

实用职业英语系列丛书
PRACTICAL ENGLISH FOR GRADUATES

FINANCE ENGLISH



胡志勇 主编

金融英语



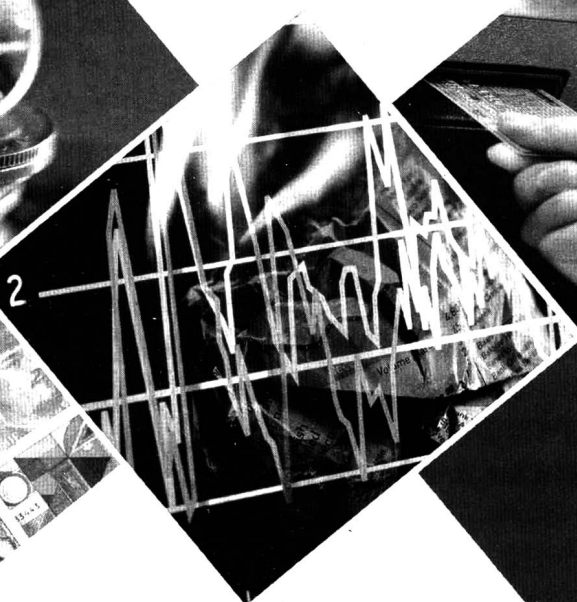
上海科学技术文献出版社

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图书在版编目(CIP)数据

金融英语 / 胡志勇主编. - 上海: 上海科学技术文献出版社, 2009.1

(实用职业英语丛书)

ISBN 978 - 7 - 5439 - 3751 - 2

I. 金… II. 胡… III. 金融 - 英语 - 自学参考资料
IV. H31

中国版本图书馆 CIP 数据核字 (2008) 第 180934 号

责任编辑: 何兰林

封面设计: 何永平

金 融 英 语

胡志勇 主编

★

上海科学技术文献出版社出版发行

(上海市长乐路 746 号 邮政编码 200040)

全国新华书店经销

上海教育学院印刷厂印刷

★

开本 787×1092 1/16 印张 17.5 字数 425 000

2009 年 1 月第 1 版 2009 年 1 月第 1 次印刷

ISBN 978 - 7 - 5439 - 3751 - 2

定价: 25.00 元

<http://www.sstlp.com>

《实用职业英语》丛书编委会

策 划 胡志勇 苏 欣

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学术秘书 吴秀芝(兼)

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序

Introduction

为了给刚走出校门的大学毕业生提供一种实用、专业的符合本行业特点的英语教材,在国内相关院校的支持下,经过各位编委的共同努力,我们专门编撰了这套《实用职业英语》系列丛书。它是相关专业的职前培训推荐教材,本套丛书的主旨是为他们走上工作岗位提供一套专业性强、相对较为实用的职前培训教材,通过对本套丛书的学习,有利于已经具备一定专业基础的人员在较短时间内迅速掌握本专业的英语本领,为其早日顺利地开展对外业务打下扎实的英语基本功。

本套丛书第一批暂出六个分册,分别是:会展、物流、新闻、外贸、金融、法律。第二批和第三批将陆续推出,以满足不同专业读者的需要。

本套丛书具有以下几个特点:

一、实用。本套丛书以实际应用为宗旨,简化语法点,系统介绍本专业相关的背景知识,所选的材料以提高读者的实际运用英语水平为目标,以大量的案例、票据等材料为基础编写,每册分为15~18个Unit,每个Unit又分为:Text、Notes、Background、Study四个部分。

二、职业性强。本套丛书所编选的材料新、专业性强。

三、针对性强。本套丛书的课文专门按专业来编写,以讲解分析专业英语为主,突出解析本学科的重点、难点、疑点问题;Question和Dialogue紧扣Text,针对性强;图文并茂;所编选的材料注重时效性、科学性和客观性。

本套丛书由胡志勇同志提出编写思想、设计编写思路、制定详尽的编写体系,并具体指导和领导了各分册的编写工作。在编写过程中,得到了复旦大学、上海交通大学、上海外国语大学、华东师范大学、同济大学、上海财经大学等院校和上海科技文献出版社的支持和帮助。

