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Media Release

MNI China Liquidity Index™ – Falls To 35.7 in February

Key Points – February Report

Liquidity across China's interbank market eased in February as the PBOC acted to keep conditions loose in the financial system, traders told MNI, and the economy showed the first signs of a rebound through the Chinese New Year holiday, the latest MNI Liquidity Conditions survey showed.

The Liquidity Condition Index fell to 35.7 in February from the previous 65.3, with 51.4% of the traders surveyed reporting conditions as easier after Chinese lunar new year, while 22.9% of traders thought conditions tightened.

The higher the index reading, the tighter liquidity appears to survey participants.

-- The Economy Condition Index picked up to 78.6, following last 61.1 reading, marking the highest level since last June when the economy was rebounding after the Shanghai lockdown.

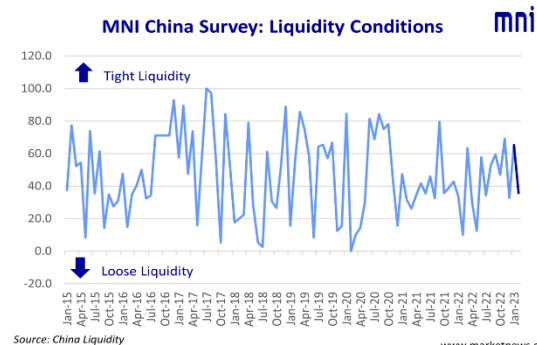
-- The PBOC Policy Bias Index stood at 44.3, picking up from last months' 41.7, with 88.6% of the participants seeing policy stance as on hold.

-- The Guidance Clarity Index stood at 58.6, following the previous reading of 54.2, with 82.9% of the participants saying recent PBOC signals were clear.

-- The 7-Day Repo Rate Index rose to 57.1 in February, up from the previous 40.3, with 37.1% of the participants seeing the rate curve climbing in the next two weeks while another 22.9% predicted falling rates.

The MNI survey collected the opinions of 35 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 February 6 – February 17.



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For more information:
MNI Market News International
T: +44-203-865-3812
E: info@mni-indicators.com
[@MNIIndicators](https://twitter.com/MNIIndicators) MNI Indicators

Written and Researched by
Flora Guo, China Analyst
Les Commons, Editor
Lewis Porylo, Editor

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 responses for tighter conditions to half the percentage of those respondents reporting no change.

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