

2024 in Review : Great Steps Forward

CMU

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Highlight of the Year Establishment of CMU OmniClear Limited

Following an earlier announcement of the establishment of CMU OmniClear Limited (迅清結算有限公司), we are pleased to update you that the Company has commenced business operations! Starting from 1 January 2025, CMU OmniClear Limited carries out the operations and business development activities of the Central Moneymarkets Unit (CMU) on behalf of the Hong Kong Monetary Authority (HKMA).

The HKMA remains the owner and system operator of the CMU. For more information about CMU OmniClear Limited, please refer to the [CMU OmniClear Website](#) and the [press statement](#) released on 1 January 2025.

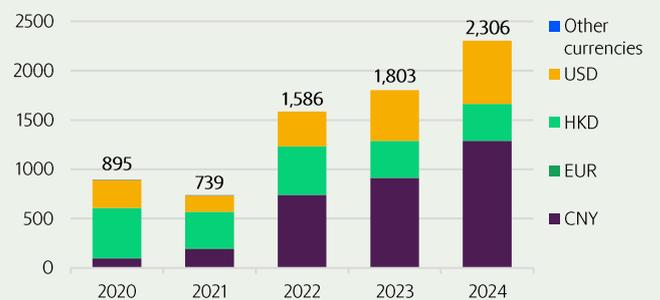
Primary issuance showed strong growth

A significant surge in new issuance activities in the CMU was observed in 2024, continuing the momentum from previous years. Excluding Exchange Fund Bills and Notes (EFBN) and Government Bonds (GB), 515 new issues were lodged with the CMU in Q4 2024, with the total new issue size reaching HK\$ 387.2bn equivalent.

In 2024, the total number of new issues increased by 28% from 2023, reaching 2,306. Non-HKD denominated issues rose by 35% year-on-year, hitting a 6-year record high of 1,934, which accounted for a significant 84% of total new issues in the CMU. Among all new non-HKD denominated issues, over two-thirds were dim sum bonds, totalling 1,288.

Throughout 2024, the total new issue size saw a yearly increase of 32%, reaching HK\$ 1,560.5bn equivalent. USD bonds continued to be the fastest growing bond type, with a 47% increase from 2023, totalling HK\$ 242.3bn equivalent.

Number of New Debt Securities Issuance in CMU (excluding EFBN & GB)



Total Issue Size of New Debt Securities in CMU (excluding EFBN & GB)



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Tendering Service

During 2024, a total size of RMB 336bn and HK\$ 17bn debt securities were issued through the CMU tendering platform, with the following breakdown:

- A total size of RMB 55bn sovereign bonds issued by the Ministry of Finance of the People's Republic of China (CMOF)
- A total size of RMB 275bn bills issued by the People's Bank of China (PBoC)
- A total size of HK\$ 17bn and RMB 6bn bonds issued by the HKSAR Government

Outstanding Securities Reached New Heights

The asset-under-custody (AUC) of the CMU reached a peak of HK\$ 4.8trn equivalent by the end of 2024, representing an 18% year-on-year increase. The outstanding value of debt securities lodged with the CMU climbed to a new high of HK\$ 3.4trn equivalent, reflecting a 13% year-on-year increase. Moreover, the outstanding value of non-HKD denominated debt securities has consistently grown over the past five years, from HK\$ 410bn equivalent in 2020 to HK\$ 1,447bn equivalent in 2024. By the end of December 2024, non-HKD denominated debt securities represented 43% of the total outstanding securities in value terms.

By the end of December 2024, the outstanding number of debt securities lodged with the CMU, excluding EFBN and GB, hit a record high for 10 consecutive years, reaching 2,407 with a 16% year-on-year growth.

Achievements in Digital Bond Issuance

In February 2024, the CMU once again took part in the HKSAR Government's second digital green bond offering, which was denominated in multiple currencies. Through the CMU's external linkages, we opened up a wider avenue for global investors to access these bonds.

Later in the year, the CMU supported the first private sector digitally native notes issued in Hong Kong by HSBC with an issue size of HK\$ 1bn. Huafa 2024 I Company Limited also successfully issued their 3-year digitally native bonds with issue size of RMB 1.4 billion on 23 December 2024, through the CMU. This was the first corporate entity digital bond issued in Hong Kong.

The CMU will continue to explore more issuance opportunities through collaborations with various market participants.

Stable Usage of Collateralised Lending Service

In 2024, the CMU facilitated bond issuance totalling RMB 41.7bn and EUR 1.5bn through its collateralised lending service, offering free intra-day liquidity support to eligible CMU Members during primary bond issuance lodged with the CMU.

During the year, the service supported a RMB bond issuance by Alibaba Group Holding Limited with an issue size of RMB 17bn, which was the largest corporate RMB dim sum bond issuance since the service's launch.

For more details about the CMU's collateralised lending service, please visit the [CMU OmniClear website](#).

