

### **China Guides Bill Yields Higher, Seeks to Curb Loans**

China's central bank sold three-month bills at a higher interest rate for the first time in 19 weeks after saying its focus for 2010 is controlling the record expansion in lending and curbing price increases. The People's Bank of China offered 60 billion Yuan (\$8.8 billion) of bills at a yield of 1.3684 percent, four basis points higher than at last week's sale, according to a statement. Policy makers will seek "moderate" loan growth to support the economy while managing inflation expectations, the bank said yesterday in a report on its annual work meeting. "It's definitely a signal that the central bank is tightening liquidity," said Jiang Chao, a fixed-income analyst in Shanghai at Guotai Junan Securities Co., the nation's largest brokerage by revenue. "The rising yield is used to prevent excessive growth in bank lending."