

Swap Connect enhancements to advance high-quality opening-up of China's financial markets

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

To implement the national strategy to steadily advance the opening-up of China's financial markets, the mutual access between the Mainland and Hong Kong interest rate swap markets (Swap Connect) was launched on May 15, 2023. Since the launch, the trading and clearing arrangements of Swap Connect have been operating smoothly and its trading volume has been on the rise with active participation of Mainland and overseas investors. As of the end of April 2024, 20 Mainland dealers and 58 overseas investors had conducted more than 3 600 interest rate swap transactions with an aggregate notional amount of approximately RMB1.77 trillion, representing an average daily turnover of RMB7.6 billion or thereabouts in notional amount. The average daily turnover calculated on a monthly basis had increased by around three times from approximately RMB3 billion in the first month after the launch to over RMB12 billion in April 2024, providing Mainland and overseas investors with a convenient and efficient risk management tool to manage their RMB asset allocation.

To further promote the co-ordinated development of financial derivatives markets in the Mainland and Hong Kong and establish a framework to facilitate high-quality opening-up in the realm of finance, the People's Bank of China, the Securities and Futures Commission and the Hong Kong Monetary Authority have resolved to support the following further enhancements of Swap Connect, after thoroughly reviewing the operational experiences of Swap Connect and carefully considering comments and suggestions from Mainland and overseas investors. First, to enrich the product types, interest rate swap contracts with payment cycles based on the International Monetary Market dates will be accepted for clearing to align with mainstream products traded globally and meet the diverse risk management needs of Mainland and overseas investors. Second, to improve the ancillary services, compression service and the clearing of backdated swap contracts as the associated supporting arrangement will be introduced to facilitate participating institutions to manage the notional amount outstanding, lower capital costs, and foster active trading. In addition, the China Foreign Exchange Trade System (National Interbank Funding Center), the Shanghai Clearing House, and OTC Clearing Hong Kong Limited will roll out other system enhancements and incentive programmes simultaneously to reduce the participation costs of Mainland and overseas investors.

For the next step, the Mainland and Hong Kong regulators will guide the financial market infrastructure institutions in both markets to extend the business collaboration under Swap Connect in a steady and orderly manner and further enhance the operational arrangements of the scheme, with a view to

facilitating the steady opening-up of China's financial markets and strengthening Hong Kong's status as an international financial centre.

Import of poultry meat and products from Dodge County of State of Minnesota in US suspended

The Centre for Food Safety (CFS) of the Food and Environmental Hygiene Department announced today (May 13) that in view of a notification from the World Organisation for Animal Health (WOAH) about an outbreak of highly pathogenic H5N1 avian influenza in Dodge County of the State of Minnesota in the United States (US), 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 16 480 tonnes of chilled and frozen poultry meat and about 7.73 million poultry eggs from the US in the first three months of this year.

"The CFS has contacted the American 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.

Update on cluster of Influenza A cases at Shatin Hospital

The following is issued on behalf of the Hospital Authority:

Regarding an earlier announcement on a cluster of patients infected with Influenza A in a medical and geriatrics ward, the spokesperson for Shatin Hospital gave the following update today (May 13):

One more patient in the ward, a 78-year-old female, presented with respiratory symptoms. Appropriate viral tests were arranged for the patient and the test result was positive for Influenza A. The patient concerned is being treated in isolation and is in stable condition.

Infection control measures have already been stepped up according to established guidelines. All other patients in the concerned ward are under close surveillance.

The cases have been reported to the Hospital Authority Head Office and the Centre for Health Protection for necessary follow-up.

Update on cluster of Methicillin-resistant Staphylococcus aureus cases in Tuen Mun Hospital

The following is issued on behalf of the Hospital Authority:

Regarding an earlier announcement on a cluster of Methicillin-resistant Staphylococcus aureus (MRSA) carriers in the Neonatal Intensive Care Unit, the spokesperson for Tuen Mun Hospital (TMH) made the following updates today (May 13):

In accordance with the prevailing infection control guidelines, the hospital has performed enhanced surveillance, and one more patient, an 82-day-old baby boy, was confirmed as an MRSA carrier without any symptoms of infection. The patient has been discharged earlier.

The hospital has performed enhanced medical surveillance and screening of the patients in the ward concerned. The following infection control measures have been stepped up according to established guidelines:

1. Thorough cleaning and disinfection of the ward concerned, including the environment, incubators, equipment and instruments;
2. Enhanced medical surveillance of the patients and environmental screening procedures in the ward concerned; and
3. Applied stringent contact precautions and enhanced hand hygiene of staff. Family members are reminded that infection control measures must be implemented before visiting their babies.

The case has been reported to the Hospital Authority Head Office and the Centre for Health Protection for follow-up.

Effective Exchange Rate Index

The effective exchange rate index for the Hong Kong dollar on Monday, May 13, 2024 is 106.1 (up 0.1 against last Saturday's index).

The effective exchange rate index for the Hong Kong dollar on Saturday, May 11, 2024 was 106 (same as last Friday's index).