

# International Reserves and Foreign Currency Liquidity

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

The Hong Kong Monetary Authority (HKMA) released today (Friday) the analytical data on the Hong Kong Special Administrative Region's foreign currency reserves and foreign currency liquidity as at the end of October 2019 (Annex). These data are published monthly in the Template on International Reserves and Foreign Currency Liquidity in accordance with the International Monetary Fund's Special Data Dissemination Standard.

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At present, four press releases relating to the Exchange Fund's data are issued by the HKMA each month. Three of these releases are issued to disseminate monetary data in accordance with the International Monetary Fund's Special Data Dissemination Standard (SDDS). The fourth press release, on the Exchange Fund's Abridged Balance Sheet and Currency Board Account, is made in accordance with the HKMA's policy of maintaining a high level of transparency. For the month of November 2019, the scheduled dates for issuing the press releases are as follows:

November 7 (Issued)	SDDS International Reserves (Hong Kong's Latest Foreign Currency Reserve Assets Figures)
November 14 (Issued)	SDDS Analytical Accounts of the Central Bank (Analytical Accounts of the Exchange Fund)
November 29	SDDS Template on International Reserves and Foreign Currency Liquidity
November 29	Exchange Fund Abridged Balance Sheet and Currency Board Account

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## Exchange Fund Abridged Balance Sheet and Currency Board Account

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

The Hong Kong Monetary Authority (HKMA) announced today (November 29) that the total assets of the Exchange Fund amounted to HK\$4,188.0 billion as at October 31, 2019, HK\$41.0 billion lower than that at the end of September 2019. Hong Kong dollar assets decreased by HK\$69.9 billion while foreign currency assets increased by HK\$28.9 billion.

The decline in Hong Kong dollar assets was mainly due to a decrease in Exchange Fund Bills and Notes issued but not yet settled. The rise in foreign currency assets was mainly due to an increase in unsettled purchases of securities and income from foreign currency investments.

The Currency Board Account shows that the Monetary Base at the end of October 2019 was HK\$1,646.3 billion, increased by HK\$1.7 billion, or 0.1 per cent, from the end of September 2019. The rise was mainly due to amortisation of discount on Exchange Fund Bills and Notes.

The amount of Backing Assets increased by HK\$4.0 billion, or 0.2 per cent, to HK\$1,842.5 billion. The increase was mainly attributable to interest from investments. The backing ratio increased from 111.80 per cent at the end of September 2019 to 111.92 per cent at the end of October 2019.

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# Residential Mortgage Survey Results for October 2019

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

The Hong Kong Monetary Authority (HKMA) announced the results of the residential mortgage survey for October 2019.

The number of mortgage applications in October decreased month-on-month by 3.7 per cent to 9,299.

Mortgage loans approved in October decreased by 3.9 per cent compared with September to HK\$32.6 billion. Among these, mortgage loans financing primary market transactions increased by 4.6 per cent to HK\$9.1 billion and those financing secondary market transactions increased by 14.6 per cent to HK\$12.8 billion. Mortgage loans for refinancing decreased by 24 per cent to HK\$10.6 billion.

Mortgage loans drawn down during October decreased by 23.5 per cent compared with September to HK\$26.3 billion.

The ratio of new mortgage loans priced with reference to HIBOR decreased from 86.1 per cent in September to 84.6 per cent in October. The ratio of new mortgage loans priced with reference to best lending rates increased from 11.7 per cent in September to 12.4 per cent in October.

The outstanding value of mortgage loans increased month-on-month by 0.5 per cent to HK\$1,422.8 billion at end-October.

The mortgage delinquency ratio remained unchanged at 0.02 per cent and the rescheduled loan ratio remained unchanged at nearly 0 per cent.

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## Good Employer Charter 2020 to promote family-friendly employment practices

The Secretary for Labour and Welfare, Dr Law Chi-kwong, attended the Kick-off Ceremony cum Seminar of the Good Employer Charter 2020 organised by the Labour Department (LD) today (November 29). He appealed to employers of various trades and different scales to join the charter and implement family-friendly employment practices.

