Track RMB internationalization on the Bloomberg Terminal.
Contents

01  RMB as an international payment currency
02  Offshore RMB liquidity
03  Investing in China's capital markets
04  RMB as a funding currency
06  FX market outlook
07  Central bank support
08  China’s capital flows and foreign investment
10  RMB internationalization - key functionality
**Track RMB internationalization on the Bloomberg Terminal.**

A new era of liberalization is redefining the way the world engages with Chinese financial markets. Bloomberg has the data, local market expertise and the financial technology needed to help market participants access China’s financial markets.

**RMB as an international payment currency**

Since launching its initial trade pilot program in July 2009, continuous regulatory reform has increased the attractiveness of the RMB as a payment currency. While off from its 2015 highs, the RMB remains one of the most used payment currencies as measured by SWIFT. Initiatives such as One Belt, One Road will likely boost future usage.

*World Economic Statistics ECST <GO> –* Despite the fact that the RMB is one of the most used currencies as measured by SWIFT, overall use of RMB as a payment currency remains small relative to the size of China’s economy and its export sector.

*Bloomberg Intelligence Economic Research Dashboard BI ECONG <GO> –* RMB is the second most frequently used Asian currency for payments after the JPY.
Offshore RMB liquidity

Offshore RMB deposits are no longer limited to Hong Kong - increased global use of the currency has helped build balances in a variety of offshore RMB clearing centers. However, despite an improved FX outlook and increased deposit rates, offshore RMB liquidity has been reduced by curbs on currency outflows from China and because of greater investment inflows to mainland capital markets.

World Economic Statistics

ECST <GO> – CNH deposits in Hong Kong have dropped nearly 50% from the 2014 peak as investment inflows to China’s capital markets have increased pace.

Graph Curves

GC <GO> – Tight liquidity conditions in the offshore market have led to a rise in funding costs.
Investing in China’s capital markets

Investment flows to mainland China will continue to rise as more index providers such as MSCI and the Bloomberg Barclays Indices include Chinese securities in their most widely used equity and fixed income benchmarks.

World Economic Statistics
ECST <GO> – The number of RMB Qualified Foreign Institutional Investor (RQFII) firms is rising along with quotas as investors prepare for index inclusion.

Mutual Market Access
MMA <GO> – Greater northbound flows under the Shanghai - HK Stock Connect are helping ease capital outflow pressure on the RMB.
RMB as a funding currency

RMB borrowers have a range of funding tools available to them on both sides of the border. The Panda bond market saw record new issuance volumes in 2016, but offshore rates are keeping the CNH and Formosa bond markets competitive in 2018.

Mutual Market Access

MMA <GO> — The inflow of funds from Hong Kong to Shenzhen peaked ahead of MSCI’s announcement of the list of A shares to be included in its MSCI Emerging Market Index.

Fixed Income Search

SRCH <GO> — CNH bond new issue volumes are on the rise as of May 2018.
Fixed Income Search
SRCH <GO> – As of May 2018, CNH Formosa bond new issue volumes have already doubled those in 2017.

Fixed Income Search
SRCH <GO> – The Panda bond market has blossomed in recent years, but remains roughly one-tenth the size of the CNH bond market.
**FX market outlook**

With volatility expected to return, market participants will need to carefully manage their RMB exposures. Market expectations are for the RMB to end 2018 with a slightly stronger offshore and weaker onshore FX rates.

**Volatility Comparison**

VOLC <GO> – The spread between CNH and CNY has narrowed in recent years.

**World Economic Statistics**

ECST <GO> – Consensus forecasts call for a slight strengthening in the CNY vs. the USD over the next 4 years.
Central bank support

RMB internationalization has received strong support from central banks with more than RMB 3 trillion of bilateral currency swap agreements in place to promote RMB business in local markets. Since joining the IMF’s Special Drawing Rights (SDR) Basket in October 2015, central banks have also begun to add RMB to their foreign exchange holdings.

Economic Workbench

ECWB <GO> – Reserve diversification has resulted in increased RMB holdings, one of the reasons the USD’s share of global reserves has dropped.

Economic Workbench

ECWB <GO> – The volume and number of currency swap agreements negotiated by the PBOC rose substantially ahead of the IMF decision to include the RMB in its SDR basket.
China’s capital flows and foreign investment

Onshore market liberalization has been key to easing capital outflows and promoting RMB internationalization. However, the government’s campaign to strengthen capital controls and rein in overseas investment may have had a temporary negative impact on RMB internationalization and its “going global” strategy. Acquisition activity on both sides of the border is down from recent years.

World Economic Statistics
ECST <GO> – China’s capital flow gauge shows a swing to inflows.

