

Macro & Financial

Market News

CSRC, AMF sign cooperation letter on bilateral regulation

During the 6th China-France High Level Economic and Financial Dialogue recently held in Paris, France, CSRC and AMF signed the cooperation letter on bilateral regulation to strengthen the pragmatic cooperation between Chinese and French securities and futures regulators and the bilateral capital markets, in a bid to make positive contributions to forming a close and lasting comprehensive economic strategic partnership between the two countries.

The cooperation letter specified that CSRC and AMF, in view of the current international economic and financial situation, will step up pragmatic cooperation in a range of areas, including market risk prevention, real economy financing, asset management, green and sustainable finance, and financial innovation. It also sets out the two parties' cooperation plan for the next two years. The cooperation letter is an improvement and complement to the *MOU on Cooperation in Securities and Futures Regulation* signed by Chinese and French regulators in 1998.

[\(CSRC News\)](#) (Currently Available in Chinese)

Financial statistics of November, 2018

I. M2 and M1 increased by 8% and 1.5% respectively.

At the end of November, M2 balance stood at RMB181.32 trillion, up 8% year-on-year, the same growth rate as at the end of last month but 1.1 percentage point lower than a year earlier. M1 balance stood at RMB54.35 trillion, up 1.5% year-on-year, but the growth rate was 1.2 percentage point lower from the end of last month and 11.2 percentage points lower than a year earlier. M0 balance stood at RMB7.06 trillion, up 2.8% year-on-year. RMB45.7 billion net cash was supplied in the month.

II. RMB loan increased by 1.25 trillion and foreign currency loan decreased by USD17.7 billion

At the end of November, Chinese and foreign currency loan had the balance of RMB140.8 trillion, up 12.6% year-on-year. RMB loan had the balance of 135.21 trillion, up 13.1% year-on-year, the same growth rate as at the end of last month but 0.2 percentage point lower than a year earlier.

In November, RMB loan increased by 1.25 trillion, a year-on-year increase of 126.7 billion. In each sector, household loan increased by RMB656 billion, including RMB216.9 billion short-term loan and RMB439.1 billion medium and long-term loan. Loan for non-financial enterprises and organizations increased by RMB576.4 billion, including a decrease of RMB14 billion short-term loan and an increase of RMB329.5

billion medium and long-term loan. Bill financing increased by RMB234.1 billion and loan for non-banking financial institutions increased by RMB27.7 billion.

At the end of November, foreign currency loan balance stood at USD805.8 billion, down by 3.3% year-on-year, and foreign currency loan decreased by USD17.7 billion, a year-on-year reduction of 28.1 billion.

III. RMB deposit increased by 950.7 billion and foreign currency deposit decreased by USD7.2 billion

At the end of November, Chinese and foreign currency deposit had the balance of RMB182.5 trillion, up 7.3% year-on-year. RMB deposit had the balance of 177.43 trillion, up 7.6% year-on-year, but the growth rate was 0.5 percentage point lower than at the end of last month and 2 percentage points lower than a year earlier.

In November, RMB deposit increased by 950.7 billion, reduced by 614.8 billion year-on-year. Among that, household deposit increased by RMB740.6 billion, deposit from non-financing enterprises increased by RMB733.5 billion, financial deposit decreased by RMB664.3 billion, and deposit from non-banking financial institutions increased by RMB312.5 billion.

At the end of November, foreign currency deposit had the balance of USD731.5 billion, down by 6.8% year-on-year. Foreign currency deposit decreased by USD7.2 billion this month, a year-on-year reduction of 12.9 billion.

IV. Monthly weighted average interest rate of interbank lending in the interbank RMB market was 2.49% and that of pledge-style bond repo was 2.46%

In November, the interbank RMB market had a transaction volume of RMB103.53 trillion in the form of lending, cash bond and repo, averaging RMB4.71 trillion per day, up 30.5% from a year earlier. Among that, the average daily transaction of interbank lending, cash bond and pledge-style repo increased by 86%, 69.5% and 21.5% year-on-year respectively.

In November, the weighted average interest rate of interbank lending was 2.49%, 0.07 percentage point higher than at the end of last month but 0.43 percentage point lower than a year earlier. That of pledge-type repo was 2.46%, 0.07 percentage point higher than at the end of last month but 0.54 percentage point lower than a year earlier.

V. RMB settlement for cross-border trade totaled 484.33 billion and that for direct investment was 201.67 billion.

In November 2018, the RMB settlement for cross-border goods trade, service trade and other current accounts, ODI and FDI was 356.75 billion, 127.58 billion, 46.49 billion and 155.18 billion respectively. China Securities Regulatory Commission (CSRC) and Hong Kong Securities and Futures Commission (SFC) announced that they have signed the Memorandum of Understanding (MOU) on Cross-border Institution ([PBC News](#)) (Currently Available in Chinese)

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