Study on the investment choice of China's pension market—Based on the analysis of stock investment strategy

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Abstract: This paper studies Chinese pension market investment, the analysis of stock investment holdings based on the strategy of choice, starting from China's pension market investment opportunities, combined with China's pension market investment choice theory, to discuss the pension equity investment ratio influencing factors. Then, this paper will be based on statistical and econometric analysis pension fund stock investment, stock investment holdings of pension in China is put forward specific strategies. I hope this study can provide reference for Chinese citizens to pension strategy use.

Keywords: China's pension; investment in the market; stock investment; overweight strategy

Introduction

With the development of Chinese aging population trend accelerated, pension pressure continuously in our country. As an important resource of the old-age pension fund, pension fund has appeared slow growth, low income growth phenomenon. In this regard, China's human resources department, social security and other departments, the drafting of the basic pension fund investment management and decided to start the pension fund investment market reforms. From the beginning of 2017, the pension fund entering the market will gradually expand from the initiatives and work. Under this background, the analysis of stock investment strategy based on China holdings, increase the pension market investment is of great significance.

1. The opportunity choice of China's pension investment

In China, local government pension on the basis of unified management, and only allowed to be deposited in a bank, or used to purchase treasury bonds. Obviously, the pension investment is relatively single income amount is within certain limits. From the beginning of 2012, the Guangdong Provincial People's government for the reform in the ways of using the pension funds. The part of the basic pension for employees of the enterprises in the province of [1], capital, a total of 100 billion yuan of funds entrusted to the Council of national social security fund investment management. The reform measures for local government pension investment management will create a precedent. Until 2014, the Guangdong Provincial Commission Money, income 17 billion 700 million yuan, to achieve the.2015 value, the balance of funds
pension investment operations has been approved by the State Council, the basic investment management of basic pension has been introduced into the city, the pension has a good prospect. The city has a large pension is necessary. On the one hand is because of China's population factors with the trend of aging, improve the number of pension demands increase, face to pension transition pressure, in addition, under the new economic normal, limited government and financial subsidies, to expand investment channels for the way of lifting pension benefits. Now, pension facing devaluation risk In order to maintain and increase the value, we must take measures to cope with the pressure of balance of payments, and ensure the security and profitability of the pension. The most effective measure in this regard is to invest in the reform of our pension fund.

2. The theory of pension investment in China

According to the relevant policies and institutions of the pension market investment choice, combined with the theoretical analysis of investment risk control, put forward specific requirements are as follows. First, the social investment fund the general principles and concepts of, on the one hand, the social pension fund investment operations, to be safe, and the return flow is the premise of safety investment is on. The risk averse behavior, to the maximum extent, and to ensure full recovery. Profitability requirements, refers to the basis of ensuring the safety of maximizing the investment income of the fund. Liquidity refers to the investment asset depreciation to timely cash. On the other hand, the social pension fund investment should follow the value of the investment, The basic idea of responsible investment, long-term investment. The investment is, should be to measure the value of investment, pension investment should not be through internal news on the stock market manipulation, in addition, investment should not be speculation as the main purpose, should take a responsible attitude, play the exemplary role, promote the healthy development of China's economy. Finally, the pension fund investment in the market should not pay too much attention to short-term profits, to the long-term view, in order to stabilize the long-term benefits as the ultimate goal of investment market.

3. Pension stock, investment proportion, influence factor

Influence factors of pension stock investment proportion includes the following aspects: first, negatively related to asset liability and ownership. The asset liability ratio can reflect the level of corporate debt, the greater its value, on behalf of the enterprise investment scale is larger, its liquidity and ability to pay more. Social pension on the high debt ratio of enterprise ownership self-examination the proportion of control, with security of the pension market investment. Second, the rate of return on net assets and the shareholding ratio of, was positively associated with higher the value the greater the representative of the profitability of enterprises, social pension on the profit of listed companies with higher average holdings, the value investment philosophy. Three, has a negative correlation with total equity stake. Small equity compared with the stock market enterprises, has a large space for development, the performance will be steady growth in the pension fund market has a higher valuation. Fourth, social pension equity relative dispersion, equity balance degree higher. The ownership structure of listed companies of this kind of enterprise multiple the decision has stability, social pension, the average stake high. Fifth, the social fund for non state-owned listed companies, the average stock holding a high proportion of large shareholders. The non state-owned enterprises, will actively participate in the enterprise management, the enterprise has a good long-term incentive mechanism, to create more value. Sixth, for the quarter Positive correlation with rate of hand stake. High turnover stocks are more active, with higher liquidity, can reduce transaction cost. In addition, the high exchange rate means that the rise in popularity, space
is large. The higher the average proportion of social endowment insurance fund holdings of stock turnover.