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Northbound Bond Connect Recorded Strong Performance

In 2024, Northbound Bond Connect reached a record high in trading volume, with a total transaction value of RMB 10.4trn, marking a year-on-year increase of 5%. The average daily turnover throughout the year also soared to a new peak of RMB 41.4bn. A record-breaking monthly average daily turnover of RMB 49.9bn was observed in March 2024.

In December 2024, Northbound Bond Connect accounted for 61% of total CIBM overseas investor trading value. By the end of December 2024, the number of approved overseas investors climbed to 830, representing over 70 countries and jurisdictions¹.

Breakthrough in Offshore Usage of Northbound Bond Connect Holdings

On 26 February 2024, the HKMA officially included RMB denominated debt securities issued onshore by the CMOF and policy banks of the People's Republic of China, held by the Authorized Institutions in Hong Kong through their proprietary Northbound Bond Connect accounts, as eligible collateral. This significant breakthrough offers enhanced flexibility and efficiency for market participants, supporting their diverse investment strategies and risk management needs.

Another initiative allowing the use of Bond Connect holdings as margin collateral for Northbound Swap Connect transactions, announced on 9 July 2024 by the PBoC, successfully went live as scheduled on 13 January 2025. Operations have been running smoothly.

The [member circular \(Cir202402\)](#) and [member circular \(Cir202407\)](#) detailing the CMU's operational arrangement for the above initiatives were issued on 24 January 2024 and 16 December 2024 respectively.

Southbound Bond Connect Activities Continued to Thrive

Under the CSD-CSD settlement route, the total number of transactions of Southbound Bond Connect in Q4 2024 was 739, with December 2024 recording 299 transactions.

Throughout the year, both the annual trading volume and the total number of transactions increased by 29% and 89%, reaching HK\$ 709.8bn equivalent and 3,578 transactions respectively. A record-breaking monthly total of 514 transactions was observed in August 2024.

5 New Members Onboarded During 2024

In 2024, China Galaxy International Securities (HK) Co. Ltd., China CITIC Bank Corporation Limited, SDICS International Securities (Hong Kong) Limited, China Industrial Securities Intl Brokerage Limited and Macao Central Securities Depository and Clearing Limited were onboarded as CMU Members.

By the end of the year, the total number of CMU Members reached 209. CMU is excited to provide services to support our new members in connecting to bond markets in Hong Kong, the Mainland and internationally.

¹ Source: Bond Connect Company Limited (BCCL)

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Expanded Connectivity to Better Serve the Industry

The CMU has been striving to foster greater connectivity with various markets to better serve cross-border market participants. In September 2024, the CMU jointly announced the establishment of a direct linkage with the central securities depository (CSD) operated by Macao Central Securities Depository and Clearing Limited (MCSL). This linkage was officially launched on 21 Jan 2025.

In October 2024, CMU OmniClear Limited signed a Memorandum of Understanding (MOU) with SIX, the financial market infrastructure provider in Switzerland and Spain, for cooperation in securities depository and settlement to unlock further cross-border investment opportunities.

In December 2024, the HKMA and the Central Bank of the United Arab Emirates (CBUAE) signed an MOU to establish connectivity of the debt capital markets and the related financial market infrastructures between Hong Kong and the UAE.

System Enhancements in Progress

In support of Hong Kong's growing participation in the Mainland debt market's further opening and new business initiatives, the CMU has commenced system enhancements through the phased introduction of the CMU New Platform. The first phase successfully implemented the CMU Open API and a modernised user interface, enabling electronic services such as e-lodgement and securities account management.

The second phase is currently underway, focusing on enhancing system capabilities and functionality to increase settlement and operational efficiency. Additionally, the CMU system has been upgraded to process payment messages in the new ISO 2022 standard from April 2024, in line with the migration of HK RTGS, while continuing to support other instructions from CMU Members in both existing and new standards during the co-existence period announced by Swift.

Besides, the update frequency of public and private securities information on the CMU OmniClear Website has been increased to six times every business day to facilitate CMU Members' daily operations.

Ongoing Outreach Activities

CMU continued to organise various marketing and outreach activities last year to enhance recognition of the CMU in the financial community. These included participation in conferences and seminars organised by international and local bodies, and the publication of CMU newsletters and online videos. During the year, the CMU exhibited at the Sibos event in Beijing, participating in panel discussions to exchange views with the industry and meeting with market participants from across the globe.

Training sessions on core CMU services were also organised for CMU Members to enhance their understanding of the services.



The CMU delegation at Sibos 2024 organised by Swift in Beijing.



Members of the CMU delegation interact with representatives from the industry and regional/international CSDs at the Sibos event.

