

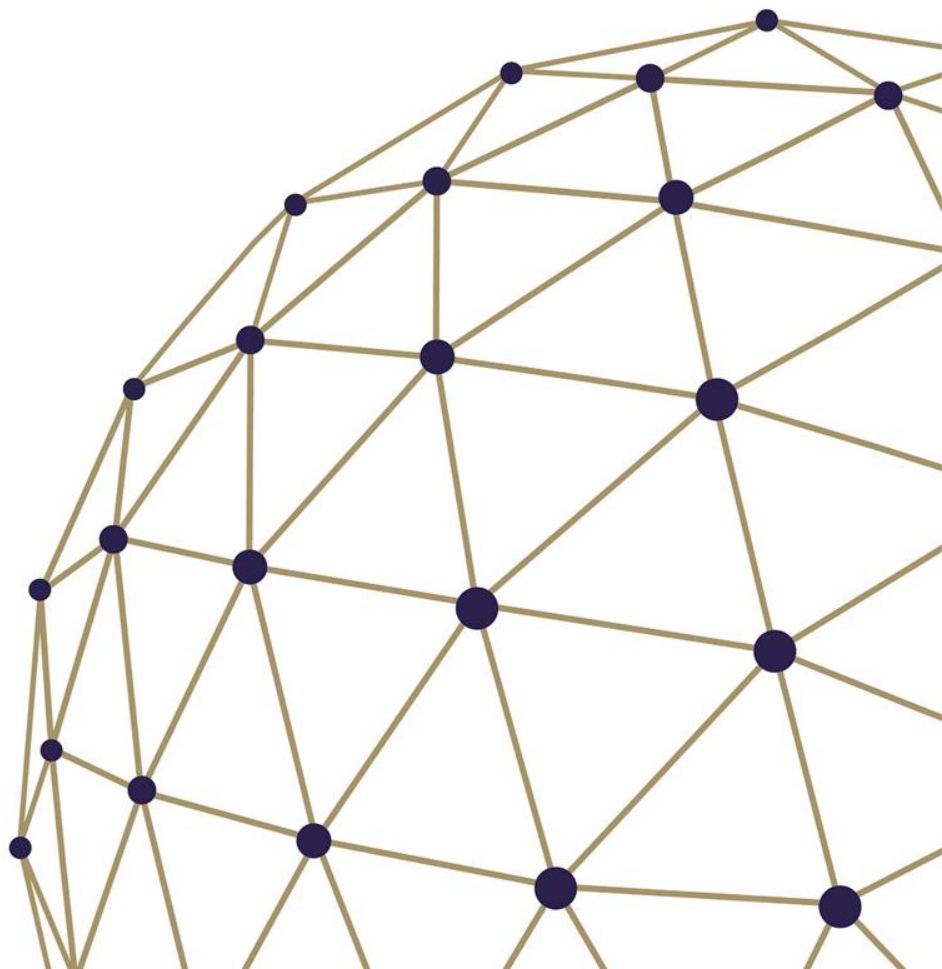


MNB on the New Silk Road

Dániel Palotai, chief economist, executive director

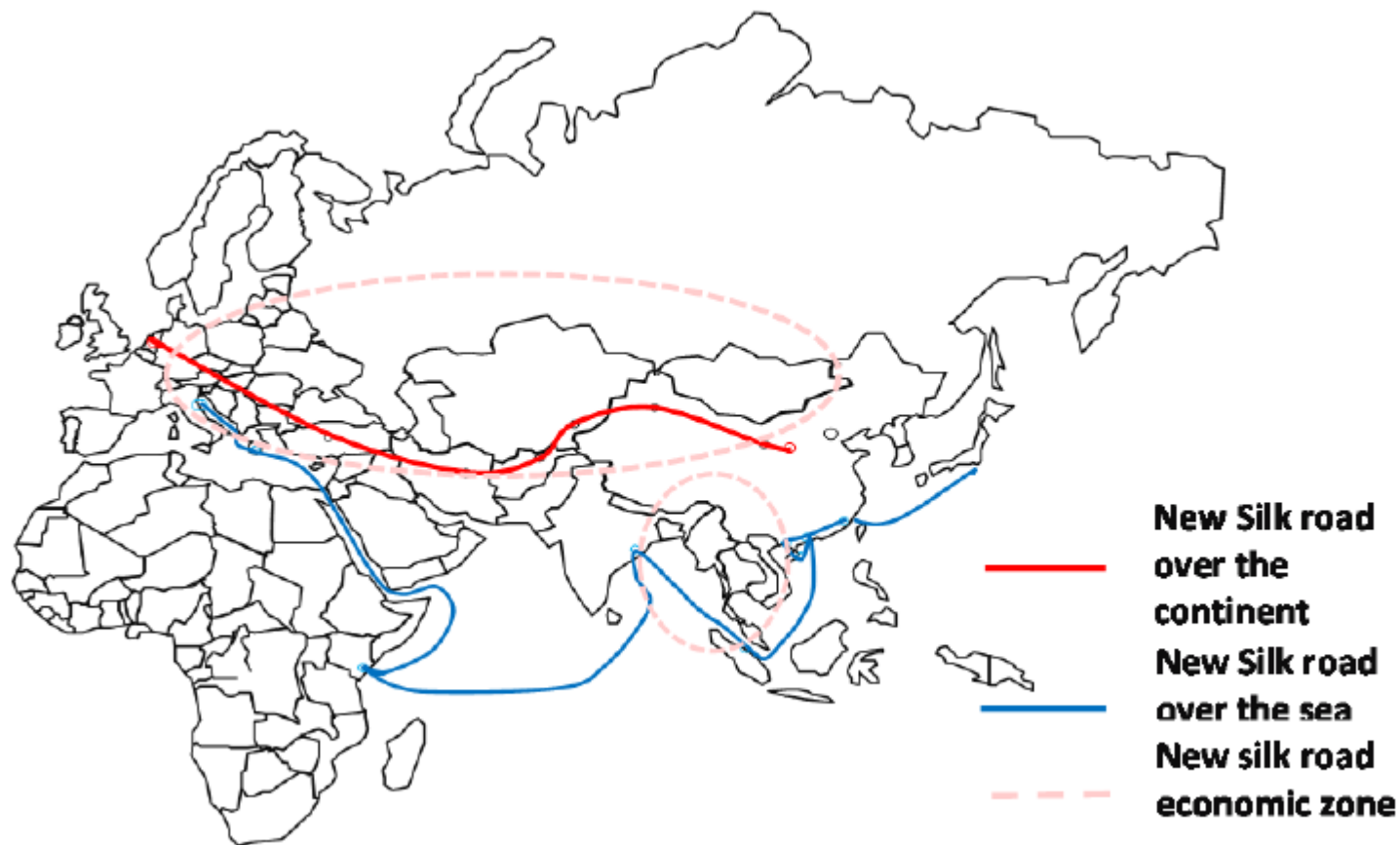
BRI 2017 conference

April 5, 2017





Hungary on the New Silk Road





Finances of the New Silk Road

Central bank cooperation

Bond markets **Stock exchanges**

RQFII **Investment opportunities**

Equity markets

AIIB

Financing sources

TRADE FINANCE

Clearing

RMBHUF market development



MNB on the New Silk Road

Renminbi Program

FX reserve portfolio in CNY

Potential central bank RMB liquidity instrument

Clearing

Financial stability and regulatory issues

Research and academic cooperation

Achievement of the Renminbi Program

- FX reserves in RMB
- PBOC-MNB RMBHUF swapline
- Clearing MoU
- CBRC-MNB cooperation
- Research



Budapest Renminbi Initiative

Budapest Renminbi Initiative

Markets
(FX market,
money
market,
capital
markets)

Clearing and
settlement
infrastructure

Banking and
trade finance

Publications,
conferences

Developments

- RMB deposits, loans, RMBHUF FX products available
- Bank of China as RMB clearing bank
- RMB accounts available
- BSE-BOC-MNB conference on RQFII quota



What happened since BRI 2016?

