



The Shenzhen - Hong Kong Connect Opens Door For Investment In Chinese Tech-Heavy Companies

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Global investors will as of December 5th 2016 get direct access to the Shenzhen stock exchange for the very first time. The move dubbed the Shenzhen - Hong Kong Connect looks to open up the stock exchange to global investors keen on the tech heavy private

companies that are listed in the market.

The Shenzhen Connect has been a long awaited connection between the Shenzhen Stock market and the world and is set to begin on December 5th. The venture is part of the stock market reforms being undertaken by Beijing and the aim is to open a window for foreign capital to move inside China. Once it becomes fully operational, the Shenzhen - Hong Kong Connect will allow investors in Hong Kong to buy

Shares in Shenzhen and vice versa. Many view this as a huge test for China's commitment to open up its financial markets to global investors. The second largest economy in the world has been keen to liberalize the capital markets but this has been a very gradual process.

What Does The Shenzhen - Hong Kong Connect Mean For Investors?

Although this is good news for many foreign investors looking to diversify

◀ their portfolio by investing in Chinese companies, there is no doubt many would be wary. The Chinese stock market has seen turbulent times this year albeit it has hold out strong. The clamor for liberalization of Chinese stocks though seems to be bearing fruit. The significance of the Shenzhen - Hong Kong Connect cannot be underestimated if anything, many might just view it as a sign of things to come. The Shenzhen Stock market is largely dominated by high-tech private companies.

Significance of The Shenzhen - Hong Kong Connect

The big question in the minds of many analysts is whether the Shenzhen - Hong Kong Connect will do anything to lift investor sentiment on China or perhaps even lure new investments in Chinese stock markets. In the recent past China has lost economic growth momentum

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while the local currency has largely remained weak. The macroeconomic conditions have however eased in the last quarter of 2016 but that notwithstanding, the Shenzhen - Hong Kong Connect is being viewed as a major turning point.

It will promote access to Chinese markets by global investors and open the stocks to foreign money. In addition to this, optimists feel that such a move would make a strong case for China's inclusion into the MSCI Emerging markets index, an index that is tracked by many global Funds. There is no doubt it's still early days and assessing the full impact

or significance of the Shenzhen - Hong Kong Connect will take time. However, it is clear the Shenzhen Stock market, often referred to as the Chinese Nasdaq is gearing up for global capital.

How To Invest In The Shenzhen Stock Exchange

The window that the Shenzhen - Hong Kong Connect offers to invest in tech-heavy stocks in China is welcome news for many investors. However, the best way to bet on these companies is through a managed portfolio. The JPMorgan China Region Fund is the perfect vehicle for you. The Fund invests in equity securities of companies that are based and derive most of their income in China, Taiwan, Hong Kong, and Macau. You are encouraged to buy its shares on the NYSE under the symbol JFC.