



BUDAPEST  
STOCK  
EXCHANGE

# Chinese - Hungarian capital market opportunities

11 April 2018

# Stock Exchanges in Mainland China



Market capitalization: **3,5 trillion USD\***  
Average daily turnover: **30 billion USD**



Market capitalization: **above 5 trillion USD\***  
Average daily turnover: **25 billion USD**



**Retail investors dominate** with more than 80% of trading volumes



Foreign investors access the markets mainly via **stock connects + quota schemes**

# Budapest Stock Exchange

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- > **30 billion** USD market capitalization
- > Average daily turnover of **50 million** USD
- > **2<sup>nd</sup>** largest stock exchange in the CEE region
- > 25% retail investor volume, more than **50%** foreign institutional volumes
- > Part of the new BSE strategy to **focus on China**

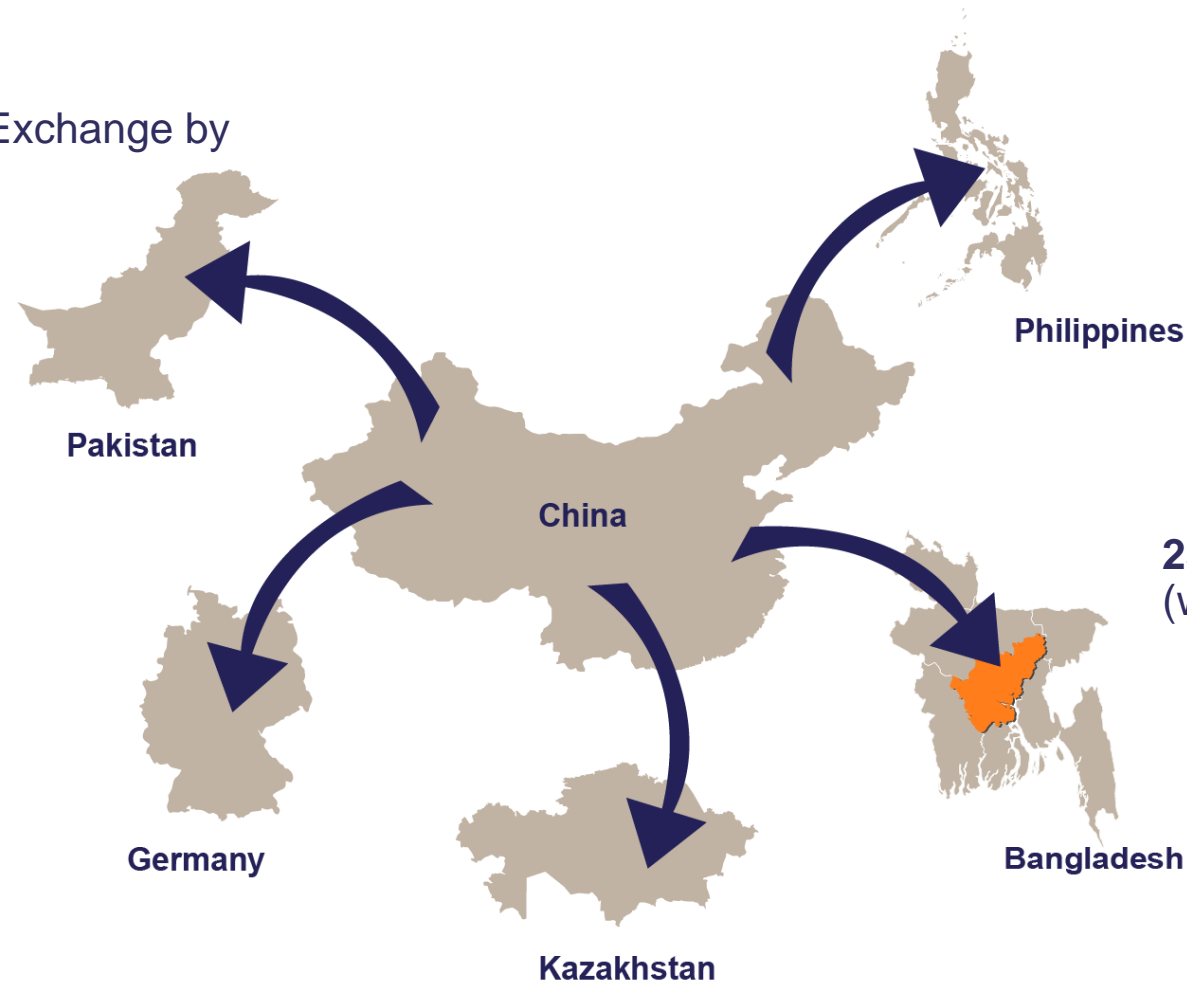
# Recent global expansion by Chinese exchanges

**40% stake** in Pakistan Stock Exchange by Chinese Consortium – 2016

**5% stake** in Philippines Stock Exchange – 2017

**CEINEX platform** launched together with Deutsche Börse – 2015

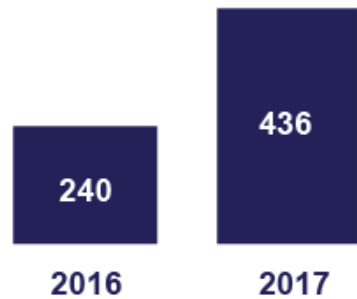
**25% stake** in Dhaka Stock Exchange (waiting for approval)



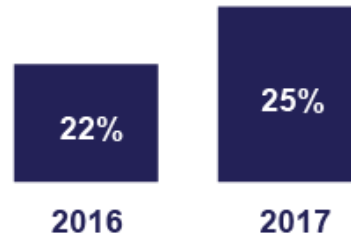
**25% stake** in Kazakhstan International Financial Centre, Astana International Exchange will operate – 2017

# China has been an IPO powerhouse

Number of IPOs in Shanghai and Shenzhen



Shanghai and Shenzhen IPOs as a percentage of all deals



Global IPO number toplist (2017)\*



Shanghai was **largest market in deal size** in both 2016 and 2017

Asia-Pacific **dominates global IPOs since 2014**, China leading the way

\* Ernst & Young Global IPO Trends

# China initiatives of BSE

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## **RQFII seminar for Hungarian investment fund managers together with Bank of China (October 2016)**

Continuous follow-up discussions with portfolio managers to develop BSE listed product



## **MoU signed with Bank of China (January 2017)**

Joint work on listing products

Facilitating investment by Chinese investors to BSE

Approach potential investors and issuers jointly

# China initiatives of BSE

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## **MoU with Shanghai Gold Exchange (May 2017)**

Creation of common products on BSE based on SGE market



## **Approaching Chinese companies based in Hungary and CEE region (ongoing)**

Introducing bond and stock listing opportunities