

Headline news

⇒ 12 bond market-makers enter domestic market

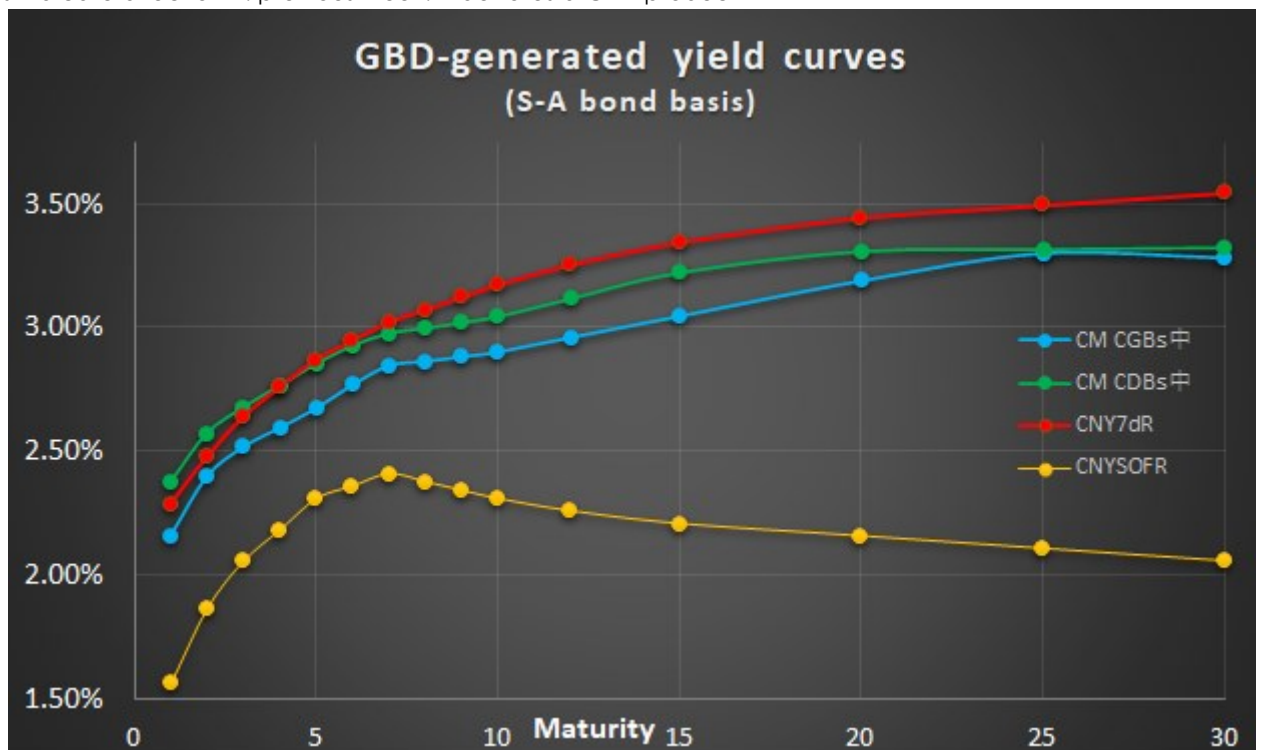
Following bond trading rules and guidelines from Shanghai and Shenzhen exchanges in 2022, 12 Chinese domestic market-makers have now entered the bond market. The stated position of the China Securities Regulatory Commission is that such market-making adds liquidity, reduces issuance costs, and overall contributes to the development of the real economy. One obvious consequence will be the development of a reliable domestic non-government yield curve.

⇒ A week of stagnation

Little movement was seen across the curve; rates at the very short end did tick up a couple of basis points and 7-day repo went back over 2%. The benchmark DragonX10 rose 0.7 points, a mere 0.07%. However, at ¥1000.4 it is now the highest it has been since the end of 2022.

7-day repo 2.08% ▲ 5Y CNY7dR 2.87% – 10Y CM CGB[#] 2.90% ▼ DragonX10[#] ¥1000.4 ▲

Arrows indicate direction v. previous week. [#] denotes a GBD product



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