4. Statistics and econometric analysis of pension stock investment

Statistical and econometric analysis of pension equity investment are as follows: first, the social pension fund investment in the market, more emphasis on the small proportion of the industry, and will be the largest holding. In the stock market is not optimistic about the situation, the degree of concentration of ownership will be higher. Second, several industry's largest proportion of social funds in the market value of positions. Includes a plurality of cyclical industries. Such as food, transportation, bio medicine, etc. in order to make the public pension funds to achieve safety and profitability, need to choose the industry cyclical trend better, and in the most appropriate time, enhance the income maximum. Third, social pension fund investment in the market, need To uphold the value investment idea, the trend of the stock market has a more accurate judgment. Fourth, from the fundamental indicators, social pension fund mainly Chinese assets by income index, social pension market investment, will generally choose high roe business, also need to pay attention to the asset liability ratio is not too high fifth, from the size and nature of equity, social pension funds tend to small solid this, non state-owned listed enterprises, the higher the shareholding ratio of sixth. The average, from the perspective of social equity, equity balance degree higher pension investment preference of listed companies.

5. China's pension stock investment holdings strategy

5.1 enhancing the timing of pension investment markets

Pension Fund Investment Holdings has the market selection ability. In order to make the social pension investment operations comply with the safety, profitability, and enhance market timing ability of pension fund investment, capital holdings strategy first. To enhance the market timing ability of pension investment needs to make efforts in two aspects. First, to actively to the social security management staff pension guide to establish a long-term investment concept, and value and the identity of the pension fund investment. On this basis, to enter the market constantly optimize the investment structure of pension investment agreement. Careful audit regulations, increasing the humidity due credit and other investment products, which will ensure the pension Gold has fixed income. In addition, in order to ensure the stock investment holdings, need to choose the optimal industrial investment project, maintain stock investment concentration, play to their initiative. At the same time, to further promote the steady overseas investment. In second, the social pension funds in the process, to invite the professional fund investors, on the economic situation and at that time, the market trend of scientific judgment, on the basis of social pension, timely investment market adjustment, the pension can get a reasonable investment project, strengthen the social pension fund stability, and on the basis of value and growth.

5.2 Establish a scientific pension investment operation internal control system

The establishment of the pension investment operations of internal control system of science, the need to establish and improve the internal control process of the whole investment. The whole internal control process including investment stage, investment in the investment stage, after the stage. For the investment stage, the trustee has the right to decide the investment type, such as direct investment and investment choice, and the proportion of investment choice. At this stage, but also to develop good investment operation implementation. For managed enterprises and investment
management institutions and enterprises to choose, be careful and prudent. For depository institutions and enterprises, their duties to ensure safe custody. For social pension investment management institutions, shall To build a good internal governance structure, and risk management system. And in accordance with the provisions of the investment management, and the relevant regulations of the contract, to fund combination and management of the project. In the final stage of investment, to strengthen the supervisory role of the entrusted dimension especially, custodian and investment management institutions, to intensify supervision trustee. Parties shall provide information to the client and investment, including investment income value. The management institutions and investment management institutions should cooperate with the entrusted party supervision and information inquiry.

5.3 Improving the external governance mechanism of pension stock investment operation

Improve pension stock investment operation external governance mechanism, but also to ensure that one of the holdings of stock investment strategy in China. To enhance the pension pension stock investment operation mechanism of external corporate governance needs to be done in the following aspects: first, improve the external governance mechanism of social endowment insurance fund investment, according to the client, trustee, responsible investment management institutions, the establishment of a unified and feasible the system of laws and regulations. Secondly, to establish and improve the information disclosure mechanism, information disclosure for social supervision. The entrusting party according to law summary investment in order of social pension, will summarize the good investment return of the fund information report, these data will be announced to the public. Under the supervision and protection of the relevant departments of the state. The local government should play the role of administrative guidance, the self-discipline to play an exemplary role. The role to adapt to the market management basis and regulation and supervision of public opinion, to adapt to social governance, do a good job, for the social pension fund investment operation, to create a good fund investment market operation environment.

Conclusion

Pension is an important resource for the broad masses of the people in our country. In order to realize the diversification of pension fund investment, to maximize the real pension benefits, the need to adhere to the principle of safety, take effective measures to protect China's pension investment in the stock holdings. This paper China pension market investment choice, is the analysis of stock investment holdings based on the strategy, starting from China's pension market investment opportunities, combined with China's pension market investment choice theory, influencing factors on pension equity investment ratio is discussed. Then, according to statistical and econometric analysis of pension equity investment, put forward several points of our country The stock of pension investment holdings of specific strategies. First, enhance the market timing ability of pension investment; second, the establishment of pension investment operations scientific internal control system; third, improve pension stock investment operation of external governance mechanism. I hope this study can provide a reference for our citizens to pension strategy use value at the same time provide clues to explore the pension fund market investment opportunities.

Reference

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