参加本套丛书编写的人员大多是上海地区高校从事外语教学工作多年的优秀骨干,教学经验丰富,但恐于时间和水平有限,书中难免还有不妥之处,敬请英语界专家同仁和广大读者批评指正。

《实用职业英语》系列丛书编委会

2008年5月

中国加入 WTO 之后,国际金融越来越成为经济生活中一个不可或缺的部分。国际金融也不再只是专业从事国际金融业务人士、或者只是理论研究者所关注的问题,而是变成了平民百姓所关注的问题。

本书系《实用职业英语》系列丛书之一,在编写结构上,以 WTO 作为讨论的中心,围绕此中心展开,介绍当前国际金融以及 WTO 的概况,将 WTO 的介绍与国际金融的发展相结合。本书分为三个部分:银行货币金融、宏观汇率国际金融和微观投资财务金融。以最新实用的英语材料为基础编写;以讲解分析专业英语为主,突出解析本学科的重点、难点、疑点问题;以拓宽读者知识面、迅速提高其专业英语水平为目标;以实际应用为宗旨,简化语法点,系统介绍本专业相关的背景知识;为了保持所选材料的客观性,从网上或原版英语图书中选编,但为了避免版权纠纷,编者对所选材料进行了适当的补充与删改。

本书在结构上面,一共有 18 个单元。

首先在 1 单元中,介绍金融的总体概况与历史,以便读者对于金融有一个整体的了解,把握整本教材的脉络与思路。

在第一部分银行货币金融中(2~4 单元),介绍货币的历史;介绍利率、货币的类型 M0、M1、M2 等等;介绍中央银行与商业银行之间的关系、历史与作用;介绍世界银行、亚洲开发银行等国际货币市场,以及国际借贷。

然后第二部分宏观汇率国际金融中(5~11 单元),介绍汇率报表、汇率与国际竞争力;介绍国际收支平衡表的结构与分析;介绍国际储备的意义与作用;介绍国际货币基金组织与国际货币体系;介绍外汇市场、欧洲货币市场;介绍远期外汇、外汇期货、外汇期权。第三部分微观投资财务金融(12~18 单元),介绍公司金融、风险与价值,包括投资、融资、股息等决策;介绍会计与财务分析及基本原理;介绍债券与股票市场、股票与股票市场、共同基金;介绍保险;介绍接管、兼并、买下。

《国际金融英语》的教材有很多,各有特色。本书希望能够把国际金融实务与国际金融理论、背景、历史的介绍相结合。本书可作为大学低年级经济金融类学生的专业外语教材;也可以作为大学非经济金融类学生的公共选修课教材,作为大学公共选修课程的双语教学的教材。

本册由蔡晓月主编,杨峰光为副主编,参加编写的还有:蔡学海、蔡凌月、顾美冲、刘玲娣、邬春夏、杨春生等。

本套丛书的读者对象为刚毕业的大学生,其主旨就是为他们走上工作岗位提供一套专业性、实用的职前培训教材。通过对本套丛书的学习,有利于已经具备一定专业基础的人员在较短时间内迅速掌握本专业的英语知识,为其早日顺利地开展对外业务打下扎实的英语基本功。

