

Macro Roundup Article

Headline: [China Eases Curbs on Property Developers to Counter Downturn](#)

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Summary: China is moving away from its “three red lines” policy of limiting leverage in the property sector, after its effort to reduce risky lending and real estate speculation helped fuel a wave of defaults and triggered a slump in the property market. Beijing is now easing constraints on developer credit and even rolling out potential loans following a severe downturn that saw housing and land sales collapse, threatening a major pillar of an economy already ailing from coronavirus lockdowns. Officials at multiple state-owned banks said they had effectively shelved the leverage curbs — whose three red lines refer to targets for debt, equity, and assets for individual companies — in their assessment of borrowers. Late last year, state-owned banks announced hundreds of billions of dollars of potential new lending to property developers.

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