

Monthly RMB

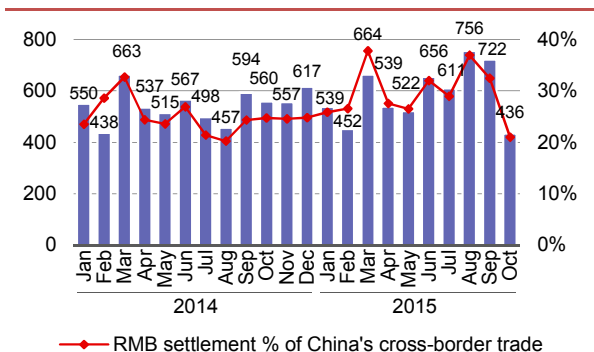
December 1, 2015

Global RMB Development

RMB settlements slumped but increased in average of year until end of October

In October 2015, the total amount of cross-border RMB trade settlements dropped to RMB436bn; however, the average amount of cross-border RMB trade settlements increased by 8% from RMB546bn for the whole year of 2014 to RMB590bn for the past 10 months of 2015. The average percentage of the RMB used for trade with China YTD 2015 increased to 30% in October from the average percentage of 25% in 2014.

Cross-border RMB settlements (RMB Bn)



(Source) PBOC, CEIC

In comparison for the first 10 months year-by-year, the total of cross-border RMB trade settlements has been increasing from RMB2.3tn in 2012 to RMB3.5tn (+55%) in 2013, RMB5.4tn (+52%) in 2014, and RMB5.9tn (+10%) in 2015.

Inclusion of RMB in Special Drawing Right (SDR) Basket

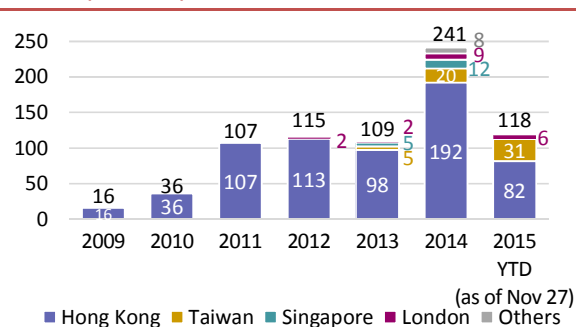
On November 30, the Executive Board of IMF agreed for the inclusion of RMB in IMF's SDR basket to create another new chapter of China's RMB internationalization in the world, and RMB is therefore identified as the fifth currency in the basket. The new SDR basket will be effective on October 1, 2016, and the new weights in the SDR basket are 41.73% for U.S. dollar, 30.93% for euro, 10.92% for RMB, 8.33% for Japanese yen and 8.09% for pound sterling. It is expected that more central banks may allocate parts of their foreign currency reserves and assets in RMB. Before IMF's decision of including RMB in the SDR basket, China recently opened its onshore interbank foreign exchange (FX) market to foreign central banks, sovereign wealth management funds and international financial organizations in September. Subsequently, Hong Kong Monetary Authority, the Reserve Bank of Australia as well as the Hungarian National Bank and 4 other institutions officially completed their registration for their access rights to the onshore interbank FX market on November 25 to conduct RMB FX trading.

Development of the offshore RMB bond market

The total volume of offshore RMB bond issuances YTD 2015 was RMB118bn, and a remarkable deal of RMB14bn dim sum bond was issued in Hong Kong by China's Ministry of Finance in November.

On November 25, Ministry of Hungary announced its signed Memorandum of Understanding with Bank of China on the preparation for issuance of RMB sovereign bond.

Offshore RMB bond issuances in key offshore RMB centres (RMB Bn)



(Source) Dealogic, MUSHK

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