

## **Financial Market Report (June 2025)**

### **1. Bond Issuance**

In June, the bond market saw a total issuance of RMB8793.95 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 RMB1590.39 billion, RMB1175.32 billion, RMB1073.87 billion, RMB1425.73 billion, RMB24.72 billion, and RMB3456.93 billion, respectively.

As of end-June, outstanding bonds held in custody amounted to RMB188.5 trillion, including RMB166.7 trillion in the interbank bond market and RMB21.9 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 RMB37.2 trillion, RMB51.7 trillion, RMB42.7 trillion, RMB33.7 trillion, RMB1.0 trillion, and RMB21.1 trillion, respectively. Commercial bank over-the-counter (OTC) bonds in custody recorded an outstanding amount of RMB203.80 billion.

### **2. Bond Market**

In June, cash bond trading in the interbank bond market saw a turnover of RMB34.3 trillion, with the daily average standing at RMB1.7 trillion, down by 1.2 percent year on year but up by 6.2 percent month on month. Of the total turnover, transactions with each trade between RMB5 million and

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<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.

RMB50 million accounted for 48.0 percent, while those with each trade above RMB90 million made up 45.8 percent. The average value per trade was RMB42.906 million. The turnover of cash bond trading in the exchange bond market was RMB3.8 trillion, averaging RMB190.54 billion per day. A total of 119,000 transactions were done in the commercial bank OTC bond market, registering a turnover of RMB99.56 billion.

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

As of end-June, overseas institutions held RMB4.3 trillion, or 2.3 percent, of the outstanding bonds in custody in China's bond market. Specifically, their holdings in the interbank bond market amounted to RMB4.2 trillion. By bond type, overseas institutions held RMB2.1 trillion, or 49.6 percent, of treasury bonds, RMB1.2 trillion, or 27.2 percent, of interbank CDs, and RMB0.8 trillion, or 19.1 percent, of policy bank bonds.

### **4. Money Market**

In June, transactions in the interbank lending market totaled RMB8.4 trillion, up by 11.2 percent year on year and 26.0 percent month on month. Bond repo transactions grew by 32.7 percent year on year to RMB156.3 trillion, representing a month-on-month increase of 20.4 percent. Repo transactions of exchange-traded standardized bonds totaled RMB50.6 trillion, increasing by 32.2 percent year on year and 4.1 percent month on month.

In June, the monthly weighted average interest rate on interbank lending stood at 1.46 percent, down by 9 bps month on month, while that on pledged repos was 1.50 percent, down by 6 bps month on month.

## **5. Bill Market**

In June, commercial drafts that were accepted totaled RMB3.5 trillion while those discounted amounted to RMB2.8 trillion. As of end-June, the outstanding amounts of accepted commercial drafts and those discounted stood at RMB19.3 trillion and RMB14.8 trillion, respectively.

In June, a total of 107,000 micro, small, and medium-sized enterprises (MSMEs) issued bills, accounting for 93.2 percent of all the issuing enterprises. Bills issued by MSMEs reached RMB2.4 trillion, making up 69.8 percent of the total bill issuance. Of all the enterprises that discounted bills, 121,000, or 96.3 percent, were MSMEs. The bills they discounted registered RMB2.0 trillion, accounting for 71.9 percent of the total amount of discounted bills.

## **6. Stock Market**

At end-June, the SSE Composite Index closed at 3444.4, up by 96.9 points, or 2.9 percent, month on month, while the SZSE Component Index closed at 10465.1, up by 424.5 points, or 4.2 percent, month on month. In June, the average daily turnover on the Shanghai Stock Exchange increased by 8.6 percent month on month to RMB510.44 billion, while that on the Shenzhen Stock Exchange rose by 11.5 percent month on month to RMB796.90 billion.

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

As of end-June, there were 3,989 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 48.0 percent of such holdings, while the top 200 investors held 79.6 percent. The biggest, smallest, average, and median numbers of holders for a corporate credit bond were 124, 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 June, based on the trading volume of corporate credit bonds by incorporated entities, the top 50 investors, mainly including securities companies (proprietary), joint-stock commercial banks (proprietary), and fund companies (asset management), conducted 60.0 percent of such transactions, while the transactions by the top 200 investors accounted for 90.3 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)

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