《实用职业英语系列丛书》编委会

2008年5月

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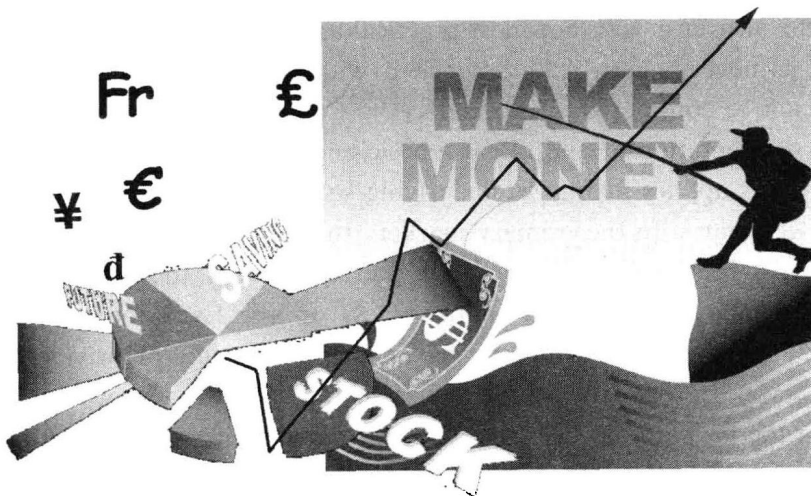
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Unit 1

Overview of Finance

Text

Overview of Financial Markets



First of all, I want to talk about segmentation of financial markets: the various ways we can divide them. These are the six distinctions that I am going to talk about: type of asset, relationship to the issuer, when performance occurs, nature of market, mode of organization, and whether or not the market performs “price discovery”.

The first and probably the most natural way to separate markets — I think you are all accustomed to this one — is according to the type of asset that is traded on them. On this basis, we would have four different kinds of markets:

1. The equity market in shares, warrants and rights, if they are tradable.
2. The fixed income market, which can be bonds, notes, bills, certificates of deposit — and also preference shares, generally considered a fixed income instrument rather than an equity instrument.
3. The foreign exchange market, in currencies.

The lines here can be blurred, though, because there are instruments that have features of more than one type of asset. A convertible bond, for example, starts out as a fixed income instrument, but there is an option to convert it to a share. Similarly, asset-backed securities really have features of derivatives, and exchange-traded funds are a kind of hybrid animal too.

One thing you see immediately is even with our four-way division, we can further subdivide by type. We can usefully divide all these markets into two broad categories: the markets in underlying instruments and the markets in derivative instruments.

I should perhaps not have come this far without first offering a definition of what a financial asset is. Briefly, it is a claim on a real asset. By “real asset”, I do not necessarily mean a tangible asset.

Loosely speaking, when we talk about financial assets, we are usually talking about securities. One somewhat philosophical question here is, are derivatives “securities”? I mean, can you in English call them securities, rather than “instruments” or “contracts”?

I think the answer is yes. For most practical and legal purposes, they are securities, even if there is never a certificate associated with them. Commodities, on the other hand, would not be considered a financial asset. Commodity futures would be.

Another segmentation — and this is a basic one — is by what I call the relationship to the issuer. This applies mainly to underlying securities. It is the distinction between primary and secondary. In the primary market, the relationship runs from the issuer to the investor. It is the first-sale market. On the equity side, the primary market would include initial public offerings and rights issues; on the fixed income side, Treasury auctions (i.e., auctions of Treasury bonds) and original issues of private-sector bonds. Usually, when you see the term “placement” in English, the writer is talking about a transaction on the primary market; the issuer is “placing” its securities with investors.

The secondary market, on the other hand, is what happens after that. The relationship runs from one investor to another. It is the resale market, once securities have been put out among the public. In my view, this distinction is not really a meaningful one for foreign exchange or for derivatives, but I suppose for over-the-counter derivatives it could be.

This slide could come up anywhere. You often hear the term “capital markets”, and you may wonder what it covers. I could not actually find an authority to tell me.

I think, from my point of view — since the notion is that a business comes to the market to raise capital — the capital markets are the markets in equity and long-term debt; in other words, the markets for long-term capital.

Usually, when the talk is of capital markets, the emphasis is on securities rather than loans. The distinction is between going to the markets for money and going to a bank.

Since capital markets are for raising capital, you might think the expression applies only to the primary market. Most of the time, though, if someone is talking about the

health of the capital markets or the state they are in, they are generally referring to both the primary and secondary market. The two are so interrelated that usually there is no reason to assume a distinction on this point.

Another way to segment markets and to think about how they are different is harder to describe in a few words than to state. This is the basic distinction between spot and forward. I try to explain it as follows: the distinction is by when performance occurs if you are entering into a transaction.

