

press release

Standard Chartered Renminbi Globalisation Index Up 5.9% in Dec on deposit, cross-border payment

London, Singapore market shares grow; HK RMB deposit to hit CNY1.2trillion

10 Feb 2014, Hong Kong – Standard Chartered announced that the Standard Chartered Renminbi Globalisation Index (Bloomberg: SCGRRGI <index>), or the RGI, ended 2013 on a high note at 1,377 in December, up 5.9% from the previous month and 84.1% year-on-year, driven by rising deposits and cross-border payments. Expansion of new offshore centres, further policy push and the appreciation of the yuan currency will remain as key drivers for the RGI as we enter 2014. We expect the RGI to increase another 60% to reach 2,200 by year end.

The rise of RGI re-accelerated in the fourth quarter, triggered by a return of Renminbi appreciation and the liberalisation in cross-border Renminbi lending regulations. Our forecast for another year of more than 2% appreciation for the Renminbi to USD/CNY of 5.92 by end-2014 should bode well for more deposit accumulation this year. By end-2014, we expect Renminbi deposit in Hong Kong to hit CNY1.15-1.2 trillion, translating into a 34-40% increase, while Taiwan's could reach at least CNY250 billion.

Continuing prospect of the yuan appreciation and still ample offshore liquidity has lent support to the Dim Sum bond market amid weak market sentiment. January primary issuance hit a monthly record high level of CNY63 billion and we expect strong primary issuance of CNY550-580 billion for 2014.

London widened its lead over Singapore in 2013, in terms of both average daily CNH FX turnover and Renminbi cross-border payments; this offset its lack of Renminbi deposit growth. London and Singapore now account for 13.4% and 9.7%, respectively, of activity tracked by the RGI, versus 10.6% and 10.7% a year ago. Hong Kong remained the biggest offshore Renminbi centre.

Standard Chartered launched the RGI in November 2012. The Index covers 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
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:

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