

**Regulatory
Developments**

Central Bank: China's current accounts will stay at surplus

China's foreign exchange reserve balance fell down by USD93.9 billion in August to USD3.56 trillion at the end of the month, show data published by the People's Bank of China (PBC) on September 7.

Commenting on the monthly changes in the foreign exchange reserve on September 8, the spokesman of the PBC attributed the changes to three factors: First, the central bank injected foreign exchange liquidity into the market through operation in the foreign exchange market; Second, some funds were withdrawn under the foreign exchange reserve entrusted loans in August; Third, the prices of some major financial assets callback to varying degrees in the international market in August.

[PBC News](#)(Currently Only Available in Chinese)

CSRC to impose administrative penalties on Hundsun, Mecrt and HiThink Flush for illegal securities operation

China Securities Regulatory Commission (CSRC) has recently completed investigations on and hearing of the cases involving three companies, including Hundsun Technologies Inc., Shanghai Mecrt Corporation and HiThink Flush Information Network Co., Ltd., which are suspected of illegal securities operation. Now, the aforesaid cases have entered the notification and hearing procedure.

According to the investigation, Hundsun, Mecrt and HiThink Flush have developed the systems that feature a multitude of securities-related functions like opening securities trading subaccounts, accepting securities trading entrustments, inquiring about securities trading information and conducting the settlement and clearing of securities and funds. With the systems, investors can trade securities without opening accounts with real name. They have seriously disturbed the order of the securities market by selling the systems and offering relevant services to customers unqualified for securities operation and obtaining illegal gains, though they explicitly know about the operating pattern of customers.

[CSRC News](#) (Currently Only Available in Chinese)

Statistics

China's consumer prices up 2% in August

China's consumer price index (CPI), the main gauge of inflation, climbed to 2 percent in August, the highest level seen in 2015, official data showed on September 8.

The figure was up from market forecast rises of 1.9 percent and 1.6 percent in July.

On a monthly basis, consumer prices in August rose 0.5 percent, said the National Bureau of Statistics (NBS).

[NBS News](#)(Currently Only Available in Chinese)

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