



CCBI SECURITIES | RESEARCH

## 中国经济评论：信贷增速持稳

### China Economics Update: Credit cycle – steady as she goes

中国 12 月银行贷款和信贷增速持稳，与总体杠杆弱增长的趋势一致。社融数据较高主要是因为人民银行调整了社融口径，新纳入了国债和地方政府一般债券，但新口径下的社融增速与旧口径的走势基本一致。

我们预计 2020 年信贷增速不会显著走高，但央行可能会继续保持政策宽松，包括采取小幅降息等。近期降准之后，我们认为之后再降准的可能性下降。

China's bank lending and credit growth was steady in Dec, in line with overall soft leverage growth. The large TSF figure reflects a revision in methodology, with TSF now including all government bonds. However, the historical trend is comparable to the old methodology.

We do not expect a significant acceleration in credit growth in 2020F although the PBoC may continue to indicate policy accommodation, including small rate cuts. Following the recent RRR cut, we see a lower chance of a subsequent cut.

**Li Cui**

(852) 3911 8274  
[cui@ccbintl.com](mailto:cui@ccbintl.com)

**Claire Huang**

(852) 3911 8012  
[clairehuang@ccbintl.com](mailto:clairehuang@ccbintl.com)

**Ying Xue**

(852) 3911 8013  
[xueying@ccbintl.com](mailto:xueying@ccbintl.com)

Main indicators	Dec-18	Oct-19	Nov-19	Dec 2019			2020F	
				BBG	CCBIS	Actual	BBG	CCBIS
TSF (RMB b)	1,797	868	1,993	--	--	<b>2,100</b>	-	-
New loans (RMB b)	1,080	661	1,390	1,200	1,150	<b>1,140</b>	-	19,000
M2 YoY (%)	8.1	8.4	8.2	8.3	8.2	<b>8.7</b>	8.2	8.3
Loans YoY (%)	13.5	12.4	12.4	-	-	<b>12.3</b>	-	12.4
TSF YoY (%)	10.3	10.6	10.7	-	-	<b>10.7</b>	-	10.9

## Credit growth held steady

**TSF growth was flat in Dec after accounting for recent methodological changes.** In Dec, the PBoC revised its methodology for calculating TSF. Going forward it will incorporate central government bonds (CGB) and general local government general bonds (LGB). These two components are now combined with local government special bonds that were already accounted for in TSF. The new category is called "government bonds". TSF growth calculated using the new method was flat at 10.7% YoY vs 10.7% YoY growth in Nov based on both the old and new methods.

**New loan growth moderates, in line with our expectation.** Bank loans increased by RMB1,140b in Dec, in line with our estimate but below the market expectation (BBG median: RMB1,200b, CCBIS: RMB1,150b). Adjusting for seasonality, long-term bank loans to households and corporates strengthened in both MoM and YoY terms while short-term loans and bill financing by corporates softened. Outstanding bank lending growth edged down to 12.3% YoY vs 12.4% YoY in Nov and 12.5% YoY in 3Q19, partly due to the high base a year ago.

**Net issuance of corporate bonds slowed moderately** to RMB262b in Dec compared with RMB333b in Nov and RMB292b in 3Q19 while government bond issuance (including both CGBs and LGBs) rebounded to RMB345b vs a RMB24.7b decline in the previous month. **Our indicator of real economy borrowing** (including bank loans, corporate bonds and local government bonds) edged down 0.1 ppt to 13.1% YoY in Dec vs 13.4% YoY in 3Q19.

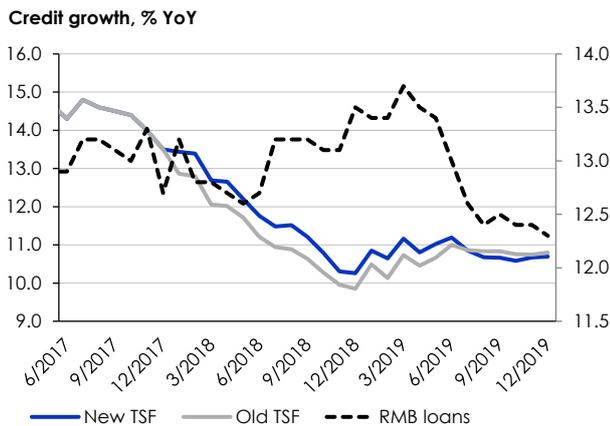
**Shadow banking credit continues to decelerate.** Shadow banking credit declined RMB145.6b in Dec on top of a RMB106b decline the previous month. Entrusted loans and trust loans both contracted more than they did the previous month and were higher than the average decline in 3Q19. In contrast, banker's acceptance bills continued to recover, with an average increase of RMB16b in 4Q19 vs an average decline of RMB161b in 3Q19. Outstanding shadow banking credit declined at a slower pace in 4Q (down 7.5% YoY) than in 3Q (down 8.3% YoY).