Mergers & Acquisitions
MA <GO> – Foreign acquisition by Chinese firms has slowed after a buying spree in 2016 as the Chinese government introduced stricter guidelines.
Mergers & Acquisitions MA <GO> – Foreign acquisition of Chinese firms has begun to slow in 2018.
RMB internationalization – key functionality

**RMB cross-border payments**
- Supply chain analysis
- RMB as % of world payment currencies
- RMB payment currency ranking
- China cross-border RMB settlement - outbound FDI
- Hong Kong remittances for renminbi (RMB) cross-border trade settlement

**Offshore RMB liquidity**
- CNH deposits in Hong Kong
- CNH deposits in Singapore
- CNH deposits in South Korea
- CNH deposits in Taiwan
- CNH deposits in the United Kingdom
- CNH deposit rates curve
- CNH HIBOR fixing curve
- CNH rates

**RMB funding**
- SPLC <GO>
- SWFTCNY Index <GO>
- SWFTCNYR Index <GO>
- RMBSOFDI Index <GO>
- HKRDCBTS Index <GO>

**RMB as % of world payment currencies**
- SPLC <GO>
- SWFTCNY Index <GO>
- SWFTCNYR Index <GO>
- RMBSOFDI Index <GO>
- HKRDCBTS Index <GO>

**Offshore RMB liquidity**
- HKRDTTL Index <GO>
- SIRMBDEP Index <GO>
- KORRCNY Index <GO>
- TWRMOTTLE Index <GO>
- TWRMTTL Index <GO>
- RMUKDHI Index <GO>
- YCMM0199 Index <GO>
- GC MM227 <GO>
- OTC CNY CNHRATE <GO>
- OTC HKD CNHRATE <GO>

**China’s capital markets**
- RQFII approved quotas
- RQFII number of firms
- Mutual Recognition of Funds
- Shanghai-Hong Kong Stock Connect
- Shenzhen-Hong Kong Stock Connect

**RMB funding**
- Spread to benchmark
- Asset swap calculator
- CNH swap calculator
- CNH bond news
- Panda bond news
- CNH investment grade bond average yield
- CNH 3-year cross currency swap
- China government bond tickers
- CNH loans
- CNH bond issuance
- Panda bond issuance
- Kimchi bond issuance
- CNH Formosa bond issuance
- PBOC base lending rates
- CHLR12M Index <GO>
- CHLR1-5Y Index <GO>
- CHLR5YA Index <GO>

**RMB funding**
- YAS <GO>
- ASW <GO>
- SWPM <GO>
- NI DIMSUM <GO>
- NI PANDA <GO>
- BOCRINVY Index <GO>
- CGUSSW3 Curncy <GO>
- GGR <GO>

**Loan type: Dim Sum**
- LSRC<GO>
- SRCH @DIMSUM <GO>
- SRCH <GO>
- SRCH <GO>
- SRCH <GO>
- SRCH <GO>
- SRCH <GO>
- SRCH <GO>

**Security type: Formosa Currency type: CNY**
- CHLR12M Index <GO>
- CHLR1-5Y Index <GO>
- CHLR5YA Index <GO>

**China’s capital markets**
- CNQFRFII Index <GO>
- CNQFRFIN Index <GO>
- MRF <GO>
- MMA <GO>
- MMA <GO>
Foreign exchange
Spot on and offshore
Forwards on and offshore
CNY vs CNH
Offshore trading hubs
24-hour trading activity
Forward and rates ARB
FX fixings
Option vol surfaces
Option pricing
Volatility comparison
FX forecasts
World currency ranker
USD/CNY non-deliverable forward pricer
Onshore trading platform

Central bank support
China bilateral currency swap agreements
Foreign exchange holdings in Chinese renminbi as a percentage of total allocated

CNH commodities
CNH gold contract
RMB oil futures

RMB indices
Index browser
China estimated capital flows
Renminbi Globalisation Index (RGI)
FTSE - BOCHK Offshore RMB Bond Index
Citigroup Dim Sum Bond Index

Foreign exchange
ALLQ <GO>
FRD <GO>
HS <GO>
CNHO <GO>
FX24 <GO>
FXFA <GO>
BFIX <GO>
OVML <GO>
OVDV <GO>
VOLC <GO>
FXFC <GO>
WCRS <GO>
XNDF <GO>
OTC CNY <GO>
CFETSFX <GO>

Central bank support
CNCZSWLN Index <GO>
CCFRCNYP Index <GO>

CNH commodities
CGSE <GO>
SCPA COMDTY <GO>

RMB indices
IN <GO>
CNNMHTMY Index <GO>
SCGRRGI Index <GO>
TRMBCNAL Index <GO>
ALLX SBDS <GO>
About the Bloomberg Terminal.

Since 1981, business and financial professionals have depended on the Bloomberg Terminal for the real-time data, news and analytics they need to make the decisions that matter. The Terminal provides information on every asset class — from fixed income to equities, foreign exchange to commodities, derivatives to mortgages — all seamlessly integrated with on-demand multimedia content, extensive electronic-trading capabilities and a superior communications network.