

press release

Standard Chartered Renminbi Globalisation Index Up 4.1% m/m in April, slowest in six months *Revises end-2014 USD-CNY forecast to 6.09 from 6.04*

6 June 2014, Hong Kong – Standard Chartered today announced that the Standard Chartered Renminbi Globalisation Index (Bloomberg: SCGRRGI <index>), or the RGI, reached 1,807 in April, up 4.1% from the previous month and 91.8% year-on-year. Uptrend appears to remain intact, albeit at a slightly slower pace.

Cross-border Renminbi payments and offshore Renminbi (CNH) FX turnover – the two biggest RGI drivers in March – added only 0.5ppt and 0.8ppt to the monthly RGI increase, respectively, this time. However, the RGI continued to be buoyed by healthy Dim Sum bond issuance and offshore deposit growth.

Four out of our five RGI offshore centres – Hong Kong, Singapore, London and Taipei -- recorded a month-on-month dip in cross-border Renminbi payments on an adjusted basis. But they are still above Q4-2014 levels, and we expect the April decline to be temporary. New York, the new offshore centre which we recently included into our index, recorded a 13% month-on-month increase on an adjusted basis, signifying plenty of catch-up potential.

Renminbi deposits growth is set for a potential slowdown in the coming months, mainly as a result of the re-emergence of the CNH discount against the CNY spot rate since April, and may extend into the summer. CNH discount against CNY typically favours Renminbi being paid back in to mainland China under the trade-settlement channel. But CNH discounts usually do not last long. We remain confident that Renminbi deposits in Hong Kong will reach CNY1.15-1.2 trillion by end 2014. Separately, we revised our end-2014 USD-CNY forecast to 6.09 from 6.04. This reflects the likelihood of a broader USD advance restraining CNY gains later in 2014.

Hong Kong remains the largest offshore market, accounting for 65.7% of the RGI pie. London ranks second at 14.5% followed by Singapore's 9.2%, Taipei's 5.4% and New York's 5.2%.

Standard Chartered launched the RGI in November 2012. Prior to adding New York, the Index covered four markets in offshore RMB business: Hong Kong, London, Singapore and Taiwan. It measures business growth in four key areas: deposits (denoting store of wealth), Dim Sum bonds and Certificate of Deposits (as vehicles for capital raising), trade settlement and other international payments (unit of international commerce) and foreign exchange (unit of exchange). As the Renminbi further internationalises, there is capacity to include additional parameters and markets.

Standard Chartered Renminbi Globalisation Index

Objective	The first industry benchmark that effectively tracks the progress of RMB business activity. Offers corporates and investors a quantifiable view of the latest trends, size and levels of offshore activity that are driving RMB adoption
Index Parameters	Deposits Dim Sum Bonds and Certificate of Deposits Trade Settlement & Other International Payments Foreign Exchange Turnover
Markets	Hong Kong London Singapore Taiwan New York
Investability	Non-tradable
Frequency	Monthly
Base value and date	100 at 31 December 2010
Inception Date	14 November 2012
Methodology	Weight of each of the four parameters are inversely proportional to their respective variances

- Ends -

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Note to editors:

Standard Chartered

We are a leading international banking group, with more than 86,000 employees and a 150-year history in some of the world's most dynamic markets. We bank the people and companies driving investment, trade and the creation of wealth across Asia, Africa and the Middle East, where we earn around 90 per cent of our income and profits. Our heritage and values are expressed in our brand promise, Here for good.

Standard Chartered PLC is listed on the London and Hong Kong Stock Exchanges as well as the Bombay and National Stock Exchanges in India.

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