



NSBO China – Bloomberg Seminar

May 25 (Bloomberg) -- UBS AG Senior Advisor, George Magnus, New Star Institutional Managers Chief Investment Officer, Ian Beattie, North Square Blue Oak, Head of China Research, Miranda Carr, and Deutsche Bank Global Head of Foreign-Exchange Strategy, Bilal Hafeez talked about the outlook for the yuan at the Bloomberg Link China Investment Summit in London.

Topics covered included:

1. What is the fair market value of the yuan? 6 per dollar, 5, 4?
2. When China's policy makers manage the currency's crawling peg, do they have a target in mind? What might that target and the timetable to reach that target be?
3. While the market is getting used to the slow appreciation, what are the odds of a one-off surprise, say a sudden appreciation to choke off speculators?
4. We have seen a number of emerging market countries including Brazil joining the U.S. and EU in asking for a stronger yuan. Does that increase the pressure for China or does it all come down to the bilateral negotiation between China and U.S.?
5. China's foreign reserves have grown to \$3 trillion as the result of its currency policy. Is this in itself becoming a factor for a faster move in the yuan because it's more and more difficult and costly to sterilize the currency intervention? Have we reached the breaking point here?
6. China has been promoting the using of yuan in international trade and finance. Growth in offshore RMB deposits has been explosive. What's the outlook for the internationalization of the yuan and development in the rmb offshore market? When will the yuan become a fully convertible currency?

To see the video, use LIVE GO on Bloomberg.