The spot market or cash market is for immediate delivery — immediate in the sense of next day or the following day. There is no appreciable delay. In the forward market, you transact now, but delivery and settlement will occur in the future at time T , or at a “distant” time. Futures are of course a forward market.

Institutionally, the key way to segment markets is by what I call the nature of the market. For want of better terms, I will call the two possible natures exchange and OTC (for “over the counter”).

One of the issues here, is to which category do some of these newer developments belong? Alternative Trading Systems, which in the United States are usually called ECNs (Electronic Communication Networks), are a case in point. They are really trading private trading platforms. Are they exchanges or are they OTC? Should they be regulated as exchanges? If not, do they have a competitive advantage over regulated exchanges because they do not bear some of the costs of regulation?

A somewhat philosophical question in this context is whether Nasdaq is an exchange. Nasdaq is the second-largest stock market in the United States. It never calls itself an “exchange”, and I think this has to do with securities law in the United States. It is in fact not regulated as an exchange, although every other U. S. exchange you have ever heard of is. The name Nasdaq stands for “National Association of Securities Dealers Automated Quotation”. Originally it was just an electronic quotation system, and for this reason it was given a special regulatory status by the SEC. For all practical purposes, though, Nasdaq is an exchange. I believe also that it is a member of the World Federation of Exchanges.

This distinction is the key one to keep in mind in sorting out the financial markets by the type of asset. Equities and standard options are traded mostly on exchanges. Futures are traded on an exchange by definition, as we will see later, and of course exchange-traded funds are the same; traded on an exchange by definition.

For bonds, on the other hand, while there is some organized trading of bonds on exchanges, around the world the bond market is mostly an OTC market. It is a dealer market. Similarly, in currencies, most of the trading is over the counter. Exotic options as opposed to standard options are OTC almost by definition. The market for mutual funds or UCITS, if we consider them as the opposite of exchange-traded funds, is an over-the-counter market. Lastly, swaps are never exchange-traded, and most hybrid

fixed income securities such as asset-backed securities, mortgage pass-throughs and the like are over-the-counter. (This may not be the case forever.)

What are the characteristics of an exchange? I suppose I could have made this list longer. One of the key characteristics is membership: you must be a member to trade on an exchange. There are various membership categories: members, clearing members, floor traders on some exchanges, and so on. Every exchange has trading rules and listed requirements. Especially for derivatives, a key feature of an exchange is that the instruments traded on it are standardized. A very important feature of some exchanges, though not all, is the clearing house, a central clearing counterparty, which by the way is not the same as a central depository.

The role of the clearing house is to interpose itself between the two sides of the transaction, so that it becomes the buyer to every seller and the seller to every buyer. Because it is picking up both sides of every trade, the clearing house itself has no outstanding position and takes on no risk. Schematically, a sample trade will go from the buyer to a broker, who will in turn, if that broker is a member but not a clearing member, go through a clearing member to the clearing house in the middle. On the other side, similarly, there is a seller, a broker and a clearing member.

It may be useful to give a definition of “clearing” in this context. Simply put, it means matching the records from each side of a trade. When a buyer buys something, the broker and/or clearing member that is involved on that side will make a record of the purchase. Similarly, the seller’s broker will record a sale transaction, and during the day, or before the end of the day, the transaction will be cleared when the corresponding records from each side are matched.

The two great advantages of having a clearing house are trust and anonymity. Because the clearing house, which is a well-capitalised financial institution, is interposed between the two parties, the issue of counterparty risk is eliminated. This increases trust. It also provides for anonymity: you do not know, and do not need to know, whom you are trading with. This is obviously not the case in an OTC market.

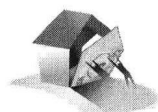
Another way to segment markets is this one, which applies mainly in the area of electronic trading systems. I don’t think that this terminology had much currency before electronic trading systems came along. The distinction is between order-driven and quote-driven. As a practical matter, most stock markets have features of both models. Outstanding examples of a quote-driven market are either the London Stock Exchange or the Nasdaq. Examples of an order-driven market are Euronext and the New York Stock Exchange.

