

**Macro & Financial
Market News**

PBC cuts interest rates to lower financing costs

The PBC cut the benchmark rate for one-year deposits by 25 basis points and the one-year lending rate by 40 basis points from October 22, 2014. This is the first adjustment to the benchmark rates since July 2012. After the cut, one-year deposit rate will stand at 2.75 percent, while one-year lending will be at 5.6 percent. The intention is to lower market interest rates and private financing costs to help alleviate problems facing many enterprises. At the same time, the floating range ceiling of financial institutions deposit interest rate were adjusted from 1.1 times to the deposit datum interest rate to 1.2 times. ([PBC Chi](#))

China recorded a smaller deficit in service trade in October

The country's service trade deficit reached 105.6 billion yuan (\$17.25 billion) in October, compared with 133.4 billion yuan in September, according to the State Administration of Foreign Exchange (SAFE). Income from service trade stood at 75.9 billion yuan last month, while expenditure in service trade reached 181.5 billion yuan. In the first ten months, the aggregate service trade deficit totaled 824 billion yuan, with 1.05 trillion yuan in revenues and 1.87 trillion yuan in spending. ([Chniadaily Eng](#))

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