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# How to Trade the China A50 With City Index For Your Investment Portfolio Exposure

COVID-19 and other issues disrupted China's economy, but the Red Dragon has bounced back. Its leading stock index, the FTSE-Xinhua China A50 Index, is starting to reflect this as well. Here's why it might be time to invest in China, and how you can do so with City Index.



by [ValueChampion Editorial Team](#) on Jul 3, 2024



China's growth graced headlines for decades as it charged all the way up to become the [world's second largest economy](#). Although the COVID-19 pandemic, geopolitical concerns,

and local issues affected the Chinese economy in recent years, it rebounded well. What's more, its [GDP growth in 2023 was 5.2%](#). This is almost double what it recorded in 2022.

The equity market in China took on a similar trajectory, experiencing a downturn as [nationwide regulatory reforms](#) were implemented from 2021 onwards. On the bright side, this weeded out bad actors in the property sector and other industries. In 2024, China's stock market started to follow the lead of its economy and is seeing the shoots of recovery.

Nowhere is this more evident than in the [FTSE-Xinhua China A50 Index](#), or China A50 Index for short. Launched in 2003, this index consists of the top 50 A Share companies on the Shanghai and Shenzhen stock exchanges. Considering that China's economy and stock market are bouncing back, is this a signal to start investing in them? Let's find out.

## What Have Experts Predicted for China's Economy?

Year	China's GDP
2023	US\$17.66 trillion
2024	US\$18.53 trillion (projected)
2025	US\$19.79 trillion (projected)
2026	US\$21.03 trillion (projected)
2027	US\$22.28 trillion (projected)

Source: [International Monetary Fund](#)

According to the International Monetary Fund's (IMF) forecasts, China's GDP is set to surpass the US\$20 trillion milestone in two years. And in 2027, its GDP will rise above US\$22 trillion.

Bloomberg went a step further with these forecasts, calculating that [China will contribute the most to global growth](#) from this year to 2029.

Nicolas Aguzin, the former CEO of the Hong Kong Exchanges and Clearing Limited, concurs. In a [January 2024 article for the World Economic Forum](#), he declared he was optimistic about China in the long term because of its status as an innovation and green technology leader. He also cited the strength of China's equity and bond markets.

Speaking about Chinese stocks, the recent rally and decrease in sell-offs have prompted top banks like Goldman Sachs, UBS, and BNP Paribas to [raise their forecasts](#). Goldman Sachs also added that valuations for A shares have the [potential to rise as high as 40%](#) should China's stock market reforms succeed.

## Why Should You Trade the China A50 Index on City Index?

### Live Pricing: China A50 Index

Track the latest moves with our live pricing ticker. Go long or short and plan your China A50 trading strategy.



China's resilience, comeback, and glowing economic forecasts are encouraging signals for investors looking to deploy or even re-allocate their capital to the country. Additionally, Chinese stocks are recovering too, as mentioned earlier. To highlight this, the China A50 Index trended upward across most of the second quarter of 2024.

Although it pulled back from late-May to late-June, it's starting July strong and is recovering quickly.

City Index's China A50 contract for difference (CFD) opened trading at **11,850 points** on 1 March. On 2 July, it started the session at **12,108 points**, representing a 2.18% increase in four months.

For reference, here's how the index's top three constituents performed during that same period of time:

- Kweichow Moutai: CNH1,685.06 > ~CNH1,494 (-11.34%)
- Contemporary Amperex Technology: CNH164.55 > CNH176.15 (+7.05%)
- China Merchants Bank: CNH31.94 > CNH35 (+9.58%)

If you believe the time is ripe to trade the China A50 Index and capitalise on the increased optimism, here's why you should do it on leading CFD and forex provider [City Index](#):

1. Ultra-tight spreads starting from only **7 points**. Enjoy maximum value from every China A50 CFD trade you make.
2. China A50 Micro CFDs are also available on City Index, meaning you can enter the market with a lower cost and a lower margin.
3. Take advantage of trading opportunities no matter where you are, whether through City Index's mobile app or browser-based trading platform Web Trader.
4. Enjoy gaining exposure to the largest and most influential Chinese companies across various sectors.

Trading the China A50 CFD on City Index [grants you more flexibility](#) as compared to investing in an ETF tracking it. Because you're only speculating on price movements and not holding the underlying asset, you can profit even in a falling market. What's more, you'll have access to leverage, letting you open a larger position with a relatively small capital output.

That's not all. If you sign up and start trading on City Index by 31 July 2024, you can enjoy [up to S\\$388 cashback on your first trades](#), with **no minimum trading volume** required! Here's how you can get started in a matter of minutes.

