

## **Yuan Reaches Weakest Level in 7 Months After PBOC Lowers Fixing**

The yuan reached its lowest level in seven months after the People's Bank of China weakened the currency's reference rate amid concern Europe's debt crisis will hamper growth in the global economy and cut export demand. The central bank set its daily fixing 0.3 percent weaker, the most since March 12, at 6.3230 per dollar. The MSCI Asia-Pacific Index of regional stocks fell, heading for the worst quarter since the period ended September. The Dollar Index, which tracks the greenback against six major counterparts, rose after completing its biggest weekly gain in a month. "We have seen big moves in the U.S. dollar crosses," said Robert Minikin, a senior strategist at Standard Chartered Bank in Hong Kong. The weaker fixing "represents the unwinding of the Group of 20 effect as we had a couple of unusually strong fixes heading into the G-20 last week," he said. The yuan fell 0.2 percent to 6.3769 per dollar at 10:40 a.m. in Shanghai and touched 6.3827 earlier, the weakest level since Nov. 29, according to the China Foreign Exchange Trade System. The currency is allowed to trade as much as 1 percent on either side of the daily fixing. Twelve-month non-deliverable forwards dropped 0.12 percent to 6.4215 per dollar, a 0.7 percent discount to the onshore spot rate. In Hong Kong's offshore market, the yuan declined 0.07 percent to 6.3780.