

CHINA | UP AND DOWN WALL STREET

## China's Stocks Have Fallen for Three Years. Are They Finally Ready to Rally?

By [Randall W. Forsyth](#) [Follow](#)

Feb 02, 2024 12:57 pm EST

...



The long stretch of losses at the Hong Kong stock exchange, housed in this complex, recalls what the U.S. suffered from 1929 through 1932. PAUL YEUNG/BLOOMBERG

As families and friends gather for the holiday, starting Feb. 9, Beijing doesn't want stock market losses to be a major topic of conversation, writes strategist Neo Wang of Evercore ISI in a recent

note. To that end, the People's Bank of China announced a larger-than-expected cut in [banks' required reserve ratio](#) [↗](#) on Jan. 24, with an additional reduction forecast by Wang for the next policy meeting on March 5. The cut is aimed at catalyzing a turn in bearish sentiment around the New Year's holiday, according to

...

But sentiment remains about as downbeat as can be, despite reports that authorities are considering a package to bolster the stock market totaling some two trillion yuan (almost \$280 billion). That's not just among Chinese domestic investors—that negativity is shared around the world. According to Bank of