# A Step-By-Step Guide to Trading the China A50 Index on City Index

## 1. Register for an account



### Account Information

Create your account quickly and easily in minutes

[Log in](#) to complete a started application

#### Why we need your information:

- We have to verify your location under Anti Money Laundering (AML) laws
- Please be assured these details won't be shared – they are purely for verification
- Once we receive this information, you can start trading with us

Country of Residence

How would you like to proceed?

- ✓ Powerful platforms across multiple devices
- ✓ Over 40 years' experience in CFD and FX trading
- ✓ Segregated funds with secure payments and withdrawals
- ✓ Part of a NASDAQ listed company StoneX Group Inc (NASDAQ: SNEX)
- ✓ Regulated by the Monetary Authority of Singapore (MAS)

#### Recommended

#### Apply with Myinfo

The **quickest way to apply** with no need to provide ID documents. Apply using Myinfo and you could be **trading in minutes**.

**singpass**

Myinfo allows Singpass users to complete online forms by retrieving their data from verified government sources. Find out more [here](#)

You only need to complete four quick steps when you're signing up for a City Index account: Enter your personal details, residential address, a set of additional information, and review

your application. Applying via Singpass Myinfo ensures your account is ready to go in just seconds.

If you'd like to practise and test out your trading strategies in a no-risk environment first, you can even [open a demo account](#) that's loaded with US\$20,000 in virtual funds. Once you're ready to start trading the China A50 CFD and a wide range of assets across five markets, simply upgrade your account to a live one.

## 2. Fund your account



### Account Funding

Please select an option from the menu below:

[Add funds >](#)

[Withdraw funds >](#)

[Add payment method >](#)

[Remove payment method >](#)

We offer a range of payment methods to enable you to deposit funds to your account, including debit/credit card, PayNow, internet banking and wire transfer. Select 'add funds' to explore the full range of options. You can find further details on our supported payment methods below.

#### DEBIT/CREDIT CARD

For deposits made by debit or credit card, please note the following:

You can easily fund your City Index account through [five different methods](#):

1. Credit/debit card
2. PayNow
3. Internet banking/FAST transfer
4. Bill payment
5. Wire transfer

You can start trading with **as little as S\$150**, but City Index recommends an initial deposit of S\$2,500 to start trading the China A50 CFD.

### 3. Make a trade



Trading the China A50 CFD on City Index is straightforward and seamless:

1. Once you're on the **China A50 CFD** page, hit **Trade**
2. Decide if you want to open a long position (**Buy**) or a short one (**Sell**)
3. Enter the number of contracts you wish to trade

4. Specify your order type
5. Fine-tune your trade with a stop loss and/or take profit level
6. Review your trade's details and place your order

And remember, with City Index's various platforms, you have the power to trade the China A50 CFD wherever you are in the world. From its intuitive mobile app for [Android](#) and [iOS](#) to the browser-based Web Trader platform, you'll never miss out on an opportunity in the markets.

## In Closing

With China's economy and equity market finding their groove in tandem again, a world of trading opportunities is opening up for you. International organisations and the world's top banks are optimistic about this global economic giant's prospects from 2024 onwards, and they have good reason to be.

When it comes to the China A50 Index, there's no better place to trade it than on City Index. While you ride the wave of the index's current momentum, it's also equally easy for you to pounce on short-term dips whenever other traders exit from the market to secure their profits.

Register for your City Index account by 31 July and enjoy **up to S\$388** in cashback on your first trades right away!

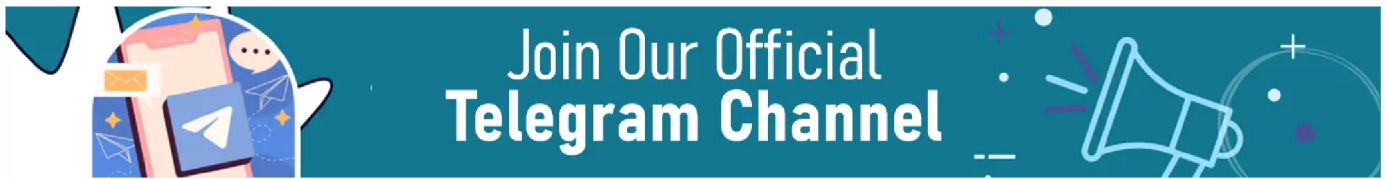
[Start trading the China A50 CFD with an ultra-thin spread of just 7 points now.](#)

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