A quote-driven market is a dealer market in which there are “market makers” who stand ready to buy and sell. This is where liquidity comes from in such a market. The dealer stands ready to buy or sell: to buy at a bid price and to sell at an ask(ed) or offer price. The key feature here is the bid-ask spread, which is the difference or “spread” between the bid and ask prices.

An order-driven market can also be thought of as auction market. Liquidity depends on how many buyers and sellers are trading in the market at any given moment. To enhance liquidity, order-driven exchanges will look for some mechanism comparable to that of having a market maker. Euronext has what it calls “liquidity providers”. On the New York Stock Exchange, similarly, there are people called “specialists” who serve essentially the same function, i. e. providing liquidity.

A key feature of order-driven as opposed to dealer markets is that an order-driven market will have a central order book. As I noted, these two market models are converging everywhere. Nasdaq is about to move to a system called SuperMontage, which I believe will show the three best bid and ask prices for every issue.

Lastly, on market segmentation, a distinction that I have been seeing only recently is whether or not a market performs price discovery. This is largely a regulatory or public policy issue. All exchanges perform price discovery, but an alternative trading system may or may not; that is, an ATS may simply bring buyers and sellers together to transact at a price determined on another market.



Notes

segmentation: (*n.*) division into segments: 分割成多个部分

distinction: (*n.*) a distinguishing factor, attribute, or characteristic: 不同点、差异之处;
可区分的要素、属性或特点

asset: (*n.*) a valuable item that is owned: 资产; 一件有价值的所有物

issuer: (*n.*) person, bureau or corporation who circulate, distribute or publish something like securities, stamps or coins, etc.: 发行人: 发行证券、邮票或钱币的企业、机构或个人

accustom: (*vt.*) to familiarize, as by constant practice, use, or habit: 因经常实践、使用, 或习惯而熟悉

equity market: (*n.*) 产权投资市场

share: (*n.*) any of the equal parts into which the capital stock of a corporation or company is divided: 股份: 一个合作公司或公司的股票资金被分成相等部分的任一份

warrant: (*n.*) a voucher authorizing payment or receipt of money: 收付款凭单: 证明偿还或收到钱的凭证

bond: (*n.*) a long-term debt security issued by corporations and governments offering fixed interest payments periodically for a period of more than one year: 公债、政府债券、企业债券

note: (*n.*) a certificate issued by a government or a bank and sometimes negotiable as money: 票据: 政府或银行确保的证据, 有时可用作钱

bill: (*n.*) a bill of exchange: 汇票: 交换的票据

certificate: (*n.*) a document testifying to the truth of something: 证(明)书: 证明事物真实性的文件

deposit: (*n.*) something, such as money, that is entrusted for safekeeping, as in a bank: 存款, 寄存物: 托付, 代为保管(例如在银行里)的物品(例如钱等)

preference share: (*n.*) shares in a company which give their holders an entitlement to a fixed dividend but which do not usually carry voting rights: 优先股: 固定分红、优先受偿, 但对公司的经营部不具有表决权的股份

foreign exchange: (*n.*) currencies issued by foreign countries: 外汇

currency: (*n.*) money in any form when in actual use as a medium of exchange, especially circulating paper money: 货币: 任一形式的钱币, 在实际使用时作为交换媒介, 尤指流通纸币

derivative: (*vi.*) resulting from or employing derivation: 导出的; 演化的: 得自由或使用派生物的

comprehend: (*vt.*) to take in as a part; include. See Synonyms at include: 包含: 作为一个部分加入

forward: (*n.*) a contract obligating one party to buy and another other party to sell a financial instrument, equity, commodity or currency at a specific future date: 远期交易

future: (*n.*) a legal agreement to make or take delivery of a specified instrument (for example, a commodity such as coffee or a financial instrument such as shares) at a fixed future date at a price determined at the time of dealing: 期货交易

