

The yuan rose more than 270 points to a new high in nearly a week against the US dollar on Thursday, while the central price continued to fall to a low in more than a month due to the pricing mechanism. Traders said that the recent Sino US trade war news repeated, the market sentiment also fluctuated, in the afternoon the statement of the Ministry of Commerce of China also boosted the market sentiment, the exchange rate quickly strengthened; the short-term RMB is expected to continue to maintain a volatile trend.

They also said that the US President Trump's uncertain statement on the prospect of Sino US trade negotiations has become a key disturbance to the trend of the foreign exchange market; in recent years, due to the rise of the RMB exchange rate elasticity and the approaching of key risks, the implied volatility of the US dollar / RMB options in various terms has risen. With a new round of tariffs on December 15 approaching, if there is no substantive progress in trade negotiations, the RMB is unlikely to get rid of the downward pressure in the short term.

"I thought (the first phase agreement) could be reached in the near future, and I can't say it now because of Trump's tossing," said a trader at a Chinese bank. "Let's take a step."

Another trader of the Chinese bank thinks that at present, it is impossible to talk about the rate before December 15. If the tariff is added, the RMB may fall below the 7.1 yuan threshold in a short time. A foreign bank trader also took a pessimistic view that the yuan could fall to 7.1 yuan in the year.

U.S. President trump said Wednesday that trade talks with China are "going very well," which sounds more positive than Tuesday. He said Tuesday that the trade deal could be delayed until after the US presidential election in 2020. According to Bloomberg, the United States and China are close to reaching an agreement on the scale of tariff elimination in the first phase of the trade agreement.

A spokesman for the Ministry of Commerce Gao Feng said Thursday that China believes that tariffs should be reduced if China and the United States reach a first stage agreement; the economic and trade teams of the two sides have been in close communication, and no more details have been disclosed at present.