

**Regulatory
Developments**

The Central Bank to Cut Bank RRR

People's Bank of China has decided to lower the reserve requirement ratio (RRR) for financial institutions by 0.5 percentage points as of March 1, 2016, in an effort to maintain reasonable and abundant liquidity in the banking system and to guide the stable and proper growth of banking credit. Such policy is also expected to create an appropriate monetary and financial environment for the supply-side structural reform.

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

**Macro & Financial
Market News**

**People's Bank of China and Central Bank of the Russian Federation
Successfully Launched Bilateral Currency Swap Arrangement**

In October 2014, the PBC and the CBR signed a bilateral local currency swap arrangement of 150 billion CNY/815 billion RUB for the purpose of facilitating bilateral trade and direct investment, and promoting economic development of the two countries. Based on the friendly cooperation and negotiation, PBC and CBR have successfully launched several currency swap trades since October 2015, funds involved ultimately allocating to a limited number of Chinese and Russian commercial banks. The operation was successful through smooth proceeding, and provides the PBC's and the CBR's operational readiness to activate the swap if needed in future.

The arrangement of bilateral currency swap facilitates trade and investment between China and Russia and it is recognition of further achievement on the financial cooperation between the two countries.

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

Statistics

**RMB exchange rate remained generally stable against a basket of
currencies in February 2016**

On February 29, 2016, the CFETS RMB exchange rate index closed at 99.63, losing 0.52 percent from the end of January; the RMB exchange rate index based on the BIS basket and RMB exchange rate index based on the SDR basket closed at 101.06 and 98.23 respectively, losing 0.35% and gaining 0.14% from the end of January. Generally, the three indices changed slightly since the end of January, which is a reflection of overall stability of the RMB exchange rate against a basket of currencies

in February.

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

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