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Abstract
Renminbi was seriously underestimated in recent years. Under pressure and public opinion, China started using managed floating exchange rate regime since July 2005. This new exchange rate regime caused Renminbi to appreciate for 2%, and changed the official USD/RMB exchange rate to 8.11. It is expected that the new exchange rate regime will affect the economic structure of China and the assets, debts and cost of all industries. The textile clothing industry, which is a highly export-oriented industry, will affected undoubtedly by this change.

The samples of textile clothing industry stock index of this study were drawn from Shenzhen Stock Exchange. We used a Multiple Regression Model to examine the influence caused by that China started using managed floating exchange rate regime since July 2005 on its textile clothing industry. The empirical result came out differently, the abnormal returns of textile clothing industry are surprisingly a lot higher than before due to managed floating exchange rate regime. The textile clothing industry is a highly export-oriented industry, so the appreciation of Renminbi should have a negative effect on textile clothing industry, but the outcome is completely different. To try figuring out why the outcome is completely different from everybody expected, we further put the export value and the net export value into the model. But the result is the same: the abnormal returns of textile clothing industry are significantly higher after the introduction of managed floating exchange rate regime. The evidence of this research reveals that the adoption of managed floating exchange rate regime in China does not bring any negative influence over those listed companies of textile clothing industry, and this result seems to be related to the untying speed of Renmibi from Chinese government.
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