

Headline news

⇒ China to allow foreign access to domestic swap market shortly?

According to *Financial Times* sources, the PBOC and the Hong Kong Monetary Authority (HKMA) have jointly approved implementation of Swap Connect, which would allow Hong Kong interest rate swap market users, and hence overseas investors, access to the onshore swap market. Originally, Swap Connect was expected to be authorised by January 2023, but there were delays in drafting the rules for implementation.

⇒ Cash yields little changed, swap rates rise

Bond yields moved marginally, if at all, across the curve, but swap rates generally rose by a few basis points, 3 to 5 bps out to 5 years, 2 to 3 bps beyond that. The benchmark DragonX10 rose by ¥2.9, up nearly 0.3%. Meanwhile, DragonX1 and DragonX5 are at record highs.

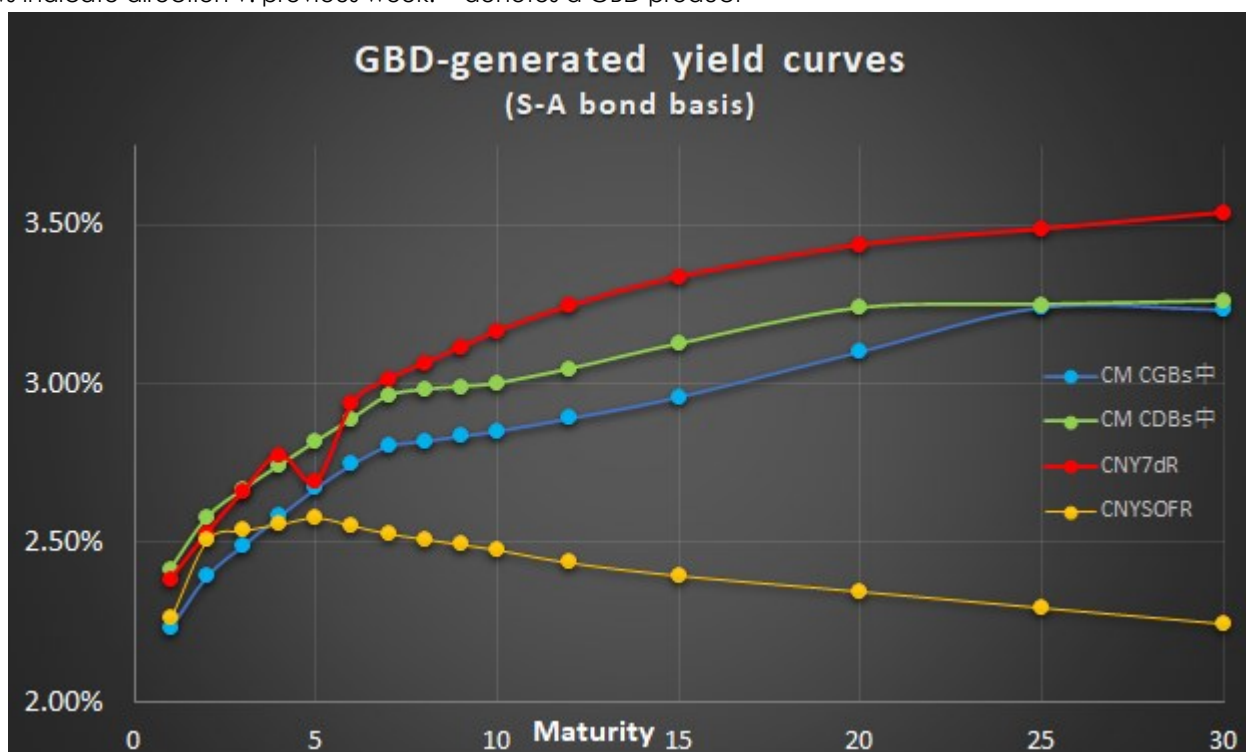
7-day repo 2.20% ▲

5Y CNY7dR 2.86% ▲

10Y CM CGB[‡] 2.85% ▼

DragonX10[‡] ¥1010.2 ▲

Arrows indicate direction v. previous week. ‡ denotes a GBD product



GB Dragon's current proprietary data

- Our performance DragonX indices (1, 5, 10 and 30y) for CGBs
- 30-year curves for
 - ◊ Swaps and currency forwards in a broad range of markets
 - ◊ Par and zero-coupon interest rate swap curves
 - ◊ Constant maturity (CM) China Government and China Development Bank bonds

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