

# Record of discussion of meeting of Exchange Fund Advisory Committee Currency Board Sub-Committee held on October 30

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

(Approved for Issue by the Exchange Fund Advisory Committee on November 29, 2024)

Report on Currency Board Operations (June 26 – October 18, 2024)

---

The Currency Board Sub-Committee (Sub-Committee) noted that the Hong Kong dollar (HKD) traded within a range of 7.7644 – 7.8146 against the US dollar (USD) during the review period. The HKD exchange rate was largely stable between late June and late July before strengthening in early August, driven by the unwinding of carry trades and short HKD positions against the concerns of a possible US recession and expectation of faster and deeper US Fed rate cuts. The HKD further strengthened, supported by equity-related demand as local stock market sentiment improved following a series of economic stimulus measures announced on the Mainland in late September. HKD interbank rates (HIBORs) continued to track the USD rates while also being affected by local supply and demand. Short-term HIBORs tightened in late September due to buoyant equity market and seasonal quarter-end funding demand. In view of the pick-up of payment flows as the capital market turned vibrant, the HKMA temporarily extended the operating hours of the Real Time Gross Settlement (RTGS) systems for several days as precautionary measures, allowing more time for banks to process payments and manage funding for client flows in late hours. Following the decrease in the target range for the US federal funds rate in mid-September, many banks reduced their Best Lending Rates by 25 basis points, and the Best Lending Rates in the market ranged from 5.625 per cent – 6.125 per cent at the end of the review period. The Convertibility Undertakings were not triggered and the Aggregate Balance was stable at around HK\$45 billion. No abnormality was noted in the usage of the Discount Window. Overall, the HKD exchange and interbank markets continued to trade in a smooth and orderly manner.

The Sub-Committee noted that the Monetary Base increased to HK\$1,938.33 billion at the end of the review period. In accordance with the Currency Board principles, all changes in the Monetary Base had been fully matched by changes in foreign reserves.

The Report on Currency Board Operations for the review period is at Annex.

Monitoring of Risks and Vulnerabilities

---

The Sub-Committee noted that global financial markets experienced a bout of volatility in early August, triggered by concerns over recession risks in the US and an unwinding of the popular carry trades funded by the Japanese yen. While short-lived, the turmoil showed that crowded market positions could be vulnerable to sudden unwinding. Amid more visible signs of cooling labour markets, the Fed and the European Central Bank eased monetary policy and left the door open to more rate cuts ahead, but their interest rate outlook remained clouded by the sluggish services disinflation and recent rising geopolitical tensions in the Middle East.

The Sub-Committee noted that overall economic growth in Mainland China slowed to 4.6 per cent year on year in Q3. In particular, housing market activities and sentiment remained sluggish in September despite destocking efforts, which together with heightened global trade policy uncertainty, had weighed on the near-term economic growth outlook. Since late September, the authorities announced a broad stimulus package, and the immediate impact was largely positive. The Asia Pacific region mostly registered solid growth in the first half of 2024 and remained stable in face of the market turmoil in August with little signs of financial dislocation. The region as a whole was expected to continue to grow at a steady pace in the near term, although the region's resilience would likely continue to be tested by various headwinds, such as still-high global interest rates and elevated trade policy uncertainty in the near term, as well as geoeconomic fragmentation over the longer term.

The Sub-Committee noted that in Hong Kong, economic activities continued to grow at a moderate pace, mainly driven by the strong growth in goods exports alongside robust external demand and the ongoing global tech cycle recovery. Inbound tourism also recovered steadily, but the local retail and catering sectors continued to face headwinds from changing consumption patterns of both local residents and inbound tourists. Looking ahead, Hong Kong's Gross Domestic Product growth momentum was expected to remain moderate in the remainder of the year, with the outlook clouded by various risks and uncertainties stemming from the US policy rate path, global growth prospects, rising trade tensions and the upcoming US presidential election. Meanwhile, sentiment in the residential property market had improved following the interest rate cut, although the commercial real estate markets remained subdued especially in the office segment.

#### Latest Monetary Policy Implementation Framework in Major Advanced Economies

---

The Sub-Committee noted a paper that studied the implications of the changes in the monetary policy implementation framework and reserve regimes in major advanced economies.

---

# DH announced latest situation of Legionnaires' Disease cases

The Centre for Health Protection (CHP) of the Department of Health today (December 9) reported the latest number of cases of Legionnaires' disease (LD), and reminded the public of the importance of using and maintaining properly designed man-made water systems, adding that susceptible groups should strictly observe relevant precautions.

