



News Release

14 November 2018

BOC, CFETS and SGX sign strategic cooperation agreement on CFETS-BOC Bond Indices

- SGX will be the first exchange to distribute the Bond Indices outside of China
- The three parties will explore the feasibility of disseminating the Bond Indices via SGX's market data distribution network and developing tradable products based on the Indices

Bank of China Limited (BOC), China Foreign Exchange Trade System & National Interbank Funding Center (CFETS) and Singapore Exchange (SGX) today announced that they have signed a strategic cooperation agreement to jointly promote CFETS-BOC Traded Bond Index and its sub-indices¹ (Bond Indices) outside of China to international investors, as well as to explore the feasibility of developing products based on the Bond Indices.

SGX will be the first exchange to distribute the Bond Indices outside of China, by publishing the Bond Indices on SGX's website (<http://www.sgx.com/indices/cfets-boc-traded-bond-indices>). The three parties will jointly organise educational sessions and publicity activities to promote the development and increase investor awareness of the Bond Indices.

As part of the collaboration agreement, they will also explore disseminating the Bond Indices via SGX's market data distribution network, and using the Bond Indices as a component in the indices calculated by SGX.

In addition, they will explore the feasibility of developing financial products using the Bond Indices as the underlying, to be listed on SGX.

CFETS and BOC jointly developed and launched the Bond Indices, which are based on the transaction characteristics of various types of bonds and represent top liquidity in the current China Interbank Bond Market (CIBM). These indices serve to provide an effective price-level indicator of the CIBM for domestic and foreign investors, who wish to follow CIBM movements for performance benchmarking and portfolio construction and management.

Ms Zhen Mei, General Manager and Head of Global Markets, BOC, said, "Through close collaboration between SGX, CFETS and Bank of China, we are able to launch the CFETS-BOC Bond Indices on SGX, an exchange with wide-reaching influence. The CFETS-BOC Bond Indices better reflect the market trends and flows of a comprehensive range of China onshore bond products. We hope that

¹ CFETS and BOC jointly developed and launched the CFETS-BOC Traded Bond Index, which currently comprises several sub-indices, namely, the CFETS-BOC Traded Treasury Bond Index, CFETS-BOC Traded Policy Financial Bond Index, CFETS-BOC Traded High Credit Rating Negotiated Certificates of Deposit Index, CFETS-BOC Traded High Credit Rating Bond Index, CFETS-BOC 1-3 Year Traded High Credit Rating Bond Index, and CFETS-BOC 3-5 Year Traded High Credit Rating Bond Index.



international investors will utilise the indices and their related products to participate in investment opportunities and benefit from the opening up of the China bond market.”

Ms Zhang Yi, President of CFETS, said, “CFETS-BOC Bond Indices well capture the characteristics of China’s bond market, providing investors with accurate and reliable observation windows and reference for tracking portfolio performance. The publication of indices on SGX authorised by CFETS and Bank of China will help foster publicity, encourage wider use of the indices and investment in related products among overseas investors, and further promote the opening up of China’s bond market.”

Loh Boon Chye, Chief Executive Officer of SGX, said, “This strategic cooperation marks a further strengthening of financial ties between Singapore and China. As China forges ahead with the opening up of its financial markets, SGX is well-placed to raise the visibility of the Bond Indices and facilitate greater global institutional investor interest. The distribution of the Indices through SGX’s network will also familiarise international investors with Chinese domestic markets. We look forward to closer collaboration between the three organisations and the two countries, so as to enhance cross-border opportunities benefitting both markets.”

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About Bank of China

Bank of China (BOC) was founded in Shanghai in February 1912. BOC has been the pioneer in exploring global financial markets as far back as the beginning of the 20th century. BOC’s RMB international business builds on its century-long experience and reflects the world’s economic and financial needs. BOC provides comprehensive support for clients around the world through its global business network, broad base of financial products, and high level of professionalism. As the most international bank in China, BOC has been the product and service provider and market leader in RMB internationalisation business. Taking into consideration demands from clients in different time zones, BOC has set up a global and continuous trading network with dealing rooms in international financial centers such as Beijing, Shanghai, Singapore, and London, where BOC promptly provides overseas investors with professional financial services and help clients to explore the ever-growing business opportunities brought by the internationalisation of the RMB.

As a major market maker and agent bank in China Interbank Bond Market, BOC has dedicated itself in introducing the China market to the world and improving the investing efficiency for overseas investors. For this reason, Bank of China, together with China Foreign Exchange Trade System (CFETS), has innovatively developed the CFETS-BOC Traded Bond Index and expects it to become the new benchmark for overseas investors when investing in China Interbank Bond Market.

About China Foreign Exchange Trade System & National Interbank Funding Center

China Foreign Exchange Trade System (CFETS), also known as National Interbank Funding Center, was founded in 1994 and directly affiliated to PBOC. As an FMI in China, CFETS organises and runs Chinese interbank market transactions. CFETS abides by the principles of “multiple technical approaches, various trading mechanisms, and satisfying demands from multi-tiered markets”, and commits to infrastructure construction, product and mechanism innovation in China interbank market, aiming to build itself as “a major global trading platform and pricing center for RMB and related products”.



With the use of advanced information technology, CFETS provides a series of services covering issuance, trading, information, and post-trade for the RMB-denominated interest rate, exchange rate and related products in cash and derivatives markets. On every business day, it publishes market benchmarks including RMB Central Parity Rate, Shanghai Interbank Offered Rate (Shibor), Loan Prime Rate (LPR), CFETS RMB Index series, RMB/FX Reference Rate etc., providing reference for market pricing and valuation.

CFETS has more than 22,000 market participants, including over 1,000 overseas investors. By the end of 2017, the total trading volume in CFETS reached RMB998 trillion.

About Singapore Exchange

Singapore Exchange (SGX) is Asia's leading and trusted market infrastructure, operating equity, fixed income and derivatives markets to the highest regulatory standards. As Asia's most international, multi-asset exchange, SGX provides listing, trading, clearing, settlement, depository and data services, with about 40% of listed companies and over 80% of listed bonds originating outside of Singapore.

SGX is the world's most liquid international market for the benchmark equity indices of China, India, Japan and ASEAN and offers commodities and currency derivatives products. Headquartered in AAA-rated Singapore, SGX is globally recognised for its risk management and clearing capabilities. For more information, please visit www.sgx.com.

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