



Macro & Financial

Market News

Guidelines for Establishing the Green Financial System

On August 31, the People's Bank of China, along with six other government agencies, issued the "Guidelines for Establishing the Green Financial System". China is at a crucial stage of economic structural adjustment and transformation for its development model. The demand for green finance to support green industries and sustainable development is constantly expanding. In order to fully promote the development concepts of innovation, harmony, greenness, openness and sharing, the following guidelines strive to accomplish many essential goals: 1.The Importance of Establishing the Green Financial System; 2.Vigorously Develop Green Lending; 3. Enhance the Role of the Securities Market in Supporting Green Investment; 4. Launch Green Development Funds and Mobilize Social Capital through Public and Private Partnerships (PPP); 5. Develop Green Insurance; 6.Improve Environmental Rights Trading Market and Develop Related Financing Instruments; 7. Support Local Government Initiatives to Develop Green Finance; 8.Promote International Cooperation in Green Finance; 9.Prevent Financial Risks and Strengthen Implementation.

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

Statistics

RMB exchange rate depreciated slightly against a basket of currencies in August 2016

On August 31, 2016, the CFETS RMB exchange rate index closed at 94.33, losing 1.06 percent from the end of July; the RMB exchange rate index based on the BIS basket and the RMB exchange rate index based on the SDR basket closed at 95.04 and 95.11 respectively, losing 1.10% and losing 0.92% from the end of July.

In August, the RMB exchange rate index showed a generally steady trend. Still affected by the strong foreign exchange demands raised from summer-vacation travel and overseas education, the RMB exchange rate index had fallen slightly in early and middle August, and the CFETS RMB exchange rate index once decreased to 94.06. However, by the end of August, the CFETS RMB exchange rate index rebounded to 94.33, fluctuating within a narrow band during the whole month. With regard to volatility, in August, the annualized volatility of the CFETS RMB exchange rate index was 3.13%, significantly lower than that of the USD/CNY central parity, which was 5.01%.

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