From December 1 to 7, the CHP recorded five community-acquired LD cases and one imported LD case:

1. A male patient, aged 84 with underlying illnesses, who lived in Wan Chai District. The patient passed away on November 30;
2. A female patient, aged 76 with underlying illnesses, who had been to the Mainland during the incubation period and was classified as an imported case;
3. A male patient, aged 75 with underlying illnesses, who lives in Yuen Long District;
4. A male patient, aged 78 with underlying illnesses, who lives in Southern District;
5. A male patient, aged 56 with underlying illnesses, who lives in Wong Tai Sin District; and
6. A male patient, aged 72 with underlying illnesses, who lives in Wong Tai Sin District.

"Epidemiological investigations are ongoing to identify potential sources of infection, high-risk exposure and clusters, if any," a spokesman for the CHP said.

As of December 7, 131 LD cases had been recorded this year. In 2023 and 2022, there were 121 and 80 cases respectively.

"Men, people aged over 50, smokers, alcoholics and persons with weakened immunity are more susceptible to LD. Some situations may also increase the risk of infection, including poor maintenance of water systems; living in areas with old water systems, cooling towers or fountains; using electric water heaters, whirlpools and spas or hot water spring spas; and recent stays in hotels or vessels," the spokesman said.

Legionellae are found in various environmental settings and grow well in warm water (20 to 45 degrees Celsius). They can be found in aqueous environments such as water tanks, hot and cold water systems, cooling towers, whirlpools and spas, water fountains and home apparatus that support breathing. People may become infected when they breathe in contaminated droplets (aerosols) and mist generated by artificial water systems, or when handling garden soil, compost and potting mixes.

Immunocompromised persons should:

- Use sterile or boiled water for drinking, tooth brushing and mouth rinsing;
- Avoid using humidifiers, or other mist- or aerosol-generating devices; and
- If using humidifiers, or other mist- or aerosol-generating devices, fill the water tank with only sterile or cooled freshly boiled water, and not water directly from the tap. Also, clean and maintain humidifiers/devices regularly according to manufacturers' instructions. Never leave stagnant water in a humidifier/device. Empty the water tank, wipe all surfaces dry, and change the water daily.

The public should observe the health advice below:

- Observe personal hygiene;
- Do not smoke and avoid alcohol consumption;
- Strainers in water taps and shower heads should be inspected, cleaned, descaled and disinfected regularly or at a frequency recommended by the manufacturer;
- If a fresh-water plumbing system is properly maintained, it is not necessary to install domestic water filters. Use of water filters is not encouraged as clogging occurs easily, which can promote growth of micro-organisms. In case water filters are used, the pore size should be 0.2 micrometres ( $\mu\text{m}$ ) and the filter needs to be changed periodically according to the manufacturer's recommendations;
- Drain and clean water tanks of buildings at least quarterly;
- Drain or purge for at least one minute infrequently used water outlets (e.g. water taps, shower heads and hot water outlets) and stagnant points of the pipework weekly or before use;
- Seek and follow doctors' professional advice regarding the use and maintenance of home respiratory devices and use only sterile water (not distilled or tap water) to clean and fill the reservoir. Clean and maintain the device regularly according to the manufacturer's instructions. After cleaning/disinfection, rinse the device with sterile water, cooled freshly boiled water or water filtered with 0.2  $\mu\text{m}$  filters. Never leave stagnant water in the device. Empty the water tank, keep all surfaces dry, and change the water daily; and
- When handling garden soil, compost and potting mixes:
  1. Wear gloves and a face mask;
  2. Water gardens and compost gently using low pressure;
  3. Open composted potting mixes slowly and make sure the opening is directed away from the face;
  4. Wet the soil to reduce dust when potting plants; and
  5. Avoid working in poorly ventilated places such as enclosed greenhouses.

The public may visit the CHP's [LD page](#), the [Code of Practice for Prevention of LD](#) and the [Housekeeping Guidelines for Cold and Hot Water Systems for Building Management](#) of the Prevention of LD Committee, and the

CHP's [risk-based strategy](#) for prevention and control of LD.

---

## **Import of poultry meat and products from Rural Municipality of Portage la Prairie of Manitoba Province in Canada suspended**

The Centre for Food Safety (CFS) of the Food and Environmental Hygiene Department announced today (December 9) that in view of a notification from the World Organisation for Animal Health (WOAH) about an outbreak of highly pathogenic H5N1 avian influenza in the Rural Municipality of Portage la Prairie of Manitoba Province in Canada, the CFS has instructed the trade to suspend the import of poultry meat and products (including poultry eggs) from the area with immediate effect to protect public health in Hong Kong.

