

# Monthly RMB

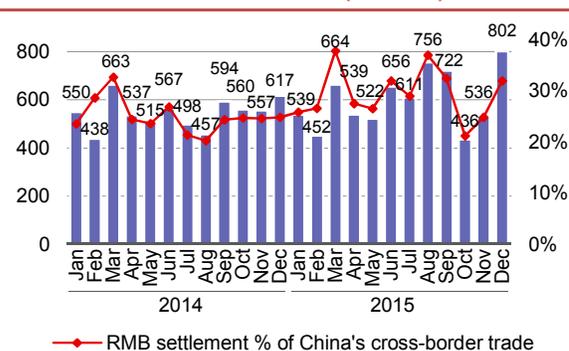
February 2016

## Global RMB Development

### RMB settlements resulted in a record high at the end of 2015

In the last month of 2015, the total amount of cross-border RMB trade settlements reached RMB802bn, dramatically increasing by approximately 50% from November to December. Final results showed the average amount of cross-border RMB trade settlements was RMB603bn in 2015, an increase of 10% from the average amount of RMB546bn in 2014. In addition, the average percentage of the RMB used for trade with China increased to 29% in 2015 from 25% in 2014.

Cross-border RMB settlements (RMB Bn)



(Source) PBOC, CEIC

Despite the volatility of the RMB market in 2015, China continues to focus increasingly on its initiatives of RMB internationalization as well as “One Belt, One Road”. In 2015, China began to further its internationalization of RMB through entry into the Middle East, an important region along the “One Belt, One Road” route. China appointed Industrial and Commercial Bank of China (ICBC) in Doha, Qatar, as the first RMB clearing bank in the Middle East in April 2015. Furthermore, while Prince of Abu Dhabi officially visited China in December 2015, the central banks of the 2 nations signed agreements for renewal of an RMB35bn currency swap deal as well as for establishment of an RMB clearing hub in UAE. Subsequently, on President Xi Jinping’s visit to Saudi Arabia in January 2016, his first business trip of the year, China and Saudi Arabia signed 14 agreements and memoranda of understanding that included massive oil deals and free-trade talks between China and the Gulf regions.

Following China’s opening of its onshore interbank foreign exchange (FX) market to foreign central banks, sovereign wealth management funds, and international financial organizations in September 2015, the Reserve Bank of India, Bank of Korea, Monetary Authority Singapore, Bank Indonesia, Bank of Thailand, Bank for International Settlements, and International Finance Corporation completed registration for access rights to China’s onshore interbank FX market with China Foreign Exchange Trading System (CFETS) as the second group on January 12.

### Development of the RMB bond market

The offshore RMB bond market halted growth from December 2015 due to the depreciation of RMB; as a result, the total volume of offshore RMB bond issuances remained at RMB120bn in 2015 and YTD 2016. Meanwhile, two panda bonds were issued in January, including a panda bond of RMB3bn by British Columbia Province, the second sovereign panda bond issuer. Uncertainties remain for potential panda bond issuers regarding whether or not proceeds from the issuances of panda bonds can be used in the offshore market.

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



(Source) Dealogic, MUSHK

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