

Financial Meltdown? China Halts Trading For The Entire Day After Another 7% Crash

By [Zero Hedge](#)

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Region: [Asia](#)

Theme: [Global Economy](#)

*CHINA STOCKS HALTED FOR REST OF DAY AFTER CSI 300 TUMBLES 7%



Happy New Year...



Chinese traders are unhappy:

- Circuit breaker may be triggering “herd effect” and intensifying panic, investors may accelerate selling after 1st trading halt as they seek liquidity: Galaxy Sec. strategist Sun Jianbo
- “There seems to be considerable anxiety in the mkt with investors selling as a preventive measure,” Shenwan Hongyuan Group director Gerry Alfonso
- Investor confidence is on “shaky ground” due to negative factors incl. sharp depreciation in yuan, oil price slump and overnight losses in overseas equity mkts: Central China Sec. strategist Zhang Gang
- Threshold being hit too easily in China, adding “liquidity fears” in mkt: Catherine Cheung, Head of Investment Strategy & Portfolio Advisory at Citibank Global Consumer Banking

Crude crashes to a \$32 Handle...



Gold just surged to \$1100...



The entire Chinese stock market has been halted on half the trading days in 2016

The punishment will continue until The Fed unleashes QE4!!

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*CHINA STOCK SLUMP TRIGGERS TRADING HALT AS CSI 300 FALLS 5%



US Equity markets are tumbling...



And USDJPY is in free-fall...



Someone just stepped into support the Offshore Yuan...



As we detailed earlier:

Following the collapse of offshore Yuan to 5 year lows and decompression to record spreads to onshore Yuan, The PBOC has stepped in and dramatically devalued the Yuan fix by 0.5% to 6.5646. This is the biggest devaluation since the August collapse. Offshore Yuan has erased what modest bounce gains it achieved intraday and is heading significantly lower once again. Dow futures are down 100 points on the news.

PBOC fixes Yuan at its weakest since March 2011... with the biggest devaluation since August



And Offshore Yuan collapses...



This all has a worrisome sense of deja vu all over again... We have seen this pattern of money flow chaos before... Outflows surge from China, send liquidity needs spiking, which bleeds over into Saudi stress (petrodollar?), causing unwinds in major equity markets (thanks to deleveraging of carry trades) in China and then US stocks...



Chinese stocks are opening down hard:

- *SHANGHAI COMPOSITE INDEX FALLS 4.01%
- *SHANGHAI COMPOSITE EXTENDS DROP TO 10% BELOW DECEMBER HIGH
- *HANG SENG CHINA ENTERPRISES INDEX FALLS 3.03%
- *CHINA CSI 300 INDEX FALLS 4.05%



Hold your breath. Dow futures plunged 100 points on the news...



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