A CFS spokesman said that according to the Census and Statistics Department, Hong Kong imported about 370 tonnes of frozen poultry meat from Canada in the first nine months of this year.

"The CFS has contacted the Canadian authority over the issue and will closely monitor information issued by the WOAH and the relevant authorities on the avian influenza outbreak. Appropriate action will be taken in response to the development of the situation," the spokesman said.

---

## **Test results of microbiological quality of poon Choi satisfactory (with photo)**

The Centre for Food Safety (CFS) of the Food and Environmental Hygiene Department today (December 9) announced the test results of a recently completed seasonal food surveillance project on the microbiological quality of poon Choi. All samples passed the tests.

ã€€

A CFS spokesman said, "As poon Choi is popular for gatherings during winter, and there were previous cases of bacterial food poisoning associated with poon Choi, the CFS has continued to conduct a seasonal food surveillance

project this year to assess the microbiological quality of poon choi. A total of 30 poon choi samples were collected from different retailers (including online retailers) for testing of common food poisoning organisms including *Bacillus cereus*, *Clostridium perfringens*, *Salmonella*, coagulase-positive staphylococci organisms and *Vibrio parahaemolyticus*."

ã€€

Despite the satisfactory results of the samples tested, the spokesman reminded members of the public to be careful when purchasing and enjoying this seasonal delicacy. He advised consumers to order poon choi from licensed and reliable shops, reheat poon choi thoroughly before consumption, consume the food as soon as possible or keep the food at temperatures above 60 degrees Celsius, avoid prolonged storage of poon choi at room temperature to reduce the risk of bacteria growth, and stop consuming the food if it tastes or smells abnormal.

ã€€

"The public should also maintain a balanced diet and avoid eating too much food with high levels of energy, sugar, salt or fat," the spokesman said.

ã€€

He also appealed to the food trade to plan thoroughly in advance to secure adequate manpower, space and equipment for making poon choi and not to entertain orders beyond handling capacity. A well-organised work procedure can help prevent cross-contamination. As such, before preparation of poon choi, temporary food handlers should be trained to make sure that they are familiar with the working environment and adhere to safe food preparation practices. Traders are also reminded to check the quality of food ingredients and ensure that the temperatures of chilled and frozen foods are appropriate when they are delivered to them. In addition, to reduce the risk of food poisoning, they should avoid preparing food too far in advance and take note of the temperature in storing, transporting and preparing food.

ã€€

"All food ingredients should be stored at safe temperatures while perishable items should be stored at 4 degrees C or below. The cooling time of cooked food should be reduced as far as possible. When transporting hot poon choi, it should be kept at above 60 degrees C, and for chilled poon choi, it should be kept at 4 degrees C or below. Poon choi should be reheated thoroughly until the core temperature reaches 75 degrees C or above, or brought to boil before consumption. Poon choi of a larger portion requires more time to reheat before the food can be fully heated," the spokesman said.

ã€€

"There have been food poisoning cases related to improper handling of poon choi in Hong Kong. Traders should provide clear advice on the proper methods of storing and reheating of poon choi to consumers, such as putting a reminder on the food label to further reduce the risk of food poisoning due to improper handling," he added.

The CFS will continue its surveillance of poon choi available in the market to ensure food safety and protect the health of the public.



---

## [Expansion of one-stop dataset of physical banking facilities of retail banks in Hong Kong](#)

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

The Hong Kong Monetary Authority (HKMA) announced today (December 9) that an additional spatial dataset is made available via Open Application Programming Interface (API) for public use starting from today.

The new dataset provides information on five types of self-service banking machines of 20 retail banks in Hong Kong, covering cash deposit machines, cheque deposit machines, integrated cash and cheque deposit machines, passbook update machines, as well as video teller machines. Together with the two datasets (Note) launched last year, the HKMA's website now provides a total of three one-stop datasets of physical banking facilities of retail banks.

Furthermore, the two existing datasets of physical branches and Automated Teller Machines (ATMs) have also been enriched with more information to make the database more comprehensive, such as the availability of barrier-free measures at branches as well as the currencies available for deposit and withdrawal through the ATMs.

The relevant datasets are available for download from the [HKMA's Open API portal](#). The HKMA welcomes apps developers, technology service providers and the public at large to make use of the open information to unleash more practical applications.

Note: Since September 29, 2023, two datasets of physical branches and ATMs of 20 retail banks in Hong Kong have been available on HKMA's Open API portal.