



Leading companies are ramping up investments in AI, driving the upward trend of the indices

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Summary

With the strengthening of the domestic technology narrative, the market has shown a pattern of "rising in the East and falling in the West." This week, the three major U.S. stock indices all closed lower, while the A-share market performed strongly. Leading companies have not only achieved significant growth in their performance but have also indicated plans to increase investments in the AI+ sector, demonstrating firm confidence in the long-term prospects of technological innovation. This trend is expected to further drive the expansion of the AI industry chain. Ahead of the Two Sessions, there is an expectation for a recovery in the IM, while the IH and IF are also likely to see some degree of a rebound.

Core Opinion

■ Market Analysis

On the domestic front, the State-owned Assets Supervision and Administration Commission (SASAC) convened a meeting to further deploy the "AI+" initiative for central enterprises. The meeting emphasized that state-owned enterprises should seize the strategic window for the development of the AI industry and prioritize AI development in their 15th Five-Year Plan. It also called for increased capital investment to continuously grow long-term, strategic, and patient capital for AI development. Additionally, the meeting highlighted the need to optimize talent recruitment and cultivation by establishing a more industry-specific talent evaluation system. Internationally, the final reading of the University of Michigan's Consumer Sentiment Index for February in the U.S. came in at 64.7, below the expected 67.8 and the previous reading of 67.8. The one-year inflation expectation remained unchanged at 4.3%, in line with expectations. Initial jobless claims for the previous week stood at 219,000, higher than the expected 215,000 and the revised prior figure of 214,000.

In the spot market, major domestic indices continued to climb this week. The Shanghai Composite Index rose by 0.97% to close at 3,379.11 points, while the ChiNext Index gained 2.99%. Sector performance was mixed, with communications, machinery, and electronics sectors rising over 6%, while coal, media, real estate, and non-ferrous metals sectors lagged. Market trading volume continued to recover, with the average daily turnover on the Shanghai and Shenzhen exchanges reaching 1.88 trillion yuan for the week. Alibaba reported strong earnings, with its cloud revenue achieving double-digit growth in the fourth quarter of last year. The company stated that its investment in cloud and AI infrastructure over the next three years

is expected to exceed the total of the past decade. In the U.S. stock market, as China's technology narrative strengthened, the "East rises, West falls" trend reemerged, with all three major indices closing lower for the week.

In the futures market, the basis mostly converged as the front-month contracts expired on Friday. Activity in stock index futures increased, with open interest rising for the IH and IF contracts.

■ **Strategy:**

Buy IM2506/IH2503.

■ **Risk Factors:**

If domestic policies fall short of expectations, and geopolitical risks escalate, stock index prices may fall.

Stock Market Data

Table 1: Weekly Percentage Change of Domestic Major Stock Indexes

	2025-02-21	2025-02-14	Weekly Percentage Change	Year-to-Date Percentage Change
Shanghai Composite Index	3,379.11	3,346.72	0.97%	0.82%
Shenzhen Component Index	10,991.37	10,749.46	2.25%	5.54%
SZSE ChiNext Index	2,281.51	2,215.30	2.99%	6.53%
CSI 300 Index	3,978.44	3,939.01	1.00%	1.11%
SSE 50 Index	2,682.24	2,660.85	0.80%	-0.09%
CSI 500 Index	6,057.06	5,947.80	1.84%	5.79%
CSI 1000 Index	6,449.23	6,248.83	3.21%	8.25%
STAR 50 Index	1,094.77	1,022.46	7.07%	10.70%
BSE 50 Index	1345.29	1,230.86	9.30%	29.63%

Source: iFind, Huatai Futures Research Institute

Table 2: Weekly Percentage Change of Global Major Stock Indexes

	2025-02-21	2025-02-14	Weekly Percentage Change	Year-to-Date Percentage Change
Dow Jones Industrial Average	43,428.02	44,546.08	-2.51%	2.08%
S&P 500	6,013.13	6,114.63	-1.66%	2.24%
Nasdaq Composite Index	19,524.01	20,026.77	-2.51%	1.10%
Hang Seng Index	23,477.92	22,620.33	3.79%	17.04%
Euro Stoxx 50 Index	5,474.85	5,493.40	-0.34%	11.82%
FTSE 100 Index	8,659.37	8,732.46	-0.84%	5.95%
DAX Index	22,287.56	22,513.42	-1.00%	11.95%
CAC40 Index	8,154.51	8,178.54	-0.29%	10.48%
IBOVESPA Index	127,128.06	128,218.59	-0.85%	5.69%
RTS Index	1,173.12	1,111.00	5.59%	31.34%

