

# Composite Interest Rate: End of July 2020

The following is issued on behalf of the Hong Kong Monetary Authority:

The Hong Kong Monetary Authority (HKMA) announced today (August 26) the composite interest rate at the end of July 2020. (Note 1)

The composite interest rate, which is a measure of the average cost of funds of banks, decreased by 18 basis points to 0.53 per cent at the end of July 2020, from 0.71 per cent at the end of June 2020 (see Chart 1 in the Annex). The decrease in composite interest rate reflected decreases in the weighted funding cost for deposits and interbank funds during the month (see Chart 2 in the Annex). (Note 2)

The historical data of the composite interest rate from the end of the fourth quarter of 2003 to the end of July 2020 are available in the Monthly Statistical Bulletin on the HKMA website ([www.hkma.gov.hk](http://www.hkma.gov.hk)).

Note 1: The composite interest rate is a weighted average interest rate of all Hong Kong dollar interest-rate-sensitive liabilities, which include deposits from customers, amounts due to banks, negotiable certificates of deposit and other debt instruments, and all other liabilities that do not involve any formal payment of interest but the values of which are sensitive to interest rate movements (such as Hong Kong dollar non-interest bearing demand deposits) on the books of banks. Data from retail banks, which account for about 90 per cent of the total customers' deposits in the banking sector, are used in the calculation. It should be noted that the composite interest rate represents only average interest expenses. There are various other costs involved in the making of a loan, such as operating costs (e.g. staff and rental expenses), credit cost and hedging cost, which are not covered by the composite interest rate.

Note 2: Since June 2019, the composite interest rate and weighted deposit rate have been calculated based on the new local "Interest rate risk in the banking book" (IRRBB) framework. As such, these figures are not strictly comparable with those of previous months.

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## Import of poultry meat and products from Omskaya Oblast in Russia

## suspended

The Centre for Food Safety (CFS) of the Food and Environmental Hygiene Department announced today (August 26) that in view of a notification from the World Organisation for Animal Health (OIE) about outbreaks of highly pathogenic H5 avian influenza in Omskaya Oblast in Russia, the CFS has instructed the trade to suspend the import of poultry meat and products (including poultry eggs) from the area with immediate effect to protect public health in Hong Kong.

A CFS spokesman said that Hong Kong has currently established a protocol with Russia for the import of poultry meat but not for poultry eggs. According to the Census and Statistics Department, Hong Kong imported about 140 tonnes of frozen poultry meat from Russia in the first six months of this year.

"The CFS has contacted the Russian authorities over the issue and will closely monitor information issued by the OIE on the avian influenza outbreaks. Appropriate action will be taken in response to the development of the situation," the spokesman said.

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## Effective Exchange Rate Index

The effective exchange rate index for the Hong Kong dollar on Wednesday, August 26, 2020 is 105.4 (down 0.1 against yesterday's index).

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## US Dollar Liquidity Facility tender result

The following is issued on behalf of the Hong Kong Monetary Authority:

US Dollar Liquidity Facility tender result:

Tender date	:	August 26, 2020 (Wednesday)
Settlement date	:	August 27, 2020 (Thursday)

Repayment date	:	September 3, 2020 (Thursday)
Tenor	:	7 Days
Amount applied	:	Nil
Amount allotted	:	Nil
Lowest interest rate accepted	:	Nil
Highest interest rate accepted	:	Nil

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## Fatal traffic accident in Central

Police are investigating a fatal traffic accident in Central this morning (August 26) in which a 53-year-old man was killed.

At about 6.13am, a private car driven by a 53-year-old man was travelling along Harcourt Road towards Wan Chai. When reaching near Performing Arts Avenue, the private car reportedly lost control and rammed onto the kerb.

The driver was trapped inside the compartment and rescued by firemen. He was rushed to Ruttonjee Hospital in unconscious state. He was certified dead at 7.54am.

Investigation by the Special Investigation Team of Traffic, Hong Kong Island is underway.

Anyone who witnessed the accident or has any information to offer is urged to contact the investigating officers at 3660 6800 or 3660 6838.