option: (*n.*) a right to buy or sell specific securities or commodities at a stated price within a specified time: 期权: 在规定时间内以固定价格买卖特定的债券或商品的权力

swap: (*n.*) to trade one thing for another: 易物交易

blur: (*vt.*) to make indistinct and hazy in outline or appearance; obscure: 朦胧, 模糊: 使外观或面目模糊不清; 晦涩的

convertible bond: (*n.*) a bond that can be converted into shares of the issuing company or its parent: 可转换债券: 在特定时期, 符合一定条件的情况下可以转换为债券发行公司股份的债券

hybrid: (*n.*) something of mixed origin or composition: 混合物: 有混合起源或结构的某物

subdivide: (*vt.*) to divide a part or parts of into smaller parts: 再分: 把(正分开的东西)进一步分成或细分

category: (*n.*) a general class of ideas, terms, or things that mark divisions or coordinations within a conceptual scheme, especially: 范畴: 在一个概念体系中标明区别或联系的概念、术语或事物的一般类别

underlying: (*adj.*) present but not obvious; implicit: 出现但不明显的; 隐含的

tangible: (*adj.*) *Law* that can be valued monetarily: 有形的: 能用钱币来计量其价值的

security: (*n.*) a document indicating ownership or creditorship; a stock certificate or bond: 有价证券: 标明所有权和债权的文件; 股票证书或证券

philosophical: (*adj.*) of, relating to, or based on a system of philosophy: 哲学的; 哲学上的; 基于哲学体系的

certificate: (*n.*) a document certifying ownership: 凭证: 证明所有权的文件

commodity: (*n.*) something useful that can be turned to commercial or other advantage: 日用品; 商品: 能转成商业或其他利益的有用的东西

initial: (*adj.*) of, relating to, or occurring at the beginning; first: 开始的: 开始的, 与开始有关的, 发生在开始的; 首先的

treasury: (*n.*) a security, such as a note, issued by the U.S. Treasury: 国库券: 由美国财政部发行的证券, 如期票

auction: (*n.*) a public sale in which property or items of merchandise are sold to the highest bidder: 拍卖: 一种将财产或物品卖给最高出价者的公开出售

transaction: (*n.*) something transacted, especially a business agreement or exchange: 交易: 已被执行、交易的某物, 尤指商业协定或交换

debt: (*n.*) the condition of owing: 负债状态

loan: (*n.*) a sum of money lent at interest: 贷款: 附利息借出的一笔钱

interrelated: (*adj.*) 相关的

assume: (*vt.*) to take for granted; suppose: 假设; 想当然; 以为

distinction: (*n.*) the condition or fact of being dissimilar or distinct; difference: 差别, 不同: 不相似或不同的条件或事实; 相异

spot market: (*n.*) 现期市场

appreciable: (*adj.*) possible to estimate, measure, or perceive: 可估计的, 可测量的, 可察觉到的

institutionally: (*adv.*) organized as or forming an institution: 作为机构组建的, 组成机构的; 制度上的

issue: (*n.*) a point or matter of discussion, debate, or dispute: 争议, 辩论: 争议、争论、争执的要点或事件

regulate: (*vt.*) to control or direct according to rule, principle, or law: 管理、监管: 依照制度、规则或法律控制或指导

quotation: (*n.*) the prices or bids cited: 报价: 提出的价格或出价

federation: (*n.*) the act of federating, especially a joining together of states into a league or federal union: 结盟: 结成同盟

exchange: (*n.*) a place where things are exchanged, especially a center where securities or commodities are bought and sold: 交易所: 交换物资的地方, 特别是债券和商品的买卖中心

sort out: (*vt.*) 挑选出

exotic: (*adj.*) from another part of the world; foreign: 外来的: 从世界的另一部分来的;

