

# Contents

<i>Foreword</i>		<i>ix</i>
<i>Preface</i>		<i>xiii</i>
<i>List of Acronyms and Key Terms</i>		<i>xvii</i>
<b>CHAPTER 1</b>	<b>The New Global Role for the Renminbi</b>	<b>1</b>
	A Longstanding—but Failing—Path	4
	Allowing Renminbi Markets to Flourish	9
	Political Tailwinds for Internationalisation	13
	Challenges and Consolidation Risks	19
	The Renminbi in a Multipolar World	23
<b>CHAPTER 2</b>	<b>Linking the Offshore and the Onshore Renminbi Markets</b>	<b>25</b>
	International Transactions in a Domestic Currency	25
	The Starting Point for Renminbi Internationalisation	31
	Investability: Opportunities and Challenges	40
	Timing Convertibility	45
	PBoC and Exchange Rate Policy	50
	The Advantages of the Offshore Renminbi	53

---

<b>CHAPTER 3</b>	The Birth and Evolution of the Offshore Renminbi Market in Hong Kong	57
	A Chronological Look at Key Policy Liberalisations	59
	More on Renminbi Trade Settlement in the Post-Big Bang Era	79
	From Renminbi Trade Settlement to Offshore Renminbi Deposits	93
<b>CHAPTER 4</b>	New Markets—New Jargon, New Opportunities	101
	The Chinese Yuan in FX Spot	101
	A New Diversity of Forward Markets	109
	Opportunities in the CNH Markets	112
	Tracking Returns in CNH Deposits	121
	The Dim Sum Bond Market Matures	126
<b>CHAPTER 5</b>	Geographical Expansion of the Offshore Renminbi Universe	131
	From Hong Kong to <i>Haiwai</i> through Trade	133
	Renminbi in London and the Hub-and-Spokes Model	139
	Direct Renminbi Cooperation with Mainland China	142
	Shanghai's Aspiration and Infrastructure Overhaul	147
	Hong Kong Is Still in Pole Position	151
<b>CHAPTER 6</b>	Drivers for Internationalisation	163
	Public Policy: "Replacing" USD	168
	Economics: China's Role in the Global Economy	174

	For Investors: Appreciation—but, More Importantly, Diversification	178
	For Corporations: Fairer and More Transparent Pricing	182
	For Official Reserve Managers: A New Route to Stability?	187
<b>CHAPTER 7</b>	<b>The Rise of the Renminbi and Its Policy Implications</b>	<b>193</b>
	The Renminbi's Rise: A Threat to the Hong Kong Dollar?	193
	The Renminbi's Rise: A Regional FX Anchor	198
	The Renminbi's Rise: The SDR and the IMF	206
	The Renminbi's Rise: The US Dollar in a Multipolar World	213
	<i>Afterword: The Life Overseas with the Rising Renminbi</i>	<i>217</i>
	<i>Appendix: The CNH Timeline</i>	<i>223</i>
	<i>Bibliography</i>	<i>229</i>
	<i>About the Authors</i>	<i>231</i>
	<i>Index</i>	<i>233</i>