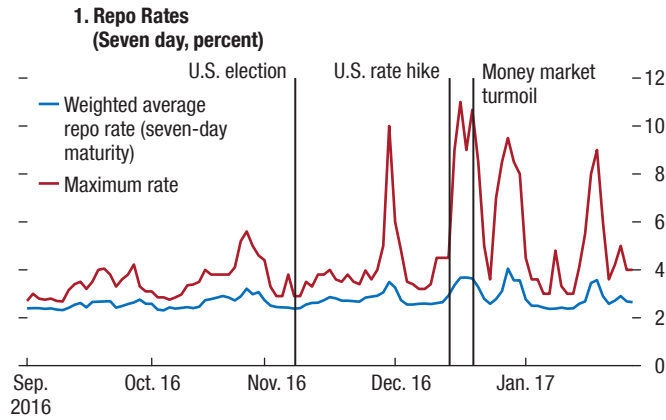
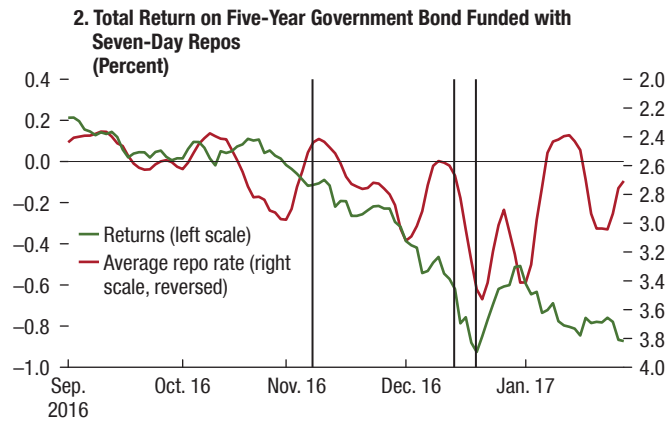


Figure 1.21. Recent Turmoil in Chinese Financial Markets

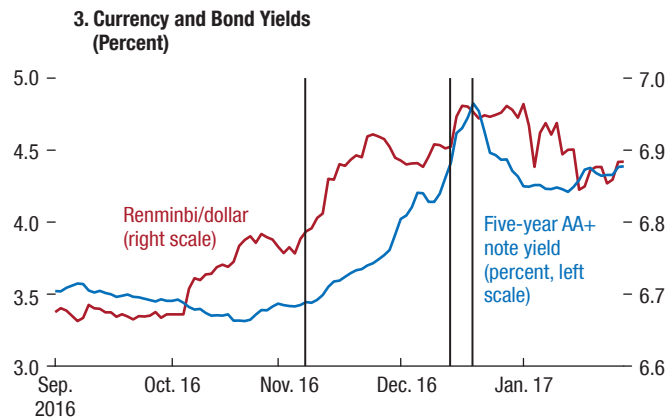
Tighter liquidity conditions pushed up repo rates, which surged in December for riskier institutions.



As repo rates rose, bond market vehicles incurred losses ...



... and corporate bond yields rose sharply with global yields as the U.S. dollar gained.



Sources: CEIC; IMF, Financial Soundness Indicators database, World Economic Outlook database; People's Bank of China; and IMF staff estimates.
Note: Repo = repurchase agreement.