

Research Assessment Exercise 2020
Impact Case Study

University: City University of Hong Kong |
Unit of Assessment (UoA): 21-Economics and Finance

Title of case study: Exchange Rates and China's Foreign Exchange Policy |

(1) Summary of the impact

In recent years, the impacts of my research on exchange rate dynamics and China's foreign exchange policy are mainly reflected in the following ways:

- a) Invitations from local and foreign institutions to prepare commissioned papers, and review articles/proposals
- b) Presentations at international conferences/seminars organized by central banks and other research institutions
- c) Appointments to serve as adviser for local and foreign institutions |

(2) Underpinning research

The research output pertaining to exchange rates and China's foreign exchange policy are generated from empirical projects on exchange rate dynamics, exchange rate forecasts, the RMB exchange rate dynamics, and RMB internationalization. Selected publications are listed in Section 3 below. |

(3) References to the research

- Selected recent journal publications on exchange rates and China's foreign exchange policy:
- 2019: Exchange Rate Prediction Redux: New Models, New Data, New Currencies, Cheung Yin Wong with Menzie D. Chinn, Antonio Garcia Pascual, and Yi Zhang, forthcoming *Journal of International Money and Finance*.
- 2019: The Exchange Rate Effects of Macro News after the Global Financial Crisis, Cheung Yin Wong with Rasmus Fatum and Yohei Yamamoto, forthcoming *Journal of International Money and Finance*.
- 2018: The RMB Central Parity Formation Mechanism: August 2015 to December 2016, Cheung Yin Wong with Cho-Hoi Hui and Andrew Tsang, *Journal of International Money and Finance* 86, 223- 243.
- 2017: Estimating Currency Misalignment using the Penn Effect - It's Not As Simple As It Looks, Cheung Yin Wong with Menzie Chinn and Xin Nong, *International Finance* 20(3), 222-242.
- 2016: China's Bilateral Currency Swap Lines, Cheung Yin Wong with Zhitao Lin and Wenjie Zhan, *China & World Economy* 24 (6), 19-42.
- 2014: The Offshore Renminbi Exchange Rate: Microstructure and Links to the Onshore Market, Cheung Yin Wong with Dagfinn Rimm, *Journal of International Money and Finance* 49, 170-189. |

(4) Details of the impact

- a) Invitations to prepare commissioned papers, and review articles
Commissioned papers (which are considered by the respective institutions in forming their

policy opinions. However, it is typical that they do not openly attribute their opinions to specific commissioned papers – in the spirit of the Chatham House rule):

- i. The Hong Kong Monetary Authority (The Belt and Road Initiative; for internal circulation)
- ii. ASEAN+3 Macroeconomic Research Office of the Asian Development Bank (Capital flows; formed the basis of the 2017 journal article “Effects of Capital Flow on the Equity and Housing Markets in Hong Kong,” with Kenneth K. Chow and Matthew S. Yiu, *Pacific Economic Review*)
- iii. Asian Development Bank Institute (Renminbi Internationalization; the paper was published as “The Role of Offshore Financial Centers in the Process of Renminbi Internationalization,” p.207-235, Chapter 7, Barry Eichengreen and Masahiro Kawai, editors, *Renminbi Internationalization: Achievements, Prospects, and Challenges*, Brookings Institution Press and Asian Development Bank, February 11, 2015.)

Review articles (that target both academics and policymakers)

- i. Forthcoming: The Chinese Currency: Past, Present and Future,” with Kon S. Lai, in Francisco L. Rivera-Batiz, ed., *Encyclopedia of International Economics and Global Trade, Vol. 1: International Money and Finance*, World Scientific Publishing Co., Singapore, chapter 9.
- ii. 2017: The Renminbi, with Menzie Chinn, in *Oxford Bibliographies in Chinese Studies*, Ed. Tim Wright. New York: Oxford University Press,
- iii. 2014: The offshore RMB market in Hong Kong and RMB Internationalization, with Hui Miao, Chapter 26, pp. 681-698, "*Oxford Handbook of the Economics of the Pacific Rim*," Inderjit Kaur and Nirvikar Singh, editors, Oxford University Press.

b) Presentations at international conferences (with audiences include policymakers, central bank researchers, business practitioners): A sample of presentations:

2018: National Bank of Poland Workshop on Forecasting (keynote speaker)

