

Macro& Financial

Market News

PBC Deputy Governor holds workshop at NAFMII

On January 5, 2019, Pan Gongsheng, member of the Party Committee and Deputy Governor of the PBC visited NAFMII and held a workshop. The workshop discussed on such topics as how to facilitating bond market's financing function, bond market product innovation, how bond market supports the real economy, how to step up bond market opening-up and enhance its depth and breadth, improve the bond market mechanism and strengthen market regulation. Heads of relevant departments of PBC and major financial institutions attended the workshop.

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

PBC to lower RRR for financial institutions in Jan. in replacement of MLF

To further support the development of the real economy, improve financial market liquidity structure and lower the financing cost, PBC decided to lower the RRR for financial institutions by one percentage point, two cuts of 0.5 percentage point will take effect respectively on January 15 and January 25, 2019. Meanwhile, the MLF that will be due in 2019Q1 won't be renewed. The above-mentioned measures are expected to hedge liquidity fluctuation caused by cash release before Spring Festival of 2019, and be beneficial for financial institutions to continue giving more support to small, micro- and private enterprises.

At present, Chinese economy is maintaining healthy development and performing in an appropriate range. The PBC will continue to implement prudent monetary policy, make sure the monetary policy neither too tight nor too ease, take targeted regulation measures instead of adopting strong stimulus measures, thus to keep reasonable and sufficient liquidity, maintain a rational growth of monetary credit and social financing, stabilize the macro leverage ratio and strike a balance between the domestic and international markets. These measures will create a favorable monetary and financial environment for high-quality development and supply-side structural reform.

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

Two new banks approved to set up wealth management subsidiaries

On January 4, 2019, the CBIRC approved the Agricultural Bank of China and the Bank of Communications to set up wealth management subsidiaries. China Construction Bank and Bank of China, who already got the same approval, are preparing for the

official inauguration of their wealth management subsidiaries. The new funded wealth management subsidiaries will enrich institutional investors pool, broaden the capital channels in the financial market, and better meet the diversified needs of financial consumers.

[CBIRC News](#)(Currently Available in Chinese)

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