

**Regulatory  
Developments**

**Silk Road Fund starts operation**

After President Xi Jinping announced that China will invest 40 billion dollars to set up a Silk Road Fund on November 8, 2014, relevant parties were actively pushing forward the establishment of the Fund. The Silk Road Fund Co. Ltd was registered in Beijing on December 29, 2014, and has officially started operating.

The Fund is jointly funded by China's foreign exchange reserves, China Investment Corp., Export-Import Bank of China and China Development Bank (CDB), and is a medium-and long-term development and investment fund established in accordance with the Company Law of People's Republic of China, and the principles of liberalization, internationalization and professionalization. Its main focus is to seek investment opportunities and provide investment and financing services throughout the Belt and Road Initiatives.

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**PBC releases Financial Market Analysis Report for January 2015**

In January 2015, the performance of China's financial market was stable. The volume of bond issuances increased evidently year on year; turnover on the money market grew considerably year on year, and main market rates declined moderately; average daily spot trading volume went up significantly year on year; bond indices on both interbank and stock exchange markets continued to rise; Shanghai Composite index fell slightly while Shenzhen Composite index rose slightly, and turnover on both stock markets down significantly month on month.

In January 2015, total issuance volume of various types of bonds on the bond market was 685.93 billion yuan, an increase of 67.6% year on year, and a decrease of 14.7% month on month. Among them, the issuance of government bonds was 60 billion yuan, up 11.1% year on year, and down 49.3% month on month; the issuance of financial bonds was 259.76 billion yuan, up 40.9% year on year and 6.0% month on month; the issuance of corporate bonds was 348.29 billion yuan, up 111.6% year on year, and down by 10.1% month on month. Total bond issuance on the interbank bond market was 639.14 billion yuan, an increase of 60.6% year on year, and a decrease of 13.3% month on month.

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### **PBC publishes Financial Statistics Report for January 2015**

At the end of January, outstanding broad money (M2) stood at 124.27 trillion yuan, up 10.8% year on year, the growth rate was lower than that during the corresponding period of last month and last year by 1.4 percentage points and 2.4 percentage points respectively; outstanding narrow money (M1) stood at 34.81 trillion yuan, up 10.6% year on year, the growth rate was higher than that during the corresponding period of last month and last year by 7.2 percentage points and 9.4 percentage points respectively; and currency in circulation (M0) stood at 6.30 trillion yuan, down 17.6% year on year. Net cash injection into the circulation amounted to 278.1 billion yuan in January.

By the end of January, outstanding RMB-denominated and foreign currency loans stood at 89.29 trillion yuan, up 13.7% year on year. Month-end outstanding RMB-denominated loans was 83.70 trillion yuan, up 13.9% year on year, growth rate was 0.1 percentage point higher than that during the corresponding period of the last month, and 0.6 percentage points lower than that during the corresponding period of the last year. RMB-denominated loans increased by 1.47 trillion yuan in the month, up 289.9 billion yuan year on year. In terms of different sectors, household loans increased by 426.1 billion yuan, of which short-term loans increased by 96.8 billion yuan, medium-and long-term loans increased by 329.4 billion yuan; non-financial companies and government agencies loans increased by 1.05 trillion yuan, of which short-term loans increased by 298.5 billion yuan, medium-and long-term loans increased by 612.1 billion yuan, bill financing increased by 96.2 billion yuan; non-banking financial institutions loans decreased by 14.4 billion yuan. Month-end outstanding foreign currency loans was 911.6 billion US dollars, up 10.3% year on year, and foreign currency loans increased by 31.1 billion US dollars in the month.

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