2018: 中英金融人才教育培訓, 國際金融展望專題班 (invited speaker)

2017: CESifo Area Conference, Munich (invited conference speaker)

2016: The De Nederlandsche Bank Research Department, Amsterdam (invited seminar speaker)

2016: The Bank of Italy Research Department, Rome (invited seminar speaker) 2016: The Bank of Finland BOFIT, Helsinki (invited seminar speaker)

c) Appointments to serve as advisers/members on local and foreign institutions These appointments include

i. Council of Advisers, Hong Kong Institute for Monetary Research, HKMA, current

ii. Member, Currency Board Sub Committee, the Exchange Fund Advisory Committee, HKMA, current

iii. Adviser/ part-time Research Fellow. Bank of Finland Institute for Economics in Transition (BOFIT), October 1, 2015, to September 30, 2017

iv. Member, Business Studies Panel, the Hong Kong Research Grants Council, current

v. Member, Business & Economics Panel, Research Assessment Exercise, Hong Kong; 2014

(5) Sources to corroborate the impact

In addition to sources stated under item (4) above, the extra ones are:

- a) SSRN top ten download lists (which are followed by research institutions, practitioners, and policymakers)
- i. Examples of articles on SSRN top ten download include “Exchange Rate Prediction Redux,” “The Exchange Rate Effects of Macro News after the Global Financial Crisis,” “The Renminbi Central Parity,” “The RMB Central Parity Formation Mechanism,” “Effects of Capital Flow on the Equity and Housing Markets in Hong Kong,”... etc.
 - ii. Ranked #1 among the Top 25% authors in Hong Kong, all publications years (<https://ideas.repec.org/top/top.hongkong.html#authors>)
- b) Interviewed by media
Examples include:
- i. Osnabrueck University Press Release (also in the newspaper “Neue Osnabrücker Zeitung” (2018)
 - ii. South China Morning Post (2018, “What is the currency of Hong Kong?”, <https://www.scmp.com/news/hong-kong/hong-kong-economy/article/2172189/what-currency-hong-kong-how-citys-money-came-be>)
 - iii. GlobalRMB, Euromoney Institutional Investor (2017, “RMBi rightly taking a backseat to reform agenda”, <https://www.globalcapital.com/article/b12y8p12knhd1r/rmbi-rightly-taking-a-backseat-to-reform-agenda>)
 - iv. Helsingin Sanomat, Helsinki (2016, On China)
 - v. Hong Kong Economic Journal Monthly, 信報財經月刊 (2015, “中國是經濟第一大國?”, http://ebook.hkej.com/magazine/magazine/tablet/monthlyMob.issue_preview2.php?en=PROD&p_issno=455)
 - vi. Dow Jones digital publication MarketWatch (2015, Opinion: China’s devaluation sets up clash on trade, market reforms, <https://www.marketwatch.com/story/chinas-devaluation-sets-up-clash-on-trade-market-reforms-2015-08-26>)
 - vii. IMoney 智富雜誌 (2015, “經濟下滑·爭入 SDR·料增儲備 6 萬億-人民幣升定跌?”, <http://column.etnetchina.com.cn/column-list-EtnetcolB188/49052.htm>)
- c) Conferences and special issues (related to exchange rates and China’s exchange rate policy)
Two selected recent events:
- i. Co-Organize the 2018 conference on “[China's Economic Reforms: Where Do We Stand](#),” with Bank of Finland Institute for Economies in Transition (BOFIT) and Gabelli School of Business, Fordham.
 - ii. Co-Organize the 2018 conference on “[Exchange Rate Models for a New Era: Major and Emerging Market Currencies](#),” with the Bank for International Settlements, Asian Office, Centre for Economic Policy Research, and Journal of International Money and Finance.
- d) Research visits
A sample of research visits to academic and central bank institutions (in alphabetic order) - to interact with their academic and policy researchers - include: Bank of Finland, Institute for Economies in Transition; (Visiting Research Fellow; 2014, 2016), National Sun Yat-Sen University, Institute of Economics (Visiting Chair Professor; 2013), De Nederlandsche Bank, Research Department (Visiting Research Fellow; 2014, 2016), University of Osnabrück, Institute for Empirical Economics (Bundesbank Visiting Fellow; 2014, 2018), ..., etc. |