

**Regulatory  
Developments****Central Bank Releases Financial Market Performance in September 2015**

According to official data released by the People's Bank of China (PBC), January through September, bond market issuance totaled 15.1 trillion yuan, up 70.8% year on year. Among this total, issuance volume on the interbank bond market posted 14.4 trillion yuan, up 65.6 percent year on year. In September bond issuance totaled 2.5 trillion yuan, up 128.2 percent year on year and 20.6 percent month on month respectively. Among them, RMB 213.04 billion treasury bonds, RMB 543.77 billion local government bonds, RMB 283.1 billion financial bonds, RMB 660.07 billion corporate debenture bonds, RMB 75.59 billion credit asset-backed securities and RMB 656.48 billion inter-bank certificates of deposit were issued. In September, Issuance volume on the interbank bond market totaled 2.3 trillion yuan, up 19.8 percent year on year and 121 percent month on month respectively.

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

**PBC Decides to Cut Benchmark Deposit and Loan Interest Rates and Lower Reserve Requirement Ratio**

To further reduce social financing costs, the PBC has decided to cut RMB benchmark loan and deposit interest rates for financial institutions, effective from October 24, 2015. The one-year benchmark loan interest rate and deposit interest rate will both be lowered by 0.25 percentage points, to 4.35 percent and 1.5 percent, respectively. Adjustments are made correspondingly to benchmark interest rates on deposits and loans of other maturities, and to interest rates on PBC loans to financial institutions. Loan interest rates on personal housing provident fund will remain unchanged. At the same time, the deposit interest rate floating ceiling will be removed for commercial banks and rural cooperative financial institutions. Efforts will be stepped up to improve market-oriented interest rate formation and regulation mechanisms, strengthen the central bank's regulation, supervision and guidance of the interest rate system, and increase the efficiency of monetary policy transmission.

As of the same day, the RMB reserve requirement ratio (RRR) for financial institutions will be lowered by 0.5 percentage points, in an effort to maintain reasonable and abundant liquidity in the banking system and to guide the stable and proper growth of money and credit. At the same time, to enhance positive motivation for extending financial support to the agricultural sector, rural areas, farmers and micro and small enterprises, the PBC will carry out an additional RRR cut

of 0.5 percentage points for financial institutions that have met the criteria of targeted RRR reduction

[PBC News](#) (Currently Available in English)

### **Fifth Plenary Session of the 18th Central Committee of the Communist Party of China Held in Beijing**

The Fifth Plenary Sessions of the 18th Central Committee of the Communist Party of China (CPC) was held on October 26-29 in Beijing. As priorities in the agenda of the fifth plenary session, the Political Bureau of the CPC Central Committee reports its work to the Central Committee and discuss the proposals for formulating the 13th Five-Year Plan for the national economy and social development.

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

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