

# press release

## **Standard Chartered Renminbi Globalisation Index Hits 1,000-mark**

*Underlying market drivers intact, but mild slowdown in store*

**8 Jul 2013, Hong Kong** – Standard Chartered today announced that the Standard Chartered Renminbi Globalisation Index (Bloomberg: SCGRRGI <index>), or the RGI, reached a new high of 1,002 in May, up 8.4% from the previous month and breaking the 1,000-mark. This translates to 66.2% year-on-year growth, and a tenfold increase since the index starts in December 2010.

This largest month-on-month RGI increase in 19 months was mainly driven by growth in cross-border Renminbi payments, which increased in value by 24.1% in May from April when the same measure for all currencies only rose by 1.9%. London recorded its highest share of nearly 12% since RGI's launch, thanks to the city's rapidly growth SWIFT payments in Renminbi as well as its fast-growing CNH FX turnover.

To complement the RGI, our third Offshore Renminbi Corporate Survey showed that respondents are increasingly positive in their experience with the CNH market. 88% of our respondents are using at least one of the six offshore Renminbi product areas of deposits, trade, FX, loans, bonds and portfolio investment. "Liquidity/level of deposits" and "track record" are now top two factors driving their choice of offshore Renminbi centers.

While underlying market drivers remain intact, growth in Renminbi activities may slow in the second half due to factors including a challenging macro environment, a slowdown in CNH deposits accumulation and a pause in CNY appreciation. Findings from our survey showed 43% of respondents see increasing CNH usage for the next six months, down from 66% in the previous survey in March.

In a separate survey that sought views from Asian bond investors, findings suggested the lack of secondary market liquidity was the key reason that discouraged investors from buying Dim Sum bonds, but currency risk is not seen as a prominent impediment.

Standard Chartered launched the RGI in November 2012. The Index covers the top three markets in offshore RMB business: Hong Kong, London, and Singapore. 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

<b>Objective</b>	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
<b>Index Parameters</b>	Deposits Dim Sum Bonds and Certificate of Deposits Trade Settlement & Other International Payments Foreign Exchange Turnover
<b>Markets</b>	Hong Kong London Singapore
<b>Investability</b>	Non-tradable
<b>Frequency</b>	Monthly
<b>Base value and date</b>	100 at 31 December 2010
<b>Inception Date</b>	14 November 2012
<b>Methodology</b>	Weight of each of the four parameters are inversely proportional to their respective variances

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**Note to editors:**

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