

press release

For immediate release

Survey on Interest in RMB Products shows Over 70% of Investors Maintain or Expand RMB Portfolio Increasing Demand for Funds and Insurance Products

7 September 2015, Hong Kong – Standard Chartered Bank (Hong Kong) Limited conducted a survey* to understand the investment appetite on RMB financial products among local investors. The survey was done on 14 to 22 August, which coincided with the China stock market volatility and RMB devaluation. Although over 60% of survey respondents said they believed the currency would further depreciate in the next twelve months, over 70% said they would continue to hold or even expand their RMB portfolio. Many investors remain confident in the China market in the long term, and expect to seize future opportunities arising from China's economic reform.

Mr Kelvin Lau, Senior Economist of SCBHK, said, "The survey was conducted after the People's Bank of China substantially lowered the RMB's midpoint against the US dollar on 11 August, so it is an indicator of the orientation of investors after the depreciation. As expected, respondents have become more cautious about the RMB's prospects, with 64% of them expecting the currency to continue to depreciate in the coming twelve months, a significant increase from the 5% who expressed the same expectation last year. However, over 70% of investors currently holding RMB products plan to maintain or expand their RMB investment portfolio in the coming twelve months."

Mr Lau continued, "The survey also showed that a high 83% of investors believed a balanced investment portfolio could include investments in the China market, and that 76% of respondents wished to capture the vast investment opportunities and potential returns brought about by China's economic reform. This suggests that, in the long term, investors have confidence in the China market and are aware of the investment opportunities arising in China."

By comparison with the results of a similar survey last year, the estimated average wallet size of RMB products held by respondents has increased by more than 30% to an average of around HK\$100,000, and demand for RMB funds or insurance products is likely to increase in the next twelve months. In evaluating new RMB investment opportunities that have arisen in recent years, respondents expressed most interest in the mutual recognition of funds, followed by Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect. It is generally believed that the mutual recognition of funds may help to diversify investments. Respondents are optimistic about China's fund market in the long term, and are expecting to see better returns eventually.

Mr Will Leung, Head of Investment Strategy, Wealth Management, Hong Kong & Greater China of SCBHK said, "With the People's Bank of China weakening the Renminbi reference rate, RMB exchange rate reform has entered a new phase, and two-way volatility is to be expected. RMB used to be regarded as a stable investment tool for investors, but this is no longer the case. However, we do not expect China's CNY policy shift to be the start of significant CNY devaluation. Given this and the various measures being taken by the authorities to stabilise the economy, the RMB and related investments are still worthy of investor attention, especially RMB investment products offering stable returns that can help offset the risk of further volatility in exchange rate. In addition, investors can look into investment opportunities worldwide to diversify their portfolios."

Ms Annie Chen, Head of Managed Investment & Product Management, Wealth Management of SCBHK, said, "Following the removal of the RMB conversion limit at the end of last year, more customers have been investing in RMB-denominated products. In the first half of 2015, the subscription of RMB-denominated funds at SCBHK increased by nearly two times compared to the same period last year. During the recent market fluctuations, some customers relocated their RMB deposits into RMB investment products offering a higher rate of return. SCBHK is currently prepared to introduce mutual recognition of fund products, and we advise our customers to maintain a balanced portfolio. If they are optimistic about the China market, they are advised to consider capturing the opportunities arising there by investing in RMB-denominated products."

* Note: The survey was conducted on-line from 14 till 22 August, 527 responses were received from public between the age of 18 and 64.



Caption (1):

Standard Chartered Hong Kong announcing the findings of a survey on the appetite for Renminbi investment. From left:

- Annie Chen, Head of Managed Investment & Product Management, Wealth Management, Hong Kong
- Will Leung, Head of Investment Strategy, Wealth Management, Hong Kong & Greater China
- Kelvin Lau, Senior Economist



Caption (2):

Kelvin Lau, Senior Economist at SCBHK said that the survey findings reflect the fact that investors remain confident in the China market in the long term.



Caption (3)

Will Leung, Head of Investment Strategy, Wealth Management, Hong Kong & Greater China said that RMB and related investments are still worthy of investor attention, especially RMB investment products offering stable returns that can help offset the risk of further volatility in exchange rate.



Caption (4)

Annie Chen, Head of Managed Investment & Product Management, Wealth Management said that SCBHK is currently prepared to introduce mutual recognition of fund products.

Photos download: <http://www.fingertips.hk/download/RMB-7SEP-press.zip>

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