Speaking at the kick-off ceremony, Dr Law said the charter shares the

same spirit as that enshrined in the sustainability principle currently adopted by enterprises that can effectively bring about long-term, stable and harmonious employer-employee relations.

He pointed out that the Good Employer Charter 2020, with a theme of promoting family-friendly employment practices, aims to encourage every employer in Hong Kong to become a "family-friendly good employer".

Dr Law said, "The implementation of family-friendly employment practices can bolster employees' productivity and their sense of belonging to company, thereby reducing turnover and building a positive image for the company."

Noting that the Hong Kong economy is facing uncertainties including the risk of a global economic downturn and the impact of social incidents, Dr Law encouraged companies to join hands with their employees and continue to fulfil social responsibilities during times of economic adversity.

The charter is supported by seven organisations, namely the Chinese General Chamber of Commerce, the Chinese Manufacturers' Association of Hong Kong, the Employers' Federation of Hong Kong, the Federation of Hong Kong Industries, the Hong Kong General Chamber of Commerce, the Hong Kong General Chamber of Small and Medium Business, and the Hong Kong Small and Medium Enterprises Association. In the ensuing seminar, a thematic talk was arranged and small and medium-sized enterprises were also invited to share their experiences in carrying out family-friendly employment practices and how to work together with employees to ride out difficult times.

The Good Employer Charter was first launched in 2017 to promote employee-oriented good human resource management, show care for employees, promote a work-family or work-life balance, provide employees with benefits that are better than statutory requirements as well as establish good communication with employees or their organisations. It attracted more than 540 enterprises as signatories. The LD launches the charter again this year with a theme of promoting family-friendly employment practices. For details, please visit the website [www.gec.labour.gov.hk](http://www.gec.labour.gov.hk).

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## **Monetary Statistics for October 2019**

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

According to statistics published today (November 29) by the Hong Kong Monetary Authority, total deposits with authorised institutions grew by 1.0% in October 2019 as compared to September. Among the total, Hong Kong dollar deposits and overall foreign-currency deposits increased by 0.4%, and 1.6% respectively. Renminbi deposits in Hong Kong increased by 2.1% to RMB636.4 billion at the end of October. The total remittance of renminbi for cross-

border trade settlement amounted to RMB429.4 billion in October, compared with RMB458.2 billion in September.

Total loans and advances increased by 0.4% in October. Among the total, loans for use in Hong Kong (including trade finance) increased by 0.1% and loans for use outside Hong Kong went up by 1.0% from a month ago. (Note) The Hong Kong dollar loan-to-deposit ratio edged up to 90.7% at the end of October from 90.6% at the end of September, as Hong Kong dollar loans increased at a faster pace than Hong Kong dollar deposits.

Hong Kong dollar M2 and M3 both increased by 0.4% on a month-on-month basis, and rose by 2.8% and 2.7% respectively compared to a year ago. The seasonally-adjusted Hong Kong dollar M1 increased by 0.4% in October from September; on year-on-year terms the decline narrowed to 2.2% from 3.4% a month ago, reflecting in part investment-related activities. Total M2 and M3 both increased by 1.1% in October, and expanded by 4.1% and 4.0% respectively from a year earlier.

As monthly monetary statistics are subject to volatilities due to a wide range of transient factors, such as seasonal and IPO-related funding demand as well as business and investment-related activities, caution is required when interpreting the statistics.

Note: The December 2018 figures for loans for use in/outside Hong Kong have been restated to reflect authorised institutions' reclassification of working capital loans. The reported month-on-month and quarter-on-quarter growth rates are calculated based on the reclassified loan data. As reclassified loan data before December 2018 are not available, year-on-year growth rates of loans for use in/outside Hong Kong (including their sub-components) as shown in Table 1H of the Annex are calculated based on the data without such reclassification.