

NAFMII Related

NAFMII initiates market evaluation for financial companies intent to underwrite non-financial enterprises debt financing instruments

To alleviate the issues of high corporate financing cost, further enhance the ability of interbank market in serving the real economy, optimize the underwriters structure of non-financial enterprises debt financing instruments, the National Association of Financial Market Institutional Investors (NAFMII) has initiated market evaluation for financial companies intent to become a underwriter, evaluation objects are NAFMII's financial-company members who want to engage in underwriting non-financial enterprises debt financing instruments in the interbank market, and voluntarily take part in the market evaluation program. ([NAFMII](#))

Regulatory Developments

PBC Decides to Cut RMB Benchmark Loan and Deposit Interest Rates and Expand Deposit Interest Rate Floating Range

The PBC has decided to cut RMB benchmark loan and deposit interest rates for financial institutions as of March 1, 2015. The one-year RMB benchmark loan interest rate and deposit interest rate will both be lowered by 0.25 percentage points, to 5.35 percent and 2.5 percent, respectively. At the same time, the upper limit of the floating range for deposit interest rates will be raised from 1.2 to 1.3 times the benchmark level in support of market-oriented interest rate reform. Adjustments are made correspondingly to benchmark interest rates on deposits and loans of other maturities, and to deposit and loan interest rates on personal housing provident fund. ([PBC](#))

SSE bond market introduces a "broker" model

The Shanghai Stock Exchange (SSE) recently circulated the *Notice of the Shanghai Stock Exchange on Matters Related to Bond Market Institutional Investors Accepting Service of Monetary Brokerage Companies*, which stipulates that institutional investors in the exchange bond market may entrust monetary brokerage companies to facilitate transactions, with products comprise of bonds listed on the SSE (including asset-backed securities), repo, bond derivative products, and other related types; after investor reach a deal of intent through monetary broker, both parties should submit a transaction report via the trading system, and conclude the deal after confirmation. This move would greatly enhance the liquidity of the exchange. ([media](#))

The Government Work Report: 2015 GDP growth target is 7%

The third plenary meeting of the second session of China's 12th National People's Congress held an opening ceremony at the Great Hall of the People in Beijing. In the Government Work Report, Premier Li keqiang said, GDP growth target in 2015 is around 7%, CPI target is around 3%, and registered urban unemployment rate target is less than 4.5%. ([media](#))

PMI ending a 4-month downward trend

Official statistics shows that China's manufacturing purchasing managers' index (PMI) was 49.9% in February 2015, up 0.1 percentage point from the last month, ending a 4-month downward trend, the economic bottom is stabilizing. ([media](#))

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