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Media Release

MNI China Liquidity Index™ – Dips To 68.8 in July

Key Points – June Report

Liquidity eased modestly in July, but still sees pressure from tax payments and local government bond issuance, the latest MNI Liquidity Conditions Index shows.

The Liquidity Condition Index stood at 68.8 in July, down from the 81.3 recorded in June. The higher the index reading, the tighter liquidity appears to survey participants.

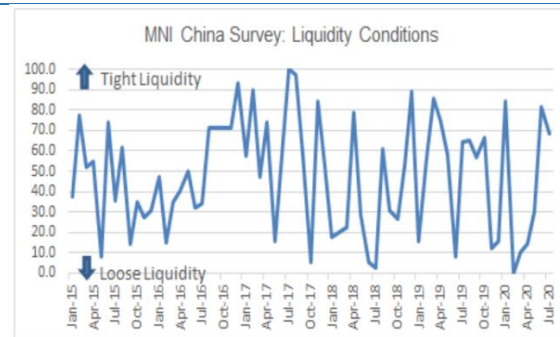
--The Economy Condition Index continues to recover, with more than 80% of respondents seeing an improvement.

--The PBOC Policy Bias Index was little changed, although a quarter of those surveyed now saw the PBOS with a tightening bias.

--The Guidance Clarity Index edged lower, although the central bank is still seen giving clear indications of its intentions.

The MNI survey collected the opinions of traders at 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 between July 13 and July 24.

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 a 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.

For more information please contact us at info@mni-indicators.com or visit www.marketnews.com