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Media Release

## MNI China Liquidity Index™ – Falls to 35.7 in October

### Key Points – October Report

Liquidity across China's interbank money market eased in October, the latest MNI Liquidity Conditions Index shows.

The Liquidity Condition Index stood at 35.7 in October, down from the 79.6 recorded in September. The higher the index reading, the tighter liquidity appears to survey participants.

--The Economy Condition Index stood at 7.1, recovering modestly from 5.6 previously, which was the lowest reading since dropping to 0 in February 2020, the economy's pandemic-era low point.

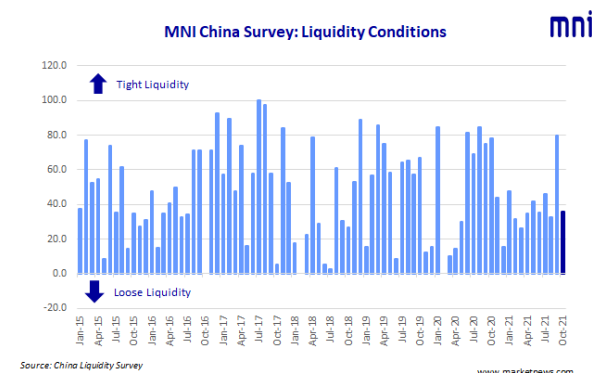
--The PBOC Policy Bias Index edged higher, but still sitting below the 50 mark.

--The Guidance Clarity Index also edged higher, although was overall little changed on levels seen in recent months.

--Despite the economy seen slowing, long-term bond yields are seen higher over the next 3 months

The MNI survey collected the opinions of 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 Oct 11 – Oct 22.

### 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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