

## Financial Market Report (March 2025)

### 1. Bond Issuance

In March, the bond market saw a total issuance of RMB8735.66 billion. The issuances of treasury bonds, local government bonds, financial bonds, corporate credit bonds,<sup>1</sup> credit-asset-backed securities, and interbank certificates of deposit (CDs) reached RMB1278.63 billion, RMB978.80 billion, RMB1022.64 billion, RMB1333.52 billion, RMB18.60 billion, and RMB4068.62 billion, respectively.

As of end-March, outstanding bonds held in custody amounted to RMB183.1 trillion, including RMB161.8 trillion in the interbank bond market and RMB21.3 trillion in the exchange bond market. By bond type, treasury bonds, local government bonds, financial bonds, corporate credit bonds, credit-asset-backed securities, and interbank CDs in custody recorded outstanding amounts of RMB35.3 trillion, RMB49.8 trillion, RMB41.5 trillion, RMB33.1 trillion, RMB1.1 trillion, and RMB21.2 trillion, respectively. Commercial bank over-the-counter (OTC) bonds in custody recorded an outstanding amount of RMB164.90 billion.

### 2. Bond Market

In March, cash bond trading in the interbank bond market saw a turnover of RMB36.5 trillion, recording a year-on-year decline of 6.7 percent but a month-on-month growth of 22.1 percent, with the daily average standing at

---

<sup>1</sup> Including debt-financing instruments issued by non-financial institutions, asset-backed notes, enterprise bonds, corporate bonds, and exchange-traded asset-backed securities.

RMB1.7 trillion. Of the total turnover, transactions with each trade between RMB5 million and RMB50 million accounted for 49.8 percent, while those with each trade above RMB90 million made up 44.0 percent. The average value per trade was RMB41.98 million. The turnover of cash bond trading in the exchange bond market was RMB3.6 trillion, averaging RMB171.84 billion daily. A total of 118,000 transactions were done in the commercial bank OTC bond market, registering a turnover of RMB65.68 billion.

### **3. Bond Market Opening-up**

As of end-March, overseas institutions held RMB4.4 trillion, or 2.4 percent, of the outstanding bonds in custody in China's bond market. Specifically, their holdings in the interbank bond market amounted to RMB4.4 trillion. By bond type, overseas institutions held RMB2.1 trillion, or 47.4 percent, of treasury bonds, RMB1.3 trillion, or 29.4 percent, of interbank CDs, and RMB0.8 trillion, or 18.9 percent, of policy bank bonds.

### **4. Money Market**

In March, transactions in the interbank lending market totaled RMB6.1 trillion, down by 32.8 percent year on year but up by 40.5 percent month on month. Bond repo transactions fell by 14.4 percent year on year to RMB124.7 trillion, representing a month-on-month rise of 35.9 percent. Repo transactions of exchange-traded standardized bonds increased by 22.4 percent year on year and 11.3 percent month on month to RMB51.4 trillion.

In March, the monthly weighted average interest rate on interbank lending stood at 1.85 percent, down by 10 bps month on month, while that on pledged

repos was 1.87 percent, down by 13 bps month on month.

## **5. Bill Market**

In March, commercial drafts that were accepted totaled RMB3.4 trillion while those discounted amounted to RMB2.6 trillion. As of end-March, the outstanding amounts of accepted commercial drafts and those discounted stood at RMB19.5 trillion and RMB14.6 trillion, respectively.

In March, a total of 103,000 micro, small, and medium-sized enterprises (MSMEs) issued bills, accounting for 93.1 percent of all the issuing enterprises. Bills issued by MSMEs reached RMB2.4 trillion, representing 71.8 percent of the total bill issuance. Of all the enterprises that discounted bills, 117,000, or 96.4 percent, were MSMEs. The bills they discounted registered RMB2.0 trillion, accounting for 75.7 percent of the total amount of discounted bills.

## **6. Stock Market**

At end-March, the SSE Composite Index closed at 3335.8, up by 14.8 points, or 0.4 percent, month on month, while the SZSE Component Index closed at 10504.3, down by 106.9 points, or 1.0 percent, month on month. In March, the average daily turnover on the Shanghai Stock Exchange dropped by 15.2 percent month on month to RMB596.52 billion, and that on the Shenzhen Stock Exchange declined by 19.1 percent month on month to RMB895.21 billion.

## **7. Structure of Bond Holders in the Interbank Bond Market**

As of end-March, there were 3,984 institutional investors in the interbank market in terms of incorporated entities, all of which were financial institutions. By the size of bond holdings, the top 50 investors in corporate credit bonds,<sup>2</sup> mainly including publicly offered funds (asset management), large state-owned commercial banks (proprietary), and insurance financial institutions (asset management), accounted for 53.1 percent of such holdings, while the top 200 investors held 83.2 percent. The biggest, smallest, average, and median numbers of holders for a corporate credit bond were 133, 1, 12 and 12, respectively. Of the total number of such credit bonds, 88.4 percent were held by no more than 20 investors.

In March, based on the trading volume of corporate credit bonds by incorporated entities, the top 50 investors, mainly including securities companies (proprietary), fund companies (asset management), and city commercial banks (proprietary), conducted 60.1 percent of such transactions, while the transactions by the top 200 investors accounted for 90.6 percent.

(Sources: China Securities Regulatory Commission, China Central Depository & Clearing Co., Ltd., National Interbank Funding Center, Shanghai Clearing House, Shanghai Commercial Paper Exchange, Shanghai Stock Exchange, Shenzhen Stock Exchange, and Beijing Financial Assets Exchange)

---

<sup>2</sup> Statistics are reported separately for proprietary investors and agent investors, same below.