

Great Wisdom: SHFE, CNIA Co-launch Training Session about Nickel, Stannum Futures Trading

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On September 26, the Shanghai Futures Exchange (SHFE) and the China Nonferrous Metals Industry Association (CNIA) co-launched the first “Training Session for Traders of Nickel and Stannum Futures”. Ye Chunhe, Executive Vice President of the SHFE, and Ren Xudong, Executive Deputy Director of the CNIA addressed the session, in which participants were more than 160 representatives of domestic and overseas enterprises of smelting, trading and consumption on nickel and stannum industry chains, including Jinchuan Group Co., Ltd., Yunnan Tin Company Limited and TISCO.

Ye remarked that listing of nickel and stannum futures products would be a key job of the SHFE in developing products in 2014, as it’s now a mature time for this. As China is the world-largest producer and consumer of nickel and stannum, nickel and stannum boast a foundation of spot goods to be underlying assets for futures goods: there’re high marketization degree, abundant price competition, clear-cut policies in the spot market, and strong demand of enterprises. Also, nickel and stannum are mature commodity futures products around the globe. Listing of nickel and stannum futures products in China will contribute to facilitating improvement of pricing mechanism in nickel and stannum markets, building a standardized, transparent, fair and effective platform for hedging trade of enterprises, guaranteeing stability of enterprises’ production and operation, and serving sustainable development of related industries.

Ren commented that the nonferrous metal futures market at the SHFE played an important role in developing nonferrous metal industry; as the most influential metal futures trading platform in China, its international influence is rising. This training session co-launched by the two sides implemented the strategic cooperation agreement between the SHFE and the CNIA, a practical measure to deepen industry service and promote industry development. The CNIA would continue to support and activities in training enterprises and instructing investors provided by the SHFE in a bid to heighten risk management of enterprises and better exert the role of futures market in building China into a power of nonferrous metal industry.

The training session invited nonferrous metal industry experts, key nonferrous metal enterprises and professional market analyzers to share ideas about the influence of futures market on nonferrous metal industry, how enterprises can utilize the futures market, hedging risk management and financial transaction in enterprises, and state of

the art in domestic and overseas nickel and stannum industries. Relevant departments of the SHFE also exchanged ideas about business rules of futures trading and progress in listing nickel and stannum futures products with enterprise representatives, who excitedly uttered their hope for the listing so that their need of avoiding price risk can be catered for. Reports say, with the progression of listing nickel and stannum, the SHFE will give more training sessions of the like, and diversified market training and investor instruction will be targeted at enterprises, futures companies and investors.