## Our view

**We expect credit growth to remain soft.** Although China's policy stance has tilted towards the dovish side since 4Q19, we are not convinced that policymakers have eased policy controls on leverage growth. We expect steady overall credit growth in 2020F, including an increase in government bond issuances.

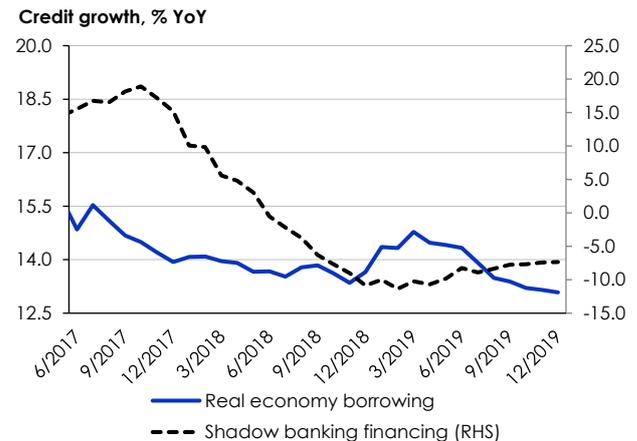
**PBoC likely to continue to signal an easing bias.** The PBoC continues to stress its intention of reducing borrowing costs for the real economy. According to officials, bank lending rates have already fallen in 4Q, with the average lending rate of new loans (ex-mortgage and bills financing) declining notably to 5.74% in Dec from 5.96% in 3Q, suggesting that the 16 bp decline in LPR since Aug had been passed through to lending rates. The policy drive to lower debt servicing costs is likely to result in policy rate cuts in the near-term. Meanwhile, following the RRR cut in Dec, the central bank noted that there is ample liquidity in the system and less room for RRR cuts. On balance, OMO rate cuts are more likely than RRR cuts in the near term, in our view.

Fig 1. Credit growth held steady



Source: PBoC, CEIC, CCBIS

Fig 2. Shadow banking financing declined slower in 4Q



Source: PBoC, CEIC, CCBIS

	Dec 2018	4Q18 (avg)	1Q19 (avg)	2Q19 (avg)	3Q19 (avg)	4Q19 (avg)	Nov 2019	Dec 2019
<b>Monthly loan increases (RMB b)</b>								
Households	455	558	603	650	641	583	683	646
- Short term	152	187	143	190	180	147	214	164
- Long term	308	373	460	457	463	437	469	482
Corporates	469	399	1495	593	652	410	679	424
- Short term	-79	-69	350	140	0	17	164	4
- Bill financing	340	227	261	132	183	37	62	26
- Medium and long term	198	223	854	303	453	347	421	398
	Dec 2018	4Q18 (avg)	1Q19 (avg)	2Q19 (avg)	3Q19 (avg)	4Q19 (avg)	Nov 2019	Dec 2019
<b>Monthly TSF increases (RMB b)</b>								
Bank loans	858	881	2,104	1,239	1,261	980	1338	1056
Net corporate bond financing	390	311	309	221	292	266	333	263
Equity financing	13	17	18	22	38	38	52	43
Off-balance-sheet financing	-168	-209	20	-167	-279	-162	-106	-146
- Entrusted loans	-221	-150	-76	-88	-51	-98	-96	-132
- Trust loans	-49	-75	28	3	-67	-80	-67	-109
- Banker's acceptance bills	102	15	68	-81	-161	16	57	95
	Dec 2018	4Q18 (avg)	1Q19 (avg)	2Q19 (avg)	3Q19 (avg)	4Q19 (avg)	Nov 2019	Dec 2019
<b>TSF outstanding growth (YoY %)</b>								
TSF	10.3	10.0	10.5	10.7	10.7	10.6	10.7	10.7
Loans	13.5	13.2	13.5	13.3	12.5	12.4	12.4	12.3
Net corporate bond financing	9.8	8.4	11.2	11.6	13.2	13.9	13.8	13.4
Equity financing	5.4	6.8	4.6	3.5	4.0	4.5	4.5	5.0
Off-balance-sheet financing	-10.9	-9.3	-10.5	-9.6	-8.3	-7.5	-7.4	-7.4
- Entrusted loans	-11.5	-9.8	-11.3	-10.4	-9.4	-8.1	-8.2	-7.6
- Trust loans	-8.0	-5.4	-8.3	-6.4	-4.3	-3.8	-3.7	-4.4
- Banker's acceptance bills	-14.3	-14.8	-12.2	-13.1	-13.5	-13.2	-12.7	-12.5

