

《美国加息对中国没有影响》

An interest rate hike this week by the US Federal Reserve will have little impact on China since the nation has adopted measures such as capital flow management that will minimize the effects, a former central bank policy adviser said on Thursday.

China does not need to follow suit by raising its interest rate, said Yu Yongding, former member of the monetary policy committee of the People's Bank of China. "China needs to keep its interest rates stable," said Yu, an economist of the Chinese Academy of Social Sciences. "China has been able to resort to capital flow management to absorb the effect of the US interest rate hike, and the hike has been priced in by the market."

The Fed's move, announced on Wednesday, failed to have any major effects on China's capital market, as shown in the performance of its stock market, interbank market and currency exchange market.

Analysts said the Fed's hike of 25 basis points — a quarter of percentage point — was in alignment with market expectations, and the mild increase leaves little room for a significant market response.

Because China has been steadily deleveraging its capital market for healthy and sustainable development, it is not likely, nor is it necessary, for China's capital market to experience a similar hike after the Fed's action, analysts said.

The domestic benchmark Shanghai Composite Index closed at 3132.49 on Thursday, up 0.06 percent. Offshore renminbi went down 0.01 percent to 6.7856 against the US dollar. The overnight Shibor rate, a barometer for short-term interbank liquidity, ticked up slightly at 0.67 basis points.

China's central bank on Thursday left interest rates for open market operations unchanged by fixing the rate for seven-day reverse repos — money sold and quickly bought back — at 2.45 percent, with the 14-day tenor, or payment time, at 2.60 percent and the 28-day tenor at 2.75 percent.

China International Capital Corp's fixed income team said China's central bank had followed the Fed with an interest-rate increase in the past two Fed hikes mainly for maintaining the stability of the interest rate margin between the two markets, and to maintain stability of the exchange rate of the yuan against other currencies.

"This time, the decision to not follow the interest hike shows that market conditions have already reached a balance that is beneficial for the bond market to adjust to a reasonable level. There is still room for bond yields to go down a little bit, particularly for short-term bonds," the research note said.

Ming Ming, chief analyst with CITIC Securities' fixed income business, said macroeconomic data in China shows that debt reduction is happening and has been effective.

"M2 incremental growth data released on Wednesday posted a record low in May, showing that China's

deleveraging efforts are working effectively. There is no need for an interest hike in China as the economy is gradually deleveraging the capital market in a mild manner," Ming said.

M2 is a measure of money supply that includes cash and some other holdings like short-term deposits.

For China's real estate market, which is experiencing gradually tightened currency and lending policies, overall market conditions in the medium term are stable and remain intact within the Fed's interest rate hike, said Andrew Kam, director of Savills Shanghai valuation.

"The pace of the interest hike is temperate, not too aggressive, so the market response is also mild. In the medium term, as another three hikes are expected, based on what the US Fed (Open Market) Committee has stated, the financing and currency market in China will also be stable," Kam said.

