



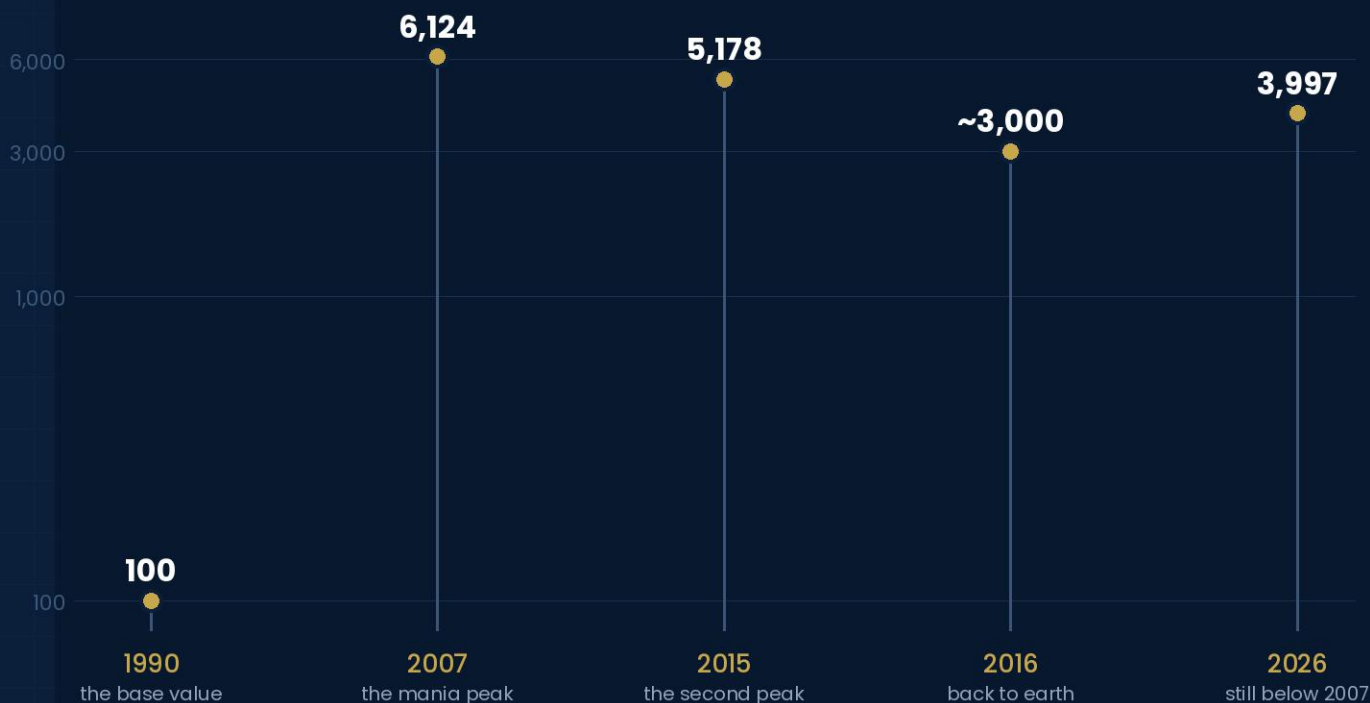
THE COMPLETE
TRADER'S Edge
FRAMEWORK · MIND · METHOD · MONEY

CTE RESEARCH SHEET · No. 09

The Markets of China

The Booming Economy Whose Market Went Nowhere

THE SHANGHAI COMPOSITE · KEY MILESTONES



Verified milestone values, log scale. Not a continuous price path.



Inside: the full timeline, the recurring lessons, and the key numbers.



The Timeline

A MARKET REBORN · 1990-2000

- **1990** The Shanghai exchange reopens; Shenzhen is founded
- **1990** The Shanghai Composite begins at a base value of 100

THE GREAT BOOM · 2001-2007

- **2001** China joins the WTO; foreign capital pours in
- **2007** Retail mania drives the index to an intraday 6,124 on 16 October

THE CRASH AND THE GHOST · 2008-2014

- **2008** The financial crisis cuts the index by roughly two-thirds
- **2014** A new government-cheered rally begins to build

THE 2015 MANIA · 2015-2016

- **2015** A margin-fuelled frenzy peaks near 5,178 in June
- **2015** A 30% crash in three weeks; 1,000+ firms halt their shares
- **2016** The index settles back around 3,000

THE LONG RANGE · 2017-2026

- **2020s** A retail-driven, state-managed market grinds in a wide band
- **2026** Near 3,997 in July, still well below the 2007 peak

1990



The Recurring Lessons

- 1 The economy is not the market.**
China's GDP multiplied while its index fell for two decades.
- 2 An index can go nowhere for years.**
"It always recovers" is a hope, not a plan.
- 3 Know who you trade against.**
A retail-driven market moves in stampedes, up and down.
- 4 Policy is a permanent variable.**
One announcement from Beijing can outweigh any earnings report.
- 5 Margin turns corrections into crashes.**
Borrowed money forced the 2015 cascade.
- 6 Survival comes before the macro story.**
You can be right about growth and still be ruined.
- 7 Every market is a crowd.**
Banyan, buttonwood or Shanghai, it runs on fear and greed.

"Do not fear going slow; fear standing still."

— Chinese proverb

THE TRANSFORMATION

6,124 → **unbeaten**

The 2007 peak the Shanghai Composite has not reclaimed in 19 years.

6,124

the 2007 peak, still standing

1990

the year the market reopened

2nd

largest stock market on earth