\* LG = local government

Source: CEIC, CCBIS

**Rating definitions:****Outperform (O) – expected return > 10% over the next twelve months****Neutral (N) – expected return between -10% and 10% over the next twelve months****Underperform (U) – expected return < -10% over the next twelve months****Analyst certification:**

The author(s) of this document, hereby declare that: (i) all of the views expressed in this document accurately reflect his/her personal views about any and all of the subject securities or issuers and were prepared in an independent manner; (ii) no part of any of his/her compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this document; and (iii) he/she receives no insider information/non-public price-sensitive information in relation to the subject securities or issuers which may influence the recommendations made by him. The author(s) of this document further confirm that (i) neither he/she nor his/her respective associate(s) (as defined in the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission issued by the Hong Kong Securities and Futures Commission) has dealt in/traded or will deal in /trade the securities covered in this document in a manner contrary to his/her outstanding recommendation, or neither he/she nor his/her respective associate(s) has dealt in or traded in the securities covered in this document within 30 calendar days prior to the date of issue of this document or will so deal in or trade such securities within 3 business days after the date of issue of this document; (ii) neither he/she nor his/her respective associate(s) serves as an officer of any of the companies covered in this document; and (iii) neither he/she nor his/her respective associate(s) has any financial interests in the securities covered in this document.

**Disclaimers:**

This document is prepared by CCB International Securities Limited. CCB International Securities Limited is a wholly-owned subsidiary of CCB International (Holdings) Limited ("CCBIH") and China Construction Bank Corporation ("CCB"). Information herein has been obtained from sources believed to be reliable but CCB International Securities Limited, its affiliates and/or subsidiaries (collectively "CCBIS") do not guarantee, represent and warrant (either express or implied) its completeness or accuracy or appropriateness for any purpose or any person whatsoever. Opinions and estimates constitute our judgment as of the date of this document and are subject to change without notice. CCBIS seeks to update its research as appropriate, but various regulations may prevent it from doing so. Besides certain industry reports published on a periodic basis, the large majority of reports are published at irregular intervals as appropriate according to the analyst's judgment. Forecasts, projections and valuations are inherently speculative in nature and may be based on a number of contingencies. Readers should not regard the inclusion of any forecasts, projections and valuations in this document as a representation or warranty by or on behalf of CCBIS that these forecasts, projections or valuations or their underlying assumptions will be achieved. Investment involves risk and past performance is not indicative of future results. Information in this document is not intended to constitute or be construed as legal, financial, accounting, business, investment, tax or any professional advice for any prospective investors and should not be relied upon in that regard. This document is for informational purposes only and should not be treated as an offer or solicitation for the purchase or sale of any products, investments, securities, trading strategies or financial instruments of any kind in any jurisdiction. CCBIS makes no representations on the availability of the securities covered in this document (or related investment) to the recipients. The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors. Neither CCBIS nor any other persons accept any liability whatsoever for any loss or damages (whether direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential) arising from any use of this document or its contents or otherwise arising in connection therewith. Securities, financial instruments or strategies mentioned herein may not be suitable for all investors. The opinions and recommendations herein do not take into account prospective investors' financial circumstances, investment objectives, or particular needs and are not intended as recommendations of particular securities, financial instruments or strategies to any prospective investors. The recipients of this document should consider this document as only a single factor in making their investment decision and shall be solely responsible for making their own independent investigation of the business, financial condition and prospects of companies referred to in this document. Readers are cautioned that (i) the price and value of securities referred to in this document and the income derived from them may fluctuate; (ii) past performance is not a guide to future performance; (iii) any analysis, ratings and recommendations made in this document are intended for long-term (at least for 12 months) and is not linked to a near-term assessment of the likely performance of the securities or companies in question. In any event, future actual results may differ materially from those set forth in any forward-looking statements herein; (iv) future returns are not guaranteed, and a loss of original capital may occur; and (v) fluctuations in exchange rates may adversely affect the value

预览已结束，完整报告链接和二维码如下：

[https://www.yunbaogao.cn/report/index/report?reportId=1\\_7680](https://www.yunbaogao.cn/report/index/report?reportId=1_7680)

