Money & Credit: Peoples Bank of China Policy Tools

Yardeni Research, Inc.

March 6, 2020

Dr. Edward Yardeni
516-972-7683
eyardeni@yardeni.com

Debbie Johnson
480-664-1333
djohnson@yardeni.com

Mali Quintana
480-664-1333
aquintana@yardeni.com

Please visit our sites at
www.yardeni.com
blog.yardeni.com

thinking outside the box
| China Central Bank | 1-2 |
China Central Bank

Figure 1.

PBOC ASSETS
(trillion dollars, nsa, ratio scale)

- Total Assets (5.4)
- Foreign Exchange Assets (3.1)
- Nongold International Reserves Held by China (IMF data) (3.1)

Source: People’s Bank of China and IMF.

Figure 2.

CHINA: PRIME LENDING RATE
(percent)

Source: Haver Analytics.
CHINA REQUIRED RESERVE RATIOS

Required Reserve Ratios
- Large Depository Institutions (12.5)
- Small/Medium Depository Institutions (10.5)

* The PBOC announced a change in the Required Reserve Ratios in two steps and specified that it would drop 0.5% effective January 15, 2019 and to drop another 0.5% effective January 25, 2019. The rates were updated accordingly into the future.

Source: People’s Bank of China.