Old to say: RMB 30 losing streak ah, why? China has been in trouble abroad you this is manipulating its currency official response "should you asked me this is deregulation", O (∩_∩) O, with the devaluation of the world's major economies are unable to stretch a dollar is tumbled, mechanism of petrodollars continues collapse!

Due to the impact of the world

On the 11th, the yuan central parity fell 2%; on the 12th, the yuan central parity once again fell 1.6%; 13, 700 yuan and then demoted points at 6.4010, already tired and fell 4.6%

So, why the renminbi will fall? Also fell three consecutive days. What is the impact of RMB fall to bring the whole of Asia and the world! The world do? Let's look at the causes and effects!

Myanmar security forces in Burma Local 12 evening surrounded by the ruling Union Solidarity and Development Party, the lifting of the Chairman Wu Rehman and General Secretary U Maung Maung board two positions.

Indonesian president Djoko breath on the 12th in the evening to replace the six government ministers.
13 afternoon, the Thai Finance Minister said the Government has no plan Chung Mai measures to address the impact of RMB exchange rate changes may bring.

Singapore currency fell to a low of 12 in five years. There has been the largest decline in 14 years.

Vietnam’s trade imbalance has been, Vietnam long-term deficit. After the devaluation, Chinese goods more price competitive advantage, Vietnam imports from China (including border trade and positive trade) will rapidly increase, the deficit will be further expanded.

The Japanese yen and the RMB exchange rate continued to decline resulting in a negative impact on Korean exports, and slow recovery of domestic consumption, South Korea later this year may cut interest rates again to stimulate the economy.

Each of the above events are full of reverie space, starting from the 11th, after the 12th, 13th and finally to the change can be clearly seen.

The devaluation of China, the whole of Asia, not money down is the stock market, but also a lot of double-down, more or less have to give me a drop.

The worst thing is that Indonesia is down three kinds, and why I wanted to laugh! 12 all-day pro-American to step down, the 13th took China’s hand and said, boss help me!

**Why would depreciate the RMB 11**

August 4, IMF that the yuan will not be included in the currency basket fluctuation is not enough, the United States always said that we control the exchange rate, to let the yuan float freely.

Can not join the basket is to look at the RMB can not stand the test of the free market, the central mom a head shot, good! We let the yuan float freely, let the market make decisions, prove RMB withstand the test of free markets.

Fate has been placed in front of us, the yuan stand the test, other people in the world can not stand the test. Everyone must be crazy, basically we have knelt down to greet floating RMB liberalization. Now see who also unconvinced, saying that the yuan float freely, against able to continue on his knees, I think most are served! 13 stocks led by China, bringing the Asian, European and American stock markets after recovery!

In fact devaluation, he can also be treated as dollar interest rates, bringing the same effect.

The United States would have to raise interest rates in September, we are now into an early rate hike, the effect of passive and active much worse! America is
Destructive Enthusiasm, and China but the stock market has been the early fall, or if in 5000, we can think about raising interest rates when the dollar will fall into what horrors. But we do not worry, in fact, the linkage between China's stock market and currency is not high, like the stock market and the real economy linkage is not high. US interest rates, we absolutely hold up, but other Asian nations hard to say.

Devaluation, oil prices fell, the US oil fell to six-year low, falling all commodities.

**RMB original can influence the world**

Suddenly I discovered that the yuan is also possible to control the international commodity. Iron ore fell, kneeling Australia, Australia currency also kneel.

Iran lifted, oil mass production, now at the bottom of the price, it seems not a short-term bottom price, maybe the future of the ceiling price. This continues dollar oil would not scrap it! Since the devaluation of the yuan fall faster than oil, with the RMB to buy oil, you can get more renminbi, but with the dollar (appreciation of) to buy oil, will get fewer dollars. What I believe we would choose to use pricing!

Such a big influence, no wonder the outside world, said, "China is engaged in a currency war."

If not currency war, the rise of the renminbi fell $, and why the dollar followed the crash it? RMB plunged, the dollar followed the crash, behind what is intrinsically linked and evolution logic is this?

Today, while China took the opportunity to push the exchange rate depreciate reform, the West is no saying that because this is the logic of the work in accordance with the West, but China took the opportunity to achieve their purpose only.

RMB devaluation opportunity to step or two or three steps in place to achieve the following four objectives:

**First, over the past 10 years can book revaluation losses caused to make it up.**

Over the past decade the yuan against the US dollar, euro appreciation, the book losses on assets of at least hundreds of billions (of course is also good, that is import to save money, but this figure is still much smaller than the loss, the loss is different paper losses, imports province The money is real cash at the time), and just this loss because these assets are held by the central bank dollar, euro assets, it's just the loss of the book, did not form a real loss.

