中国银行间市场交易商协会
National Association of Financial Market Institutional Investors

NAFMII WEEKLY UPDATE

8 August - 11 August, 2017

Regulatory Developments

Notice of Financial Market Management Department of PBC Shanghai Headquarters on releasing the *Bond Agent Trading and Settlement Agreement (reference text)*

To facilitate overseas institutional investors to invest in China's interbank bond market, further improve market infrastructure, and guide relevant organizations to successfully sign settlement agency agreement, the Financial Market Management Department of PBC Shanghai Headquarters recently drew up the Bond Agent Trading and Settlement Agreement (reference text) (Chinese and English versions).

(Chinese Version)

(English Version)

Macro & Financial

Market News

Insurance industry achieves steady, fast development in H12017

In general, the insurance market developed at a slower space but maintained a steady development pace. Its business structure was adjusted more quickly, capital use yielded steady returns, and the capability of risk prevention and control was strengthened. Statistics show that in the first half of 2017, the insurance industry registered RMB2314.015 billion of original premium income, a year-on-year increase of 23.00%. Among that, property insurance and life insurance increased by 13.90% and 25.98% respectively year-on-year, claim payment stood at RMB578.550 billion, up 9.94% year-on-year, and total assets of the insurance industry reached RMB16.43 trillion, up 8.69% from the beginning of the year. To be more specific, the insurance market displayed the following characteristics.

(1) Business increased rapidly but at a slower pace. (2) Business structure was adjusted more quickly to ensure the insurance industry focus on its main businesses and functions. (3) The use and allocation of funds was optimized and investment return increased steadily. (4) Innovative businesses remained active and insurance technologies were applied more widely. (5) Insurance functions were intensified and the capability of the insurance industry to serve the general economic development keeps improving.

CIRC News(Currently Available in Chinese)

NDRC says de-leveraging efforts have enabled initial results

Efforts of de-leveraging in companies have taken initial effect, with debt risks well under control. Since last year, the seven main de-leveraging measures have played their role, with initial results achieved. First, the rise of general leverage ratio in China has slowed down and become stable. According to BIS' latest data, China's general leverage ratio was 257% by the end of 2016, with the year-on-year rise 4.4 percentage points lower than at the end of the previous quarter and falling for the third consecutive quarter, and the quarter-on-quarter rise 1.6 percentage points lower than at the end of previous quarter and falling for the fifth consecutive quarter. Second, the leverage ratio of Chinese enterprises has begun to fall. BIS' latest data show that the leverage ratio of non-financial enterprises was 166.3% at the end of 2016, with the month on month being stable or falling for two quarters in a row. It was the first turning point after the leverage ratio of Chinese non-financial enterprises has risen for 19 quarters continuously. Third, the credit/GDP gap in China keeps falling. BIS' latest data show that at the end of 2016, China's credit/GDP gap was 24.6%, 4.2 percentage points lower than at the end of 2016Q1 and falling for the third consecutive quarter. The notable decline indicated the mitigation of potential debt pressure in China. Fourth, the micro leverage ratio in China is falling too. By the end of June this year, industrial enterprises in China above the designated scale had the debt-to-asset ratio of 55.9%, down 0.8 percentage point year-on-year, indicating that the high debt-to-asset ratio of enterprises was being reduced gradually.

NDRC News(Currently Only Available in Chinese)