	2025-02-21	2025-02-14	Weekly Percentage Change	Year-to-Date Percentage Change
Nikkei 225 Index	38,776.94	39,149.43	-0.95%	-2.80%
Korea Composite Stock Price Index	2,654.58	2,591.05	2.45%	10.63%
Sensex30 Index	75,311.06	75,939.21	-0.83%	-3.62%

Source: iFind, Huatai Futures Research Institute

Table 3: Valuation of Major Stock Indexes

	PE			PB			ERP		
	Current Value	Percentile	Weekly Change in Percentile	Current Value	Percentile	Weekly Change in Percentile	Current Value	Percentile	Weekly Change in Percentile
CSI 300	12.92	0.67	0.6	1.32	0.32	0.24	6.02	0.76	-0.19
SSE 50	11.09	0.75	0.49	1.18	0.38	0.27	7.30	0.54	-0.31
CSI 500	29.33	0.89	0.67	1.90	0.53	0.43	1.69	0.52	-0.35
CSI 1000	39.48	0.74	0.57	2.20	0.3	0.25	0.82	0.88	0

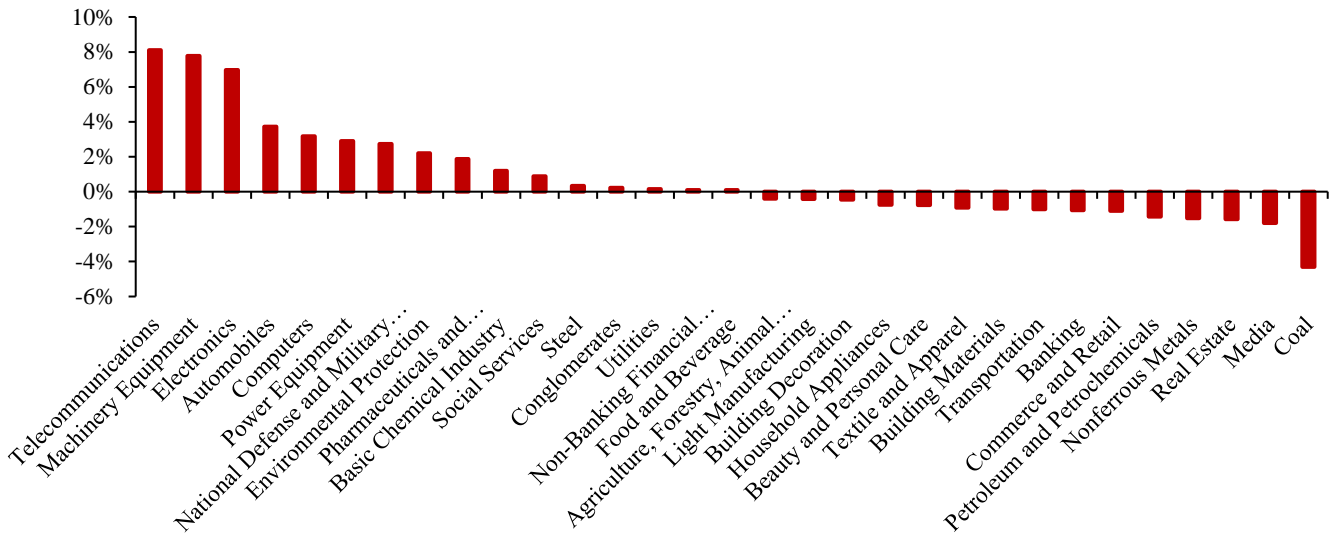
Source: iFind, Huatai Futures Research Institute

Table 4: Sentiment Indicators of Major Stock Indexes

	Trading Volume			Turnover Ratio		
	Current Value	Percentile	Weekly Change in Percentile	Weekly Average Value	Percentile	Weekly Change in Percentile
CSI 300	688.29	0.64	-0.31	0.62	0.54	0.08
SSE 50	166.46	0.68	-0.26	0.37	0.31	0.06
CSI 500	621.20	0.53	-0.37	1.98	1.98	0.00
CSI 1000	709.14	0.52	-0.26	3.11	3.14	-0.03