As of July, the foreign currency reserve assets of RMB 3.65 trillion US dollars, if the RMB against the US dollar, the euro 10%, meaning that the central bank will book a profit $ 365 billion, which means that the carrying amount of the central bank
foreign exchange caused by the appreciation of the yuan loss and gave up back. In other words, over the past decade, China has not really final loss.

**Second, you can lock some intention of fleeing the capital.**

Over the past year, the Chinese capital outflow does exist, but this is not, as some people imagine so serious, foreign currency assets decreased mainly the euro and other currencies fell so in assets denominated in euro and other currencies after the final dollar amount has shrunk. Of course, the rapid growth of China’s foreign investment, but also makes a certain degree of reduction in foreign exchange reserves, and as with many countries renminbi currency swap, at the same time gave a number of countries approved the RQFII quota, so some access to capital to use Chinese investments the yuan instead of dollars, so it is no longer reflected in the foreign exchange reserves. For capital outflows part, many of which are some of the outward transfer of capital away low-end industries. The rapid depreciation of the renminbi now, if the final rate reached 10 percent, would greatly increase the cost of these capital transfers, to some extent can lock these capital or part of their profits to stay in China.

**Third, they can push the dollar higher, accelerating the dollar peaked.**

RMB fell, will lead to a number of currencies fell on objective, so under normal circumstances would be a more rapid rise in the dollar. This way, the dollar peaked at a faster rate possible, which is beneficial to the world, but the United States is at a disadvantage.

**Fourth, reduce asset prices in China, to enhance the international attractiveness of Chinese assets.**

RMB exchange rate decline will reduce in the international market price of RMB assets, so there is conducive to attracting more international capital into investment in China, especially in the post-devaluation economic situation gradually stabilized, that appeal will be stronger.

**Abnormal dollar**

RMB crash, will drive the economies of some of China’s economy is closely currencies fell Logically, this will largely push the high price of the dollar. But the problem is that stocks are now at a high level, the Fed is expected to raise interest rates out to disk access international capital into the dollar if not for more capital inflows lead to rise, but because of other currencies fell to promote the rise, which means that the dollar’s rise is do not meet US interests “virtual up”, due to insufficient capital inflows such appreciation of the US economy itself not only without any benefit there disadvantages.

When the dollar rose and stocks remain high, the dollar overvalued asset in the international market, once approved, will make it more capital there is the urge to
flee the United States market, this will give the United States a great deal of future economic uncertainty. Based on this risk control, along with the renminbi dollar plunged about.

In this regard, the EU countries are more willing to see the yuan mainly moderate depreciation, because they have added an investment bank, to prepare and China together "partnership money"; the uncertainty of the United States, the Obama administration is very important at this time how to balance, because 9 Total monthly study visit, the two sides are ready to sign an investment agreement, if the United States does not recognize such a devaluation in line with the interests of the United States to invest in China's practice, then this investment agreement is signed or not signed in the end there is doubt, the United States in the end there is not enough It makes people suspicious.

**Strategic renminbi devaluation means that China’s economy is built iron bottom**

At the beginning of the article I would like to study much, Prime Minister Keqiang, Governor Ogawa assurances of my highest consideration. Because the extent and speed of the depreciation of view, this is simply the art of war in the blitz, unexpectedly, by surprise. RMB exchange rate policy as the Monkey King, has long been under pressure in the Fingers, who this Fingers untouchables. This Fingers are: the United States not to move, not to move in Europe, Japan not to move, South Korea not to move, rent income earners we let the country move. Xi team not only knocked down greatly this Fingers, simply to crack it.

I define a strategic devaluation is learning Chinese version of quantitative easing and greatly puts triggered, not because of macroeconomic fundamentals and necrosis (trigger a hard landing). Fingers crack indications suggest that the central determination avalanche, Chinese version of quantitative easing and learning greatly puts not groundless, The wind is rising, we are ready to follow the central bank will be able to dance, and do not work against the central bank.

We care about the stock market. According to the experience of positive economics, super bull stock market (the long-term outlook, the author is not interested in short-term) are two of the most important variables: a drive down the long end of the interest rate, to achieve this the most effective way is unconventional large-scale asset purchase Plan (QE + practice greatly put), the second is to improve corporate balance sheets, the most important is an indicator of corporate profits.

Here we look at a map,
In Abe under Economics (QE + Abe put) driven Kuangbian yen, Japanese companies succeed bottom margins (after the 2008 financial crisis has been at the bottom) after rising rapidly. In a year, October 3, 2013 until the Japanese corporate profit margins exceeded 20 percent, not seen in the previous decade. I "IMF SDR please take your bloody chips" the article said, the RMB exchange rate depreciation on private production sector is a big positive, said is true.