外国的

mutual fund: (*n.*) an investment company that continually offers new shares and buys existing shares back on demand and uses its capital to invest in diversified securities of other companies: 共同基金: 一种投资公司, 其不断发行新股票并且一经要求即可买回现存股票, 并且用其资金投资于其他公司的多种证券上

mortgage: (*n.*) a temporary, conditional pledge of property to a creditor as security for performance of an obligation or repayment of a debt: 抵押: 给予债权人临时的、有条件的财产抵押, 以此作为履行责任或偿还债务的保证

characteristic: (*n.*) a feature that helps to identify, tell apart, or describe recognizably; a distinguishing mark or trait: 特性

standardized: (*adj.*) 标准化的; 定型的

counterparty: (*n.*) one that has the same functions and characteristics as another; an opposite number: 对手方相应的人或物: 与另一个具有相同的功能或特点的人或物; 对策的人

depository: (*n.*) a trustee; a depository: 受托人; 信托人; 保管人

interpose: (*vt.*) to exert (influence or authority) in order to interfere or intervene: 提出: 行使(影响或权力)以干涉或干预

schematically: (*adv.*) 示意性地

broker: (*n.*) one that acts as an agent for others, as in negotiating contracts, purchases, or sales in return for a fee or commission: 经纪人; 掮客

corresponding: (*adj.*) having the same or nearly the same relationship: 相应的; 具有相同或相似关系的

anonymity: (*n.*) the quality or state of being unknown or unacknowledged: 匿名, 无名, 姓氏不详: 不被知道或认识的性质或状态

eliminate: (*vt.*) to get rid of; remove: 消灭; 消除

terminology: (*n.*) the vocabulary of technical terms used in a particular field, subject, science, or art: 术语: 用于特定领域、主题、科学或艺术的术语词汇; 学名

liquidity: (*n.*) available cash or the capacity to obtain it on demand: 流动性: 可得或需要现金时即可获得的能力

mechanism: (*n.*) an instrument or a process, physical or mental, by which something is done or comes into being: 机制; 办法, 途径

essentially: (*adv.*) 本质上, 本来

converging: (*adj.*) 收敛[缩]的; 会聚的, 趋同的



Background

Since the establishments of Shanghai and Shenzhen Stock Exchanges in 1990, China's securities market has been advancing step by step, with gradually improved

market proficiency and growing market functions. The securities market has become an important component of economy in China.

By the end of June, 2007, totally 1,599 companies had been listed in Shanghai and Shenzhen Stock Exchanges (877 in Shanghai and 722 in Shenzhen), including 114 B shares issuers. The total share capital amounted to 3.12 trillion shares with a market capitalization of RMB 25.2 trillion yuan (roughly equivalent to 1.68 trillion pounds), of which the tradable market capitalization reached RMB 7.11 trillion yuan by the end of the third quarter of 2007. The total raised capital amounted to 8.31 trillion yuan. Meanwhile, 284 H shares, which were issued by Chinese companies in Hong Kong or other overseas stock exchanges, raised about U. S. \$834,121 billion in total. In addition, 102 red-chips, which were issued in Hong Kong by Chinese offerors with oversea-registered companies, raised about U. S. \$44.02 billion.

Market intermediaries are growing constantly as well. By the end of May, 2007, there were 285 securities companies with over 5,900 branches. Their total assets summed up to RMB 1.34 trillion yuan. The 35 fund management companies were running 126 securities investment funds with a total scale of RMB 2.54 trillion yuan. The total assets of 220 futures brokerage companies amounted to RMB 546.71 billion yuan. The essential assortments in the securities market such as stocks, securities funds, bonds and commodity futures have by and large taken shape and the product innovation is now advancing step by step.



Study: Topics and Dialogue

Read about the following passage, and then discuss the differences among Finance, Money and Fortune.

Finance means the circulation of funds. It includes all economic operations directly related to the currency, the credit, and the circulation of money, for example, the issuance and withdrawal of currency, collecting deposits and granting loans, buying and selling of gold and silver, foreign exchange, and negotiable securities. Besides, the businesses of insurance, trust and investment, payments of the balance of the domestic and international trade are also within the scope of finance.

The most important financial institutions are the banks, the stock exchange, the trust and investment companies and the insurance corporations.

金融就是资金融通,它包括与货币、信用、货币

