

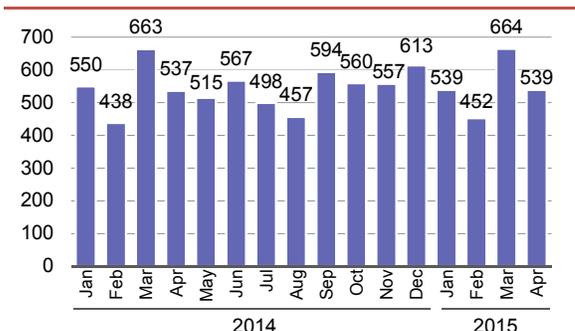
Global RMB Development

RMB trade settlements show steady growth

In April 2015, the total amount of cross-border RMB trade settlements was RMB 539bn. The percentage of the RMB used for trade with China year to date is approximately 30%, showing steady growth from last year's overall average of 25%.

According to SWIFT, RMB ranks as the top currency for payments with Greater China. On average, over 30% of payments in the Asia Pacific region with China and Hong Kong are now executed in RMB, up from 7% in April 2012. Taiwan, South Korea, Philippines, and Singapore are the highest users of RMB.

Cross-border RMB settlements (RMB Bn)



(Source) PBOC, CEIC

RMB clearing bank to be launched in Latin America

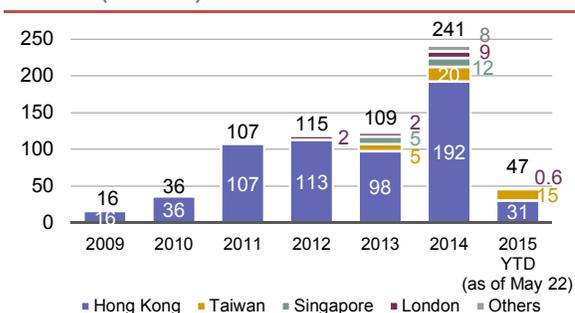
People's Bank of China announced that it has signed a bilateral swap agreement with Banco Central de Chile on May 25, for the amount of RMB 22bn/ Chilean pesos (CLP) 2.2tn. This announcement came during Chinese Premier Li Keqiang's visit to Chile. On the same day, China Construction Bank Chile was appointed as the first RMB clearing bank in Latin America.

Dim sum bond market shows signs of pick up

It has been a fairly slow start for the CNH market this year, with the total amount of RMB 47bn in dim sum bonds issued YTD, a decline from RMB 105bn in the same period the previous year. This was due to the tight CNH liquidity and high CNH cross currency swap (CCS) rates.

Dim sum bond market shows change after the CNH CCS curve has now normalized from the peak reached in late March. On May 20, Zhengzhou Yutong Group raised RMB 1bn dim sum bond, in which the order book was RMB 6bn. On the following day, China's Ministry of Finance raised RMB 14bn, attracting RMB 36bn of demand. We expect to see more new issuances as market conditions for dim sum bond issuers improve.

Dim sum bond issuances in key offshore RMB centres (RMB Bn)



(Source) Dealogic, MUSHK

BTMU Brazil closes its first RMB FX deal

China is Brazil's largest trading partner, with exports to China accounting for 18% of total exports, and imports from China accounting for 16% of total imports. More companies in Brazil are considering the adoption of RMB in order to seize new business opportunities. BTMU Brazil has been proactively pitching RMB solutions to clients over time. Recently, we have successfully executed our first RMB FX deal with a leading logistics company in Brazil. The client received an invoice in RMB from its trading partner in China, and thus consulted with our bank to make payments in RMB. In many cases, Chinese partners prefer to receive payments in RMB. By fulfilling this request from China, the Brazilian company succeeded in improving future trading conditions with its Chinese partner.

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