Figure 1.20. China: Capital Flows and Foreign Exchange Reserves

Foreign asset purchases by Chinese residents have driven the recent pressure on capital outflows ...

1. Resident and Nonresident Capital Flows (Billions of U.S. dollars)
   - Residents’ asset purchases (includes errors and omissions)
   - Nonresident inflows (residents’ liabilities)

... triggering substantial foreign exchange interventions by the People’s Bank of China to stabilize the exchange rate.

2. Reserves Variation (Billions of U.S. dollars)
   - Valuation effect
   - Estimated intervention
   - Change in headline reserves

Sources: CEIC; People’s Bank of China; State Administration of Foreign Exchange; and IMF staff estimates.