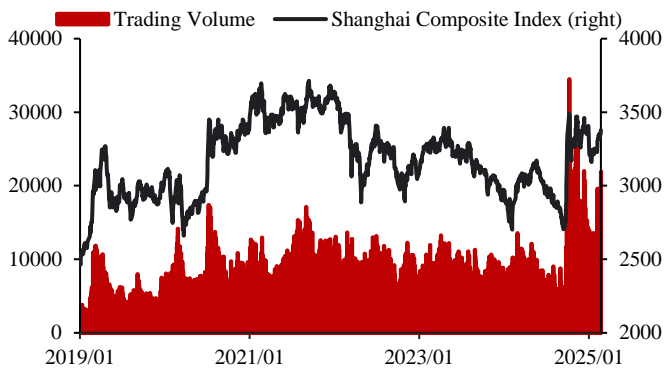
Source: iFind, Huatai Futures Research Institute

Fig 1: A-shares Industry Weekly Percentage Change | Unit: %



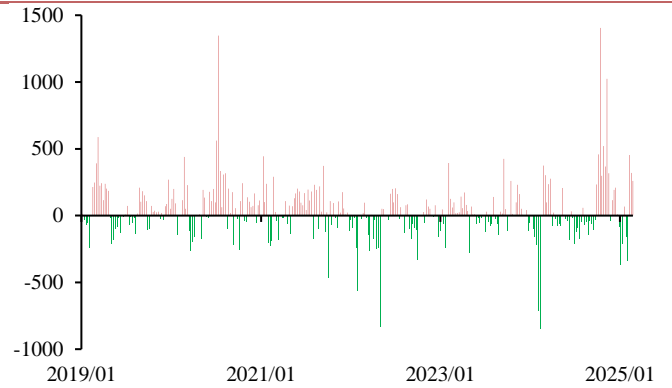
Source: iFind, Huatai Futures Research Institute

Fig 2: Trading Volume of Shanghai and Shenzhen Stock Exchanges | Unit: 100 million



Source: iFind, Huatai Futures Research Institute

Fig 3: Weekly Changes in Margin Financing Balance | Unit: 100 million



Source: iFind, Huatai Futures Research Institute

Stock Index Futures Market Data

Table 5: Weekly Open Interest and Trading Volume of Stock Index Futures

	Trading Volume			Open Interest		
	Current Value	Percentile	Weekly Change in Percentile	Current Value	Percentile	Weekly Change in Percentile
IF	666,121	0.79	0.14	284,093	0.96	0.00
IH	325,533	0.72	0.17	113,151	0.60	0.03
IC	566,682	0.71	0.15	224,277	0.21	-0.03
IM	1,366,620	0.90	0.04	337,916	0.88	-0.05

Source: iFind, Huatai Futures Research Institute

Table 6: Stock Index Futures Basis (Futures - Spot)

	Current Month Contract Basis		Next Month Contract Basis		Current Quarter Contract Basis		Next Quarter Contract Basis	
	Current Value	Percentile	Current Value	Percentile	Current Value	Percentile	Current Value	Percentile
IF	-4.64	48%	3.16	75%	-12.64	63%	-56.44	46%
IH	-1.04	48%	7.56	81%	8.16	74%	-27.04	48%
IC	-8.86	57%	-28.26	66%	-141.06	38%	-237.06	42%
IM	-7.23	60%	-50.23	38%	-195.63	4%	-329.23	1%

Source: iFind, Huatai Futures Research Institute

Table 7: Calendar Spread of Stock Index Futures

		IF	IH	IC	IM
Next Month - Current Month	Current Value	7.80	8.60	-19.40	-43.00
	Percentile	92%	98%	69%	18%
Current Quarter - Current Month	Current Value	-8.00	9.20	-132.20	-188.40
	Percentile	67%	83%	33%	1%
Next Quarter - Current Month	Current Value	-51.80	-26.00	-228.20	-322.00
	Percentile	48%	47%	40%	1%
Current Quarter - Next Month	Current Value	-15.80	0.60	-112.80	-145.40
	Percentile	47%	62%	24%	0%
Next Quarter - Next Month	Current Value	-59.60	-34.60	-208.80	-279.00
	Percentile	35%	32%	33%	0%
Next Quarter - Current Quarter	Current Value	-43.80	-35.20	-96.00	-133.60
	Percentile	20%	11%	49%	2%

Source: iFind, Huatai Futures Research Institute

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