

# Effective Exchange Rate Index

The effective exchange rate index for the Hong Kong dollar on Wednesday, July 24, 2019 is 105.2 (same as yesterday's index).

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## Exchange Fund Position at end-June 2019

The following is issued on behalf of the Hong Kong Monetary Authority:

The Hong Kong Monetary Authority (HKMA) today (July 24) published the unaudited financial position of the Exchange Fund at end-June 2019.

The Exchange Fund recorded an investment income of HK\$170.8 billion in the first half of 2019. The main components were:

- gains on bonds of HK\$76.4 billion;
- gains on Hong Kong equities of HK\$20.3 billion;
- gains on other equities of HK\$65.1 billion;
- negative currency translation effect on non-Hong Kong dollar assets of HK\$3.5 billion (Note 1); and
- gains on other investments of HK\$12.5 billion (Note 2).

Fees on placements by the Fiscal Reserves and placements by Hong Kong Special Administrative Region Government funds and statutory bodies were HK\$15.3 billion (Note 3) and HK\$4.5 billion respectively in the first half of 2019 (the rate of fee payment is 2.9 per cent for 2019). After deducting all expenses and fees, the Accumulated Surplus of the Exchange Fund recorded an increase of HK\$121.9 billion (Annexes 1 and 2).

Total assets of the Exchange Fund stood at HK\$4,137.0 billion at end-June 2019, an increase of HK\$82.1 billion from the end of 2018.

The Chief Executive of the HKMA, Mr Norman Chan, said, "Following a sharp fall in the fourth quarter last year due to worsening United States-China trade conflicts, the global equity markets rebounded significantly in early 2019 amid expectations of easing trade tensions. However, with a renewed impasse in US-China trade negotiations in May, the markets registered a correction again. Another rebound in global equities happened in June when China and the US indicated that negotiations would resume and the markets expected interest rate cuts by the US Federal Reserve. The Standard & Poor's

500 Index reached a record high. In the first half of 2019, Hang Seng Index also rebounded about 14 per cent from its low at the start of this year. Regarding the bond market, as central banks around the world turned more dovish, the Exchange Fund's bond portfolio also recorded good gains.

He added, "Looking ahead, the investment environment is still fraught with uncertainties in the second half of the year. While in end-June China and the US agreed to resume trade negotiations, it cannot be assumed that an agreement would definitely be reached any time soon. Furthermore, Brexit remains an important and unsettling factor. A 'hard Brexit' could trigger volatilities throughout Europe's economy and financial markets.

The HKMA will continue to manage the Exchange Fund prudently and adjust our defensive measures as appropriate. We will also continue to diversify our investments to further enhance the Exchange Fund's resilience in withstanding market volatilities."

Note 1: This is primarily the effect of translating foreign currency assets into Hong Kong dollar after deducting the portion for currency hedging.

Note 2: This is the valuation change of investments held by investment holding subsidiaries of the Exchange Fund. This figure represents valuation changes up to the end of March 2019. Valuations of these investments from April to June are not yet available.

Note 3: This does not include the 2019 fee payment to the Future Fund because such amount will only be disclosed when the composite rate for 2019 is available.

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## **CSSA caseload for June 2019**

The overall Comprehensive Social Security Assistance (CSSA) caseload in June showed a drop of 562 cases, representing a decrease of 0.3 per cent compared with that of May, according to the latest CSSA caseload statistics released by the Social Welfare Department today (July 24).

The total CSSA caseload at the end of June stood at 223 006 (see attached table), with a total of 317 547 recipients.

Analysed by case nature, low-earnings cases registered a month-to-month decrease of 1.8 per cent to 3 286 cases. Old age cases dropped by 0.4 per cent to 139 618 cases. Both single parent cases and unemployment cases slightly dipped by 0.1 per cent to 24 303 cases and 11 710 cases respectively.

Ill-health cases edged up by 0.4 per cent to 23 269 cases while

permanent disability cases slightly increased by 0.1 per cent to 16 659 cases.

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## **Secretary for Justice to visit Guangzhou**

The Secretary for Justice, Ms Teresa Cheng, SC, will depart for Guangzhou tomorrow morning (July 25). She will visit the High People's Court and the Department of Justice of Guangdong Province to explore opportunities for further collaboration.

Ms Cheng will return to Hong Kong in the evening on the same day.

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## **Phishing email related to The Hongkong and Shanghai Banking Corporation Limited**

The following is issued on behalf of the Hong Kong Monetary Authority:

The Hong Kong Monetary Authority (HKMA) wishes to alert members of the public to a press release issued by The Hongkong and Shanghai Banking Corporation Limited on phishing email, which has been reported to the HKMA. Hyperlink to the press release is available on [the HKMA website](#) for ease of reference by members of the public.

Anyone who has provided his or her personal information to the email concerned or has conducted any financial transactions through the email should contact the bank concerned using the contact information provided in the press release, and report to the Police or contact the Cyber Security and Technology Crime Bureau of the Hong Kong Police Force at 2860 5012.