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Major Events of 2024

January

- CMU enhanced the operational support for RMB to support late payment for income redistribution

February

- The PBoC issued RMB bills through CMU
- The HKSAR Government issued its second digital green bond through CMU
- CMU began to support the inclusion of onshore securities as eligible collateral for the HKMA's RMB Liquidity Facility

March

- Monthly average daily turnover of Northbound Bond Connect hit a record high
- The CMOF issued RMB sovereign bonds through CMU
- The PBoC issued RMB bills through CMU
- CMU joined as a Member organisation of the Board of Directors of International Securities Services Association

June

- The CMOF issued RMB sovereign bonds through CMU
- The PBoC issued RMB bills through CMU

May

- The PBoC issued RMB bills through CMU

April

- CMU system was upgraded to process payment messages in the new ISO 20022 standard

July

- The CMOF issued RMB sovereign bonds through CMU

August

- Monthly number of transactions of Southbound Bond Connect hit a record high
- The CMOF issued RMB sovereign bonds through CMU
- The PBoC issued RMB bills through CMU

September

- CMU and MCS D jointly announced to establish a direct linkage
- The PBoC issued RMB bills through CMU
- CMU supported the issuance of the first private sector digitally native notes in Hong Kong
- CMU attended the 26th General Meeting of the Asia-Pacific CSD Group (ACG)
- CMU Member training sessions commenced

December

- The HKMA signed MOU with the CBUAE to establish connectivity between the debt capital markets of HK and the UAE
- Yearly trading volume and average daily turnover in 2024 under Northbound Bond Connect reached new highs
- The CMOF issued RMB sovereign bonds through CMU
- The PBoC issued RMB bills through CMU

November

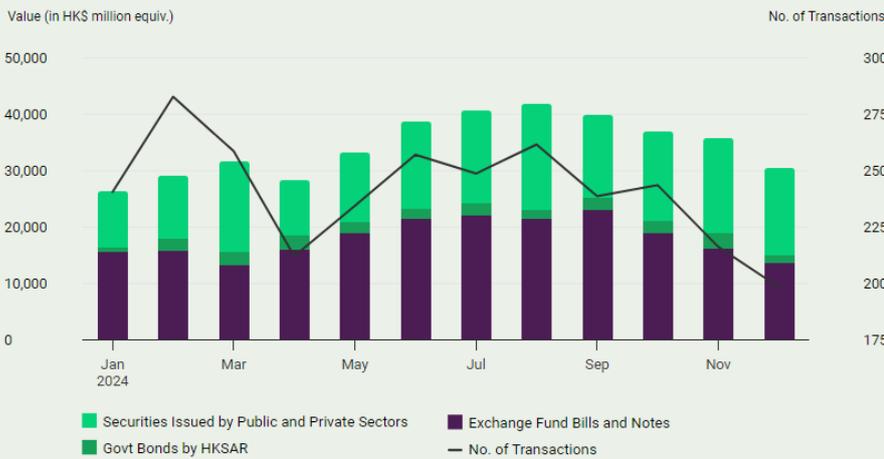
- The PBoC issued RMB bills through CMU
- Digital bonds lodged with the CMU became eligible for the Digital Bond Grant Scheme provided by the HKMA

October

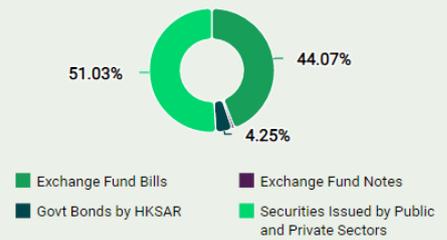
- CMU OmniClear was established as wholly owned subsidiary of the Exchange Fund
- CMU OmniClear signed MOU with SIX for cooperation in securities depository and settlement
- The CMOF issued RMB sovereign bonds through CMU
- CMU supported the CMOF to issue Euro sovereign bond
- CMU exhibited at Sibos 2024 in Beijing

CMU CMU Statistics

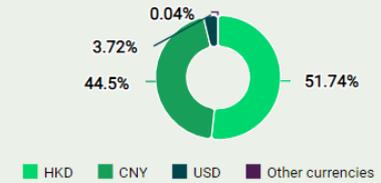
CMU Average Daily Turnover (as of December 2024)



Securities Type (in Turnover Value)



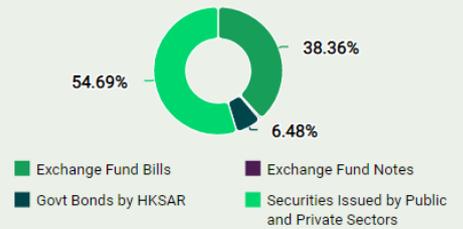
Currency (in Turnover Value)



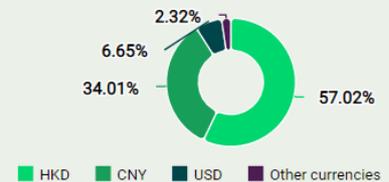
Outstanding Issues of Securities Lodged with CMU
(as of December 2024)



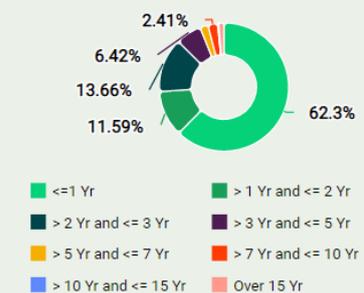
Securities Type (in Outstanding Amount)



Currency (in Outstanding Amount)



Tenor (in Outstanding Amount)



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