Central bank cooperation

- 2016 Sep ⇒ Renewal of PBOC-MNB swap line

RMB as a reserve currency

- Since Oct, 2016 ⇒ RMB in the SDR-basket

RMBHUF markets

- Dec, 2016 ⇒ direct RMBHUF trading in CFETS
- Jan, 2017 ⇒ CFETS RMB index includes HUF

RMB investments

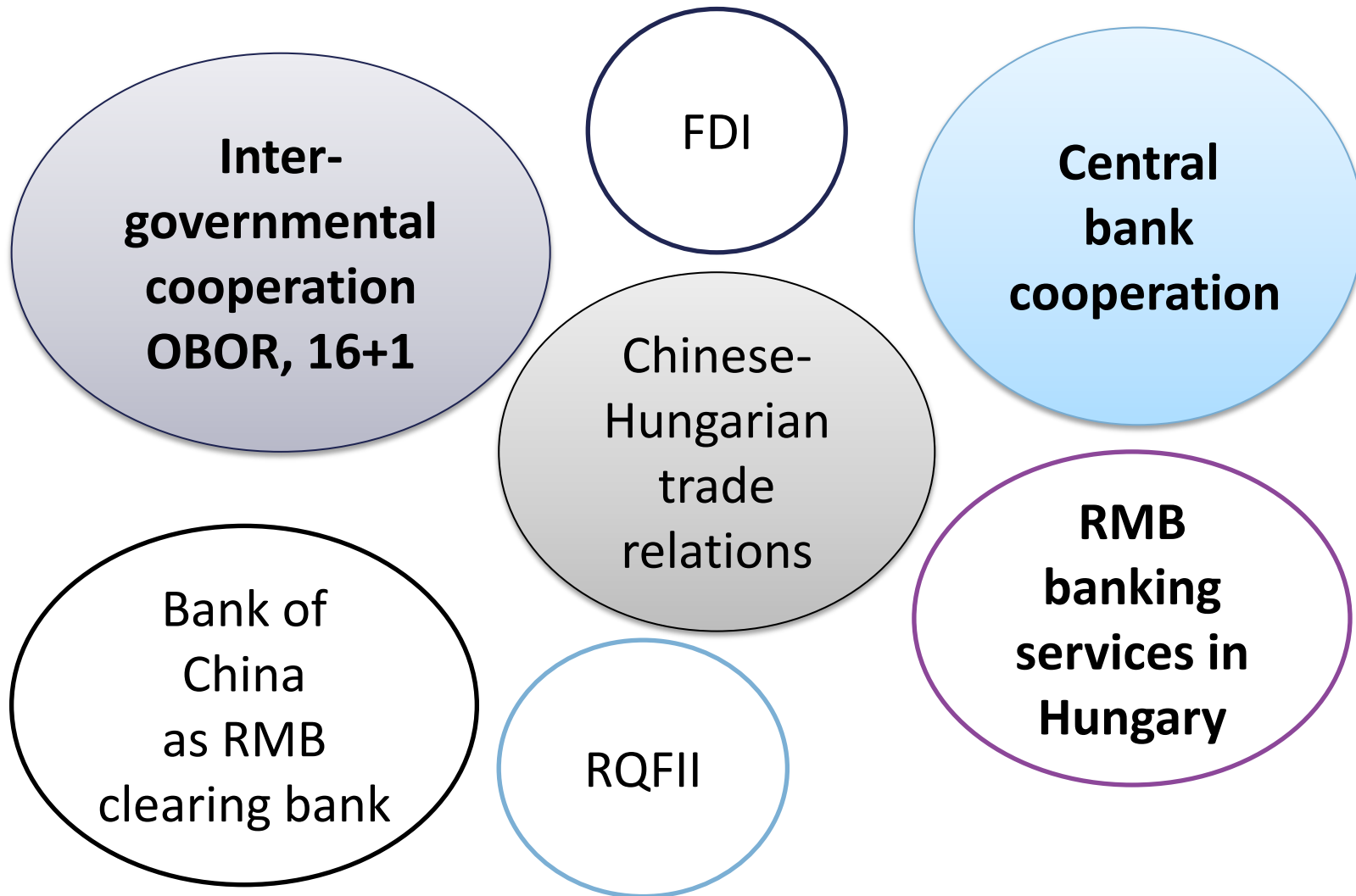
- Oct, 2016 ⇒ BSE-BOC-MNB conference on RQFII quota
- Apr, 2017 ⇒ RQFII Q&A

Research

- MNB publications
- FER Special Issue on China



Solid basis to build on





Potential for 2017

RMB usage in trade settlement

RMB clearing and settlement

RMB investments (RQFII)

Developing RMBHUF market

Research and academic cooperation

Panda bond?

RMB instruments at BSE?



**Thank you
for your attention**