

**Regulatory
Developments**

PBC regulates overseas action in interbank market

The People's Bank of China (PBC) issued a notice on Tuesday regulating overseas investment in the interbank market. Institutional investors, including foreign central banks or monetary authorities, international financial institutions and sovereign wealth funds, are now required to register with the PBC before investing in the interbank market. After registration, investors can trade bonds in spot and forward markets, conduct interest rate swaps, and trade forward rate agreements. They will be free to decide on the size of their investment.

"Overseas institutions should be long-term investors and conduct business in China's interbank market based on the reasonable need to preserve and increase the value of assets," said the PBC.

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

CSRC rectifies virtual securities accounts and forbids the opening of sub-accounts

On July 12, the China Securities Regulatory Commission (CSRC) issued the "Opinions on Cleaning up and Rectifying Illegal Securities Activities". The Opinions are mainly to clean up such activities as opening virtual securities accounts, borrowing others' securities accounts, lending out one's own securities account, entrusting an agency to do stock trade.

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

Statistics

People's Bank of China Releases Statistics on All-system Financing Aggregate for H1 2015

According to preliminary statistics released by the People's Bank of China (PBC) on the July 14, the Aggregate Financing to the Real Economy was RMB 8.81 trillion in H1 2015, RMB 1.46 trillion less than the same period last year. Among them, compared to the same period last year, new RMB loans reached RMB 6.59 trillion in H1, up by RMB 874.2 billion; new foreign currency-denominated loans posted an equivalent of RMB 43.6 billion, down by 325.1 billion; new entrusted loans reached RMB 532.4 billion, down by RMB 647.5 billion; new trust loans was RMB 30.9 billion, down by RMB 429.2 billion; undiscounted bankers' acceptances (BAD) increased by RMB 300 billion, down by RMB 757.6 billion; net bond financing of enterprises was RMB 928.6 billion, down by RMB 375.1 billion compared to the same period last year; financing

via the domestic stock market by non-financial enterprises was RMB 424.5 billion, up by RMB 237.2 billion. All-system financing aggregate was RMB 1.86 trillion in June 2015, which was RMB 621.9 billion more than the previous month and RMB 37.6 billion less than same period last year.

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

People's Bank of China Releases Financial Statistics for H1 2015

On July 14, People's Bank of China (PBC) released financial statistics for the first half of 2015.

In H1 2015, lending, spot bond and bond repo transactions in the interbank RMB market totaled 232.57 trillion yuan. The average daily turnover was 1.91 trillion yuan, up 79.4 percent year-on-year. Specifically, the average daily turnover of interbank lending, spot bond and bond repo transactions posted year-on-year growth rates of 37.7 percent, 88.0 percent and 83.5 percent, respectively.

In June, the monthly weighted average interbank lending rate stood at 1.44 percent, up 0.02 percentage points from the previous month but down 1.41 percentage points from the same period last year. The monthly weighted average interest rate on bond pledged repo was 1.41 percent, up 0.11 percentage points from the previous month but down 1.48 percentage points from the same period last year.

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

China's GDP up 7% in the first half

According to data from the China's National Bureau of Statistics(NBS), China's Q2 GDP grew by 7.0%, while the expected Q2 GDP was 6.8% and Q1 GDP was 7.0%. China's GDP from January to June grew by 7.0% year on year, while the forecast growth was 6.9%.

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

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