

DATA INSIGHT

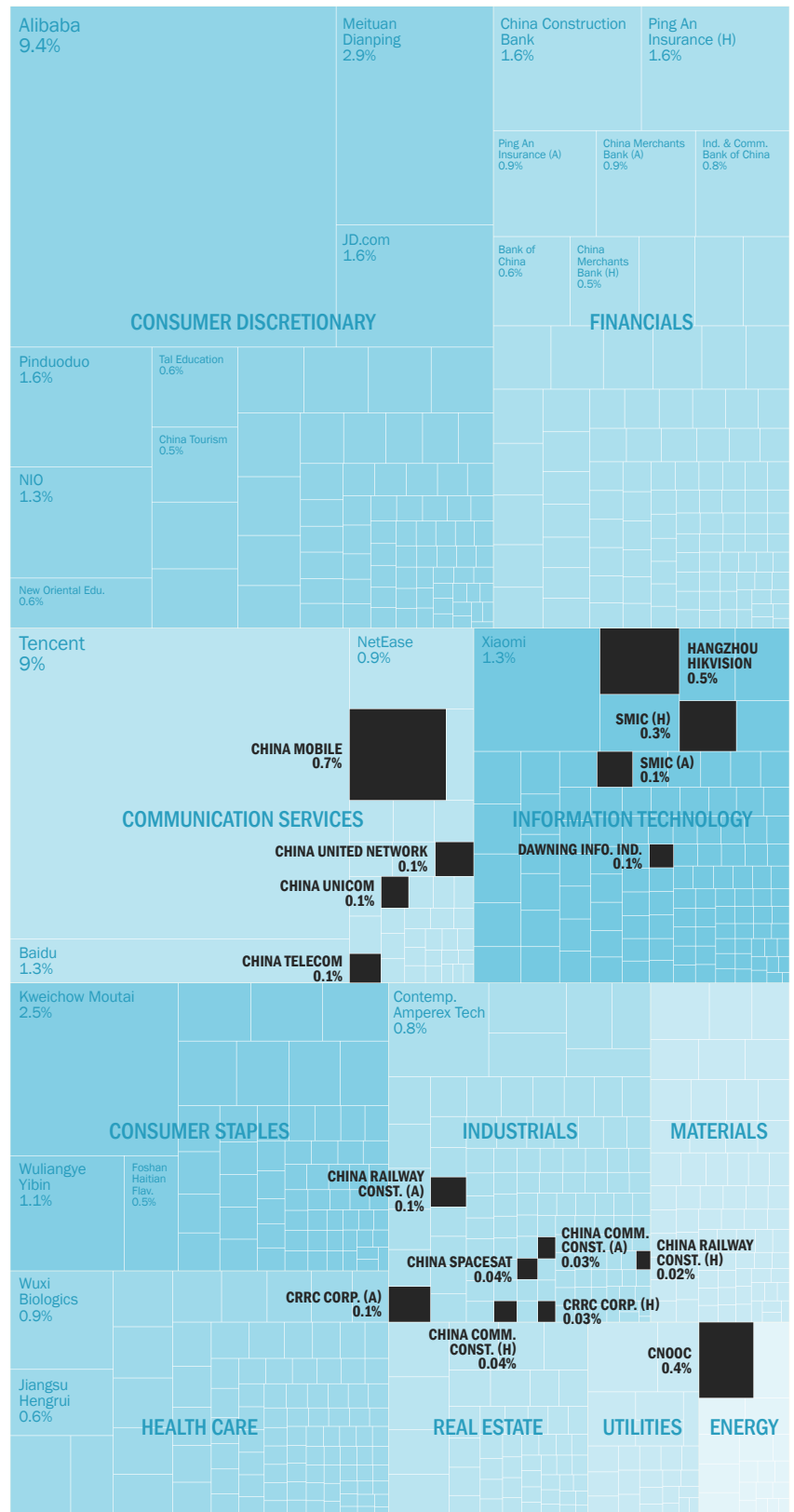
Executive Disorder: Mapping the US ban on Chinese stocks

Last November, the Trump administration announced a ban on US investors holding Chinese stocks with suspected military links. With little initial guidance on which stocks were covered by the ban, investors were at first left guessing as to how their portfolios would be affected. Over the last few weeks, however, updates from the Treasury and moves by index providers to drop offending stocks have gradually filled in the blanks, leading to an emerging picture of the executive order's impact on major benchmarks. Despite some big names, like China Mobile and CNOOC, falling on the US government's blacklist and grabbing headlines, the overall weight of banned stocks at the beginning of 2021 was relatively modest, totaling less than 3% of weight in the average China investor's portfolio, and concentrated among telecom shares, IT stocks, and industrials.

This chart is for informational purposes and should not be relied upon for investing decisions. The banned stocks herein may be incomplete, and additional stocks may be banned in the future. Please consult a legal professional before determining specific banned securities.

Source: Rayliant Research, Bloomberg, US Treasury. The average China investor's portfolio is assumed to track the MSCI China All Shares Index. Banned stocks taken from US Treasury list as of January 8, 2021. Cells sized in proportion to their index weight as of December 31, 2020, and stocks with weight of at least 0.5% labeled.

The Average China Investor's Portfolio (as of 8 Jan 2021)



■ Denotes stocks banned under US executive order