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Media Release

## MNI China Liquidity Index™ – Rises To 41.7 in May

### Key Points – May Report

Liquidity tightened modestly in May, as the People’s Bank of China was perceived maintaining a steady supply of cash, the latest MNI Liquidity Conditions Index shows.

The Liquidity Condition Index stood at 41.7 in May, up from the 34.8 recorded in April. The higher the index reading, the tighter liquidity appears to survey participants.

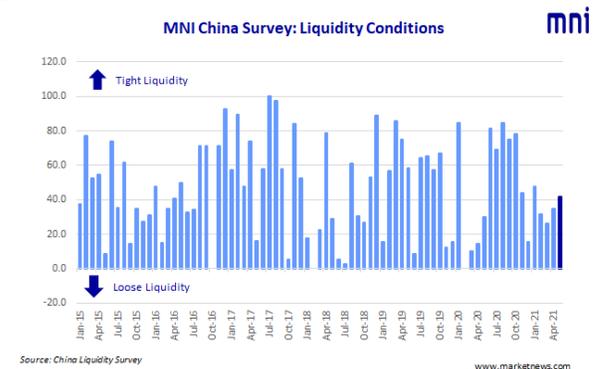
--The Economy Condition Index remains above 50 but dropped to the lowest level since February 2020 – the economy’s post-pandemic low point.

--The PBOC Policy Bias Index edged higher, but remained below the 50 mark.

--The Guidance Clarity Index was little changed, with only one respondent seeing the central bank as giving a foggier indication of its intentions and the majority seeing no change in guidance opacity.

The MNI survey collected the opinions of 21 traders with financial institutions operating in China's interbank market, the country's main platform for trading fixed-income and currency instruments, and the main funding source for financial institutions. Interviews were conducted May 10 – May 21.

### China Liquidity Index™



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## About MNI Indicators

MNI Indicators specialises in producing business and consumer surveys designed to present an advance picture of the economic landscape and highlight changing trends in business and consumer activity. MNI Indicators also produces the renowned Chicago Business Barometer™, a key leading indicator of the US economy. MNI Indicators is part of Market News International, Inc., a leading provider of news and intelligence.

## Notes to Editors

**Production:** MNI Indicators, part of Market News International Inc.

**Release Date:** Last Wednesday of the month

**Bloomberg ticker:**

**Collection method:** Survey data is collected by phone each month from traders.

**Calculation method:** Respondents are asked their opinion on whether liquidity is looser or tighter compared with the previous month.

E.g. Is Liquidity looser/Same/Tighter compared with a month ago?

A diffusion indicator is then calculated by adding the percentage share of positive responses to half the percentage of those respondents reporting no change.

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