BANK	Financials	8.3%	0.4%	0.1%	
300015 CH	AIER EYE HOSPITAL GROUP	Public Health	8.2%	0.6%	0.1%	
002463 CH	WUS PRINTED CIRCUIT KUNSHAN	Electronics	7.9%	1.1%	0.7%	
002242 CH	JOYOUNG	Home appliance	7.8%	3.1%	-0.7%	
000581 CH	WEIFU HIGH-TECHNOLOGY GROUP	Industrial	7.8%	1.2%	1.0%	
000999 CH	CHINA RES SANJIU MEDICAL AND PHARMA	Pharmaceutical	7.7%	-2.8%	0.1%	
300149 CH	QUANTURN HI-TECH (CHINA) BIOLOGICAL	Research & Development	7.6%	1.8%	0.7%	
300271 CH	BEIJING THUNISOFT CORPORATION	IT	7.5%	0.4%	-0.8%	
000423 CH	DONG-E-E-JIAO	Manufacturing	7.5%	2.0%	0.9%	

Note: Highlighted names are under CMBI coverage

Source: Exchanges, CMBIS

Figure 2: Foreign investors' holdings in Shanghai listed companies

Top 30 holdings stocks						
Ticker	Company name	Sector	Foreign holding as at 4 Aug 2020	YTD chg	MoM chg	
600009 CH	SHANGHAI INTERNATIONAL AIRPORT	Transportation	23.4%	1.1%	1.6%	
603501 CH	WILL SEMICONDUCTOR	Semiconductor	22.0%	6.0%	1.9%	
603489 CH	BAFANG ELECTRIC (SUZHOU)	Industrial	21.5%	21.2%	13.4%	
600201 CH	JINYU BIO-TECHNOLOGY	Biotech	18.2%	7.5%	-1.3%	
601901 CH	FOUNDER SECURITIES	Financials	17.9%	0.1%	0.0%	
603605 CH	PROYA COSMETICS	Consumer	16.0%	15.2%	1.1%	
600406 CH	NARI TECHNOLOGY	Power	15.6%	5.6%	2.3%	
600887 CH	INNER MONGOLIA YILI INDUSTRIAL	F&B	12.9%	0.3%	0.6%	
600298 CH	ANGEL YEAST	Manufacturing	12.8%	-2.4%	-1.2%	
601138 CH	FOXCONN INDUSTRIAL INTERNET	Electronic equipment	12.6%	3.1%	1.3%	
603882 CH	GUANGZHOU KINGMED DIAGNOSTICS GROUP	Public Health	12.5%	7.6%	0.0%	
603259 CH	WUXI APPTTEC	Research & Development	12.2%	6.4%	0.0%	
603939 CH	YIFENG PHARMACY CHAIN	Wholesale & Retail	11.9%	-0.8%	-0.4%	
600276 CH	JIANGSU HENGRUI MEDICINE	Pharmaceutical	11.5%	-0.4%	0.1%	
600872 CH	JONJEE HI-TECH INDUSTRIAL & COMMERCIAL HOLDING	Industrial	11.3%	1.3%	-1.2%	
600585 CH	ANHUI CONCH CEMENT	Materials	11.2%	-1.3%	0.4%	
603713 CH	MILKYWAY CHEMICAL SUPPLY CHAIN SERVICE	Transportation	11.2%	10.7%	-1.5%	
600885 CH	HONGFA TECHNOLOGY	Technology	10.9%	2.2%	1.3%	
600660 CH	FUYAO GLASS INDUSTRY	Autoparts	10.8%	-0.6%	0.6%	
601888 CH	CHINA TOURISM GROUP DUTY FREE	Retail	10.7%	-2.0%	-2.2%	
600690 CH	HAIER SMART HOME	Home appliance	10.5%	-3.0%	-0.7%	
601100 CH	JIANGSU HENGLI HYDRAULIC	Industrial	10.1%	1.6%	0.0%	
600031 CH	SANY HEAVY INDUSTRY	Construction Machinery	10.0%	2.0%	-0.1%	
603915 CH	JIANGSU GUOMAO REDUCER	Industrial	9.5%	9.4%	7.4%	
603056 CH	DEPPON LOGISTICS	Transportation	9.4%	7.6%	0.0%	
600066 CH	ZHENGZHOU YUTONG BUS	Auto	8.4%	-2.0%	-0.1%	
600519 CH	KWEICHOW MOUTAI	F&B	8.3%	0.2%	-0.2%	
603737 CH	SKSHU PAINT	Manufacturing	8.2%	4.4%	-0.3%	
600835 CH	SHANGHAI MECHANICAL & ELECTRICAL INDUSTRY	Industrial	8.2%	5.2%	-0.1%	
601098 CH	CHINA SOUTH PUBLISHING & MEDIA	Media	8.1%	0.1%	0.6%	

Note: Highlighted names are under CMBI coverage

Source: Exchanges, CMBIS

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