

Macro & Financial

Market News

PBC Decree [2017] No.1

To carry out relevant operations concerning interconnection between Chinese mainland and Hong Kong bond markets in a standard way, protect the legitimate rights and interests of domestic and overseas investors, and maintain bond market order, PBC formulated the Interim Measures for Management of Interconnection Between Bond Markets in Chinese Mainland and Hong Kong, which is hereby promulgated for immediate implementation after being adopted at the 6th PBC governor's meeting on June 19, 2017.

Zhou Xiaochuan, Governor of PBC
June 21, 2017

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CSRC spokesperson answers media questions on inclusion of China's A Share into MSCI index

MSCI announced to include China's A Share into the MSCI emerging market index. How would CSRC comment on this?

A: We appreciate MSCI's decision. Including China's A Share into the MSCI index is an inevitable step to meet the demand of international investors and reflects their confidence in China's sound economic prospects and the robustness of its financial market. We welcome this decision, as the Chinese capital market will welcome overseas investors with a more open attitude.

The inclusion of A Share into the MSCI index is both an opportunity and a challenge for the reform and development of Chinese capital market. Adhering to reform based on marketization, law and internationalization, we will strive to promote sound development of the capital market, earnestly protect the legal rights and interests of various types of investors, and continuously enhance the capability of the market to serve the real economy and its international influence. CSRC will work with relevant parties to further optimize the rules and regulations concerning the investment in A Share by overseas investors, so as to facilitate overseas investors to invest in A Share in multiple ways, including tracking the MSCI index.

Financial market operation in May

In May 2017, altogether RMB 2.9 trillion bonds of various types were issued in the bond market, including RMB 259.2 billion treasury bonds, RMB 338.2 billion financial bonds, RMB 252.6 billion corporate credit bonds, RMB 64.5 billion credit-assets-backed securities, and RMB 1.2 trillion NCD. A total of RMB 2.7 trillion bonds of various types were issued in the interbank bond market.

The monetary market registered a transaction volume of RMB 54.5 trillion, down 14.7% year-on-year and up 9.9% month-on-month. Among that, the transaction volume of pledge repo stood at RMB 46.8 trillion, down 8.5% year-on-year and up 12.3% month-on-month, that of outright transfer repo stood at RMB2.1 trillion, down 25.4% year-on-year and up 19.0% month-on-month, and that of interbank lending stood at RMB 5.6 trillion, down 43.6% year-on-year and 8.6% month-on-month.

The interbank bond market registered a cash bond transaction volume of RMB 7.6 trillion, averaging RMB 363.92 billion per day, down 23.1% year-on-year and 1.2% month-on-month. The exchange bond market saw a cash bond transaction volume of RMB 478.9 billion, averaging RMB 23.94 billion per day, up 21.4% year-on-year and 8.9% month-on-month. At the end of May, the combined interbank bond index was 172.02 points, down 0.96 point, or 0.56%, from the end of last month.

At the end of May, Shanghai Composite Index closed at 3,117.18 points, down 37.48 points or 1.19% from the end of last month; Shenzhen Component Index closed at 9,864.85 points, down 369.81 points or 3.61% from the end of last month. In May, the average daily transaction volume at Shanghai Stock Exchange was RMB182.401 billion and that at Shenzhen Stock Exchange was RMB 225.373 billion, down 23.2% and 18.3% month-on-month, respectively.

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