

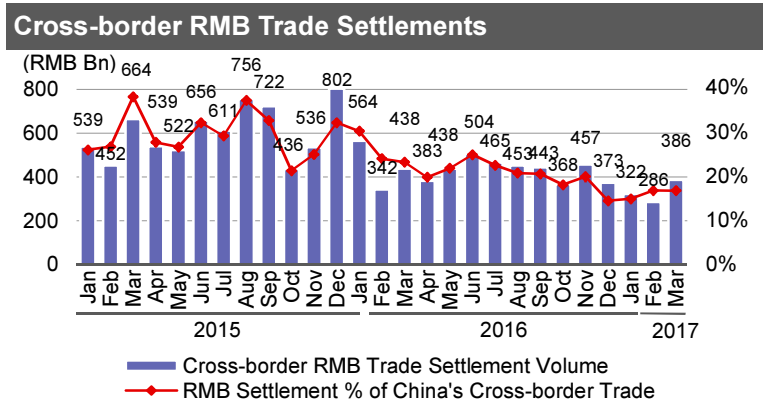
Global RMB Updates

28 APR 2017

RMB Internationalization
Business Promotion Office
(Hong Kong)

Monthly RMB trade settlements recover in March 2017

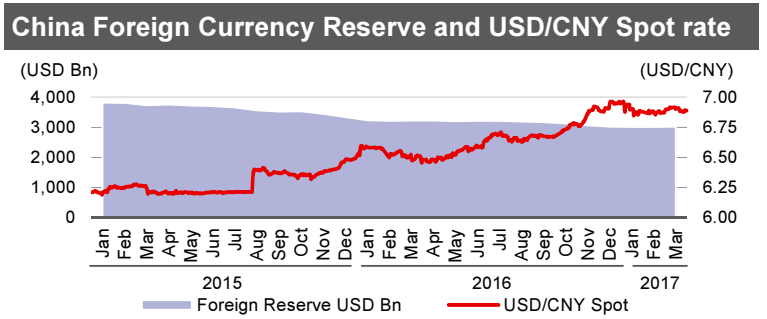
In March 2017, Cross-border RMB trade settlements volume amounted to RMB386bn, increased by 35% from RMB286bn in February. Though the volume was back from last 3 months we keep it in mind that it usually increases at the quarter end. It is necessary to closely observe settlement tendency after a part of window guidance interpretation was changed in April. According to SWIFT, RMB ranks fifth as a world FX currency in terms of trading value, behind the USD, EUR, JPY and GBP.



(Source) PBOC, CEIC

Abolishment of remittance regulation in Shanghai and Beijing

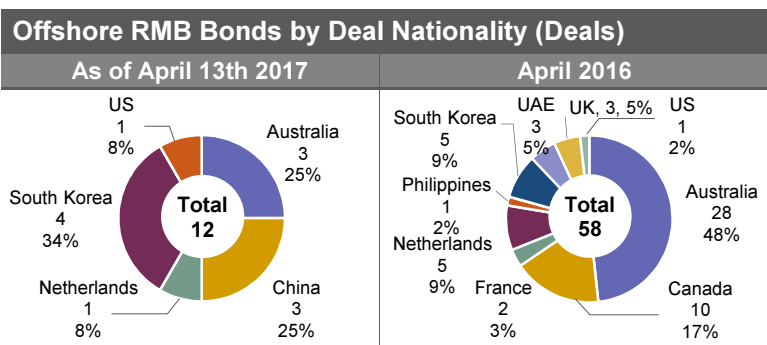
In April, window guidance from People Bank of China that requested banks to maintain a CNY surplus when they implement cross border outgoing remittance was abolished in Shanghai and Beijing. This might have occurred on the background of recent brake of CNY depreciation, capital out-flow, etc. As the right chart shows, the CNY rate against USD has been relatively stable. Chinese Foreign Currency Reserve dropped below USD3tn in January 2017 but immediately rebounded in March 2017. Though this relaxation is a good news for corporates in Shanghai and Beijing, the market participant remains skeptical about further relaxation.



(Source) PBOC, CEIC

Update of RMB bond Market

Tough situation continues for Dim Sum bonds. As of 13th April, sourced by Dealogic, only 12 deals have been issued for this year. According to Asiamoney's questionnaire to corporate, FIs, etc, 49% of respondents (total responses 1,509) expects the total volume of public syndicated offshore RMB issuance in 2017 will stay below RMB150bn whereas Panda bond may stand robust. China Merchants Port Holdings raised RMB2.5bn Panda bond in April.



(Source) Dealogic, MUFG Securities

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