



Banknotes in Hong Kong: 1994 The Bank of China five-hundred-dollar note

The Bank of China began issuing Hong Kong dollar banknotes on 1 May 1994. Design features used on these banknotes include the Bank of China Tower, flowers and the modern infrastructure of Hong Kong. The peony, the Chinese flower of prosperity, was used for the five-hundred-dollar note.

The peony has been dubbed “the king of flowers” and “a national beauty” for over a thousand years. Legend has it that one day deep in winter, Empress Wu Zetian (A.D. 625 - 705) of the Tang Dynasty ordered all flowers to bloom. All flowers, except the peony, obeyed her order. Empress Wu was so angry that she demoted the peony from the imperial garden in the capital Chang’an to Luoyang. The peony thus earned its reputation as “unyielding to power and difficult situations” and has been loved by every generation of Luoyang residents since then. The peony officially became the city flower of Luoyang in 1982.

In 1994, the standard monetary wedding gift was five hundred dollars per guest. This amount remains more or less the same today.



The front and back of the 1994
five-hundred-dollar note.

Editorial	3
-----------	---

Feature Articles

Hong Kong's business cycle synchronisation with Mainland China and the US	5
The validation of internal rating systems for capital adequacy purposes	13
Forecasting the non-rental component of Hong Kong's CCPI inflation – an indicator approach	23

Speech

The debt market of Hong Kong – what can we offer to investors?	31
--	----

Supervisor's Memo

Renminbi banking business in Hong Kong	34
--	----

Regular Articles

Domestic and external environment	37
Operation of monetary policy	45
Record of Discussion of the EFAC Currency Board Sub-Committee on 2 May 2006	48
Reports on Currency Board Operations for 30 March – 18 April 2006	49
19 April – 29 May 2006	54
30 May – 28 June 2006	59
Developments in the banking sector	64

Key Announcements (June to August 2006)	73
---	----

Reference Resources	75
---------------------	----

Statistical Appendices	78
Monetary Statistics	79
Banking Statistics	80
Capital Markets Statistics	81
Economic Statistics	81

©2006 Hong Kong Monetary Authority
Reproduction for non-commercial purpose is
permitted provided that the source is properly
stated.

This *Bulletin* incorporates information up to
14 September 2006.

Cover picture acknowledgements:
Mr Cheng Po-hung
Bank of China (Hong Kong) Limited

Full texts of this *Bulletin* and of back issues are
available on the HKMA website at
www.hkma.gov.hk

The Bulletin is published in March, June,
September and December each year.

Hong Kong Monetary Authority
55th Floor, Two International Finance Centre,
8 Finance Street, Central, Hong Kong
Telephone: (852) 2878 8196
Facsimile: (852) 2878 8197
E-mail: hkma@hkma.gov.hk
www.hkma.gov.hk

ISSN 1726-9717

Printed in Hong Kong on recycled paper

HK\$100