

China state banks seen selling US dollars to prop up yuan - sources

SHANGHAI/BEIJING, July 25 (Reuters) - China's major state-owned banks were seen selling U.S. dollars to buy yuan in both onshore and offshore spot markets in early Asian trade on Tuesday, three people with direct knowledge of the matter said, moves aimed at supporting the Chinese currency.

China's state banks usually trade on behalf of the central bank in the country's foreign exchange market, but they could also trade on their own behalf.

The dollar sales come after China's top leaders pledged on Monday to step up policy support for the economy amid a tortuous post-COVID-19 recovery, focusing on boosting domestic demand and signalling more stimulus steps.

Policymakers also said China will keep the yuan exchange rate basically stable at reasonable and balanced levels, and vowed to invigorate the capital market and restore investor confidence.

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