Give everyone to see a map

Abenomics to Japanese stocks advance a lasting bull market, which proves that the depreciation of quantitative easing by the central government puts trigger exchange rate (devaluation of different types, different effects), and between the super bull market, showing a strong positive correlation.

A annual exports exceed 20 billion yuan of industrialist friend sincere gratitude and
said: "Over the past two years, the US dollar rose the yuan also rose; then in the past eight years, the dollar jumped down the yuan, also rose sentence is going to meet them. China long-term short dollar, until the real economy overall escape bankruptcy, it would be the greatest crime! thanks conventional total time to adjust, I'm not ready stock, reassuring big industry, in order to live up to our Industrial practice always a painstaking."

Following about gold, I was in the "economic situation Hui" at the establishment of the (almost a year ago) and the students talk to the Chinese version of quantitative easing will push the gold price of RMB super bull market, as the price of gold in dollars, I'm too lazy to go to management because I did not engage in international arbitrage funds, there is no exchange rate risk cost, so the dollar soaring dollar and depress the price of gold is not my relationship. At that time no one believed, the results the last few days the yuan price of gold soaring dollar price of gold fell, confirmed my predictions, and will always confirm it, this is just the beginning of the bull market in gold price of RMB.

In addition, the fundamentals in terms of gold the most important driving factor is not inflation but real interest rates. According to Professor Campbell Harvey of Duke University study correlation of [gold] predicament, the real price of gold and ten-year inflation-indexed bonds, federal (TIPS) of the real rate of return of -0.82, which proves that the real interest rate can be explained 82 % of price fluctuations, the lower the real interest rate, the higher the price of gold. what does that mean?

Chinese version of quantitative easing and learning much about the put option will last six years, the real interest rate of RMB will enter a long downtrend, the gold bull market will open a price of RMB 5 years or so.

We look at a graph

From the perspective of empirical economics, the price of gold and oil were highly
correlated, once the gold price of RMB into the establishment of a super bull market in oil as the representative commodity price of RMB super bull market can not be far away. What we do not need bells and whistles to compete in commodity pricing to achieve the goal of price of RMB super bull market, pricing is a paper tiger, we just increase the Chinese version of quantitative easing and learning greatly puts a dose, has been added to our satisfaction.

We are very concerned about the devaluation of house prices is what effect? My answer is short-term negative and long-term help. Devaluation is mainly to help the private productive sector deleveraging. Before the exchange rate is mainly the maintenance of stability and arbitrage demand Rate monopoly. Now the exchange rate of the right to speak to the private productive sector. Private productive sector debt burden is very heavy. Central to take real money to help them to leverage would be expensive, exchange rate depreciation is the cheapest effective way, then you can put up real money to engage in central quantitative easing to stabilize the property market. It seems to be to give up the property market to defend the war, in fact, the property market has entered a tiebreaker Battle. Guiqi art of war, can not see the surface.

Xi team dare greatly blitzkrieg, crushing pressure in the exchange rate of the monkey god who Fingers, which is the previous government would have been unthinkable, which is the next iron will of the government, although this era and dangerous, but the good news is that this Times are built iron at the end, the Chinese version of quantitative easing and learning greatly puts together will lead us rise, attack and conquer Leilei super bull market peak!

Easy to master cross-border electricity supplier and trade information, please download [Hugo] APP or concerns micro network signal [cifnews]

[Tips] September 2-3, by Hugo network’s "2015 China (Xiamen) Cross-border electricity supplier Conference" will be held at Xiamen International Conference Center. This is a dialogue of the world’s cross-border electricity supplier Assembly: September 2, Session export electricity providers, Amazon, eBay, aliexpress, lazada, Newegg, Linio, zalora, PeaceSoft other global business platform chiefs gathered; Zevi, Articles, love Amoy City, Pepsi and other big sellers gathered in Thailand; three European countries net purchases of people went to their own experiences ...... Ha; September 3, special import electricity suppliers, Jingdong, SF sea Amoy, Wan national best product, Yifan sea purchase, build cross-border networks and other platforms, Sri Lanka, the United States and other suppliers on the road; FTA opportunities ...... contrast; "best cross-border people“ selection has been fiery Hugo network, at the scene, Xia Zhao, Zhou Hung, Daikin, Yaozi Wen and other practical operation of experienced judges will score in site reviews, the practical operation of dry goods dropped one place ......

http://www.cifnews.com/conference/AnnualMeeting/87
You might also like

- Cross-border import electricity supplier Mengliao week: a substantial devaluation of the RMB exchange rate, increase the cost of sea Amoy family!
- Sudden devaluation of the RMB cross-border electricity providers today you swap it?
- Devaluation continues, the United States "could not understand" I want to put pressure on
- Let devaluation and export company "lost" it?
- Which will lead to trouble devaluation, export enterprises to laugh or cry?

Comments 0