

Chinese more willing to keep yuan amid appreciation expectations

BEIJING, Oct. 24 (Xinhua) -- Chinese individuals and institutions sold more foreign currency than they bought through Chinese banks in September on expectations for a stronger yuan, statistics from the country's foreign exchange authority showed Wednesday.

Chinese clients exchanged 137.4 billion U.S. dollars in foreign currency for yuan through Chinese banks while buying 131.1 billion U.S. dollars in foreign currency from financial institutions last month, according to data from the State Administration of Foreign Exchange (SAFE).

This resulted in a foreign exchange surplus of 6.3 billion U.S. dollars in September, following a deficit of the same amount in August, SAFE said.

"The surplus suggests Chinese business and individuals have become more willing to hold onto the yuan at a time of rising expectations for a stronger currency," said Zhao Qingming, a financial expert at the University of International Business and Economics.

He said the third round of quantitative easing in the U.S., as well as China's stabilizing economy, have combined to fuel expectations for a rising yuan, adding that China is likely to see the exchange surplus last for some time.

In the first nine months of the year, Chinese banks bought 1.14 trillion U.S. dollars in foreign currency and sold 1.11 trillion U.S. dollars, creating a surplus of 30 billion U.S. dollars, SAFE said.

Foreign exchange sale and purchase data do not cover interbank transactions on the market.