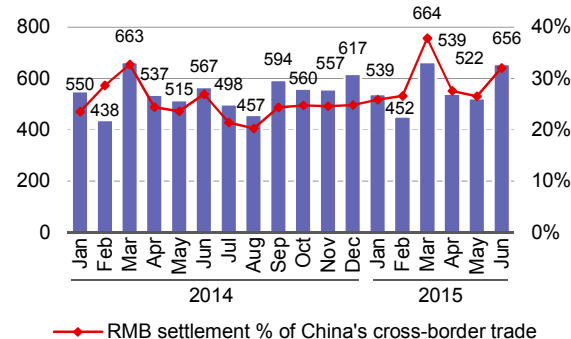


Global RMB Development

RMB settlements largely increase in June

In June 2015, the total amount of cross-border RMB trade settlements was RMB656bn, and this total amount increased by 26% in between May and June with the YoY growth rate of 16%. The total amount of China's cross-border RMB trade settlement was RMB1.7tr in 2015 Q2 and increased by 4% and 6% from 2015 Q1 and 2014 Q2 respectively. Additionally, the average percentage of the RMB used for trade with China YTD 2015 is 30%, which shows the further steady growth from 2014's overall average of 25%.

Cross-border RMB settlements (RMB Bn)



(Source) PBOC, CEIC

According to SWIFT, RMB was in the 5th rank of the most active currency of global payments for 6 months since November 2014, and the share of RMB in global payments steadily accounted for approximately 2.0% or above since December 2014 and gradually increased its share over 3 months from 2.03% in March 2015 to 2.18% in May 2015.

In 2015, China continues internationalizing RMB by further establishing RMB clearing banks around the world. Bank of China (BOC) was appointed as the RMB clearing bank in Hungary on June 28, which Hungary's bilateral swap agreement in the amount of RMB10bn was signed with China in September 2013. Additionally, People's Bank of China (PBoC) signed a Memorandum of Understanding (MoU) for the establishment of RMB clearing bank in South Africa on July 7 after signing a three-year bilateral swap agreement in the amount of RMB30bn with South African Reserve Bank (SARB) on April 10.

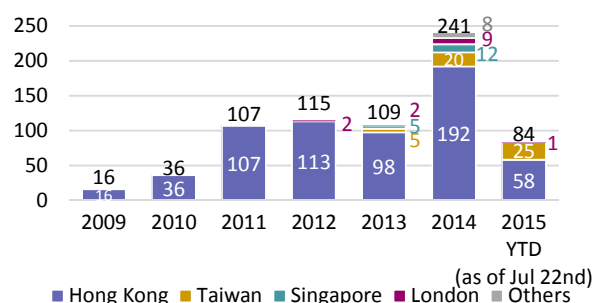
BTMU obtained mandate for Shanghai FTZ FTU system

On June 29, BTMU obtained the approval on Free Trade Accounting Unit (FTU) system in Shanghai FTZ by PBoC. BTMU can open Free Trade Account (FTA) for registered corporate customers in Shanghai FTZ who can transfer funds more freely between onshore and offshore and conduct risk hedging through offshore market, FX and capital market transactions.

Development of the dim sum bond market

The total dim sum bond issuance YTD is RMB84bn while the steady growth of Formosa bonds continues by reaching the total amount of RMB25bn YTD. In July, Fonterra issued RMB800m Formosa bond after issuing RMB 1bn dim sum bond in June, and Societe Generale issued RMB580m Formosa bond. If IMF will include RMB in its Special Drawing Rights in October, it will be a key factor for the growth of dim sum bonds.

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



(Source) Dealogic, MUSHK

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