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Media Release

## MNI China Liquidity Index™ – Rises To 51.3 in April

### Key Points – April Report

China's interbank liquidity tightened in April but remained ample, as the People's Bank of China (PBOC) moved to stabilize conditions following Q1's fast expansion, and firms withdrew funds to meet tax deadlines. At the same time local traders reported economic sentiment slowing, as Q1 economic data showed an uneven recovery and a weak CPI print, the latest MNI China Liquidity Survey showed.

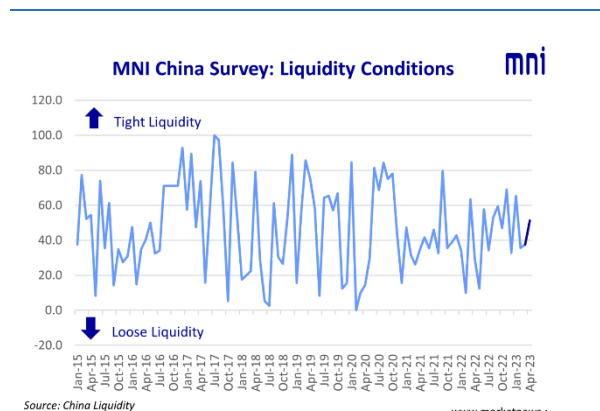
The MNI Liquidity Condition Index rose to 51.3 in April, up from 37.5 last month, as 23.7% of local traders reported tighter conditions, but 55.3% saw conditions unchanged from March.

-- The MNI Economy Condition Index remained elevated at 68.4 but below the 75.0 and 78.4 seen in March and February, respectively. Fewer traders reported an improved economic outlook versus March (55.3% vs 63.9%).

-- The PBOC Policy Bias Index was 44.7, up from 38.9, with nearly 80% of the traders believing the policy stance would be maintained.

-- The Guidance Clarity Index climbed to 57.9, up from 56.9, with 84.2% of traders understanding the PBOC's policy intentions.

The MNI survey collected the opinions of 38 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 April 10 – April 21.



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

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