FINANCIAL INSTITUTIONS AND MARKETS · MF50004.01

Group Case Study — Topics

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HOW TO USE THIS LIST

For reference only. You may choose one of these topics, change the question of one of them, or choose any other topic. Send your topic to Prof. Jiang by Thursday 29 October to discuss whether it is suitable.

Each entry gives the course week it relates to, a question it raises, and the kinds of data available. Facts were checked in September 2026.

1. Stablecoins in Hong Kong and the e-CNY [Weeks 1 and 5]

Hong Kong's Stablecoins Ordinance took effect on 1 August 2025, and the HKMA granted its first two issuer licences on 10 April 2026. What role can a licensed stablecoin play alongside the e-CNY in cross-border payments?

Data: HKMA releases and its register of licensed issuers; PBoC statistics on the e-CNY; issuers' announcements.

2. Ultra-long special treasury bonds [Week 2]

Since 2024 the Ministry of Finance has issued special treasury bonds with maturities of up to 50 years. Who holds them, and how much interest-rate risk are those holders taking on?

Data: Government bond yield curves; Ministry of Finance issuance announcements; insurers' and banks' annual reports.

3. Credit spreads and default risk [Week 3]

Spreads on Chinese one-year AA notes fell to 41bp in 2025, the lowest since 2007. Do Chinese credit spreads reflect the default risk of the issuers, or something else?

Data: Corporate and government bond yields; issuers' financial statements; default records.

4. Zhongzhi and the trust sector [Week 4]

Zhongzhi, a large shadow-banking group, went into bankruptcy in 2024. Baoshang Bank was taken over in 2019 and resolved with the help of the deposit insurance fund. Why were the two failures handled so differently?

Data: Trust-industry statistics; the PBoC Financial Stability Report; court and regulator announcements; press coverage.

5. The PBoC's government bond purchases [Week 5]

The PBoC began buying government bonds in August 2024, stopped in January 2025 and resumed in October 2025. What are these purchases for, and how do they compare with quantitative easing elsewhere?

Data: PBoC open-market announcements and monetary policy reports; government bond yields; other central banks' balance sheets.

6. Money market funds below 1% [Week 6]

The seven-day yield on Yu'e Bao, China's largest money market fund, fell below 1% in May 2026 for the first time since 2016. What role do money market funds play when interest rates are this low, and what does it mean for the platforms that sell them?

Data: Fund yields and assets; fund-industry statistics; money-market interest rates.

7. Foreign investors in the interbank repo market [Week 6]

On 26 September 2025 the PBoC, the CSRC and SAFE allowed overseas institutional investors to use bond repurchase agreements (repos) in China's interbank market. What has changed since?

Data: Interbank market statistics; the joint announcement; foreign holdings of Chinese bonds.

8. The local government debt swap [Week 6]

A 2024 package of about ¥10 trillion lets local governments replace hidden debt with official bonds through 2028. Did it solve a solvency problem or a liquidity problem, and what has happened to local government financing vehicles?

Data: Ministry of Finance local government bond reports; provincial budget reports; bond issuance data.

9. Sci-tech innovation bonds [Week 6]

Issuance of sci-tech innovation bonds reached about ¥2.3 trillion in 2025, up 87.5% on the year, most of it from state-backed issuers. Do these bonds lower financing costs for innovative firms?

Data: Exchange bond statistics; issuers' prospectuses; bond yields.

10. The A-H share premium [Weeks 7 and 3]

Most companies listed in both markets trade at a higher price in Shanghai or Shenzhen than in Hong Kong, but CATL's Hong Kong shares have traded above its A shares since it listed there in May 2025. What explains the price gap, and why does it go the other way for some companies?

Data: A-share and H-share prices; the Hang Seng AH Premium Index; company filings.

11. Hong Kong IPOs and A+H listings [Weeks 7 and 9]

Many A-share companies raised new equity in Hong Kong in 2025–26. Why would a company issue shares in Hong Kong at a lower price than at home, and did its shareholders gain?

Data: HKEX listing statistics; prospectuses; share prices.

12. Recapitalising the state banks [Week 8]

The Ministry of Finance used ¥500 billion of special treasury bonds in 2025 to inject capital into four large banks, and announced a further ¥300 billion in September 2026. Was this the right way to raise bank capital, and who bears the cost?

Data: Bank annual and interim reports; Ministry of Finance announcements; banking statistics from the NFRA.

13. Small-bank consolidation [Week 8]

The number of rural small and midsize banks fell by about 670 in 2025 as weak banks were merged or closed. Does consolidation reduce risk in the banking system?

Data: NFRA statistics and announcements; the merged banks' disclosures.

14. Loan facilitation and the 24% rate cap [Weeks 8 and 5]

Since 1 October 2025 platform-facilitated bank loans have been capped at a 24% annual rate, and small-loan companies must bring new loans down to about 12% by the end of 2027. Does the cap protect borrowers, or push them towards informal lenders?

Data: Listed lending platforms' filings; NFRA rules; household credit statistics.

15. Snowball products and investor protection [Week 9]

Securities firms sold structured "snowball" notes to wealthy individuals as steady-income products; when small-cap stocks fell in early 2024, many hit their knock-in levels and investors lost money. Were these products suitable for the investors who bought them, and what sales rules would have reduced the losses?

Data: Index and futures prices; securities firms' annual reports; CSRC and exchange rules.

16. Mutual-fund fee reform [Week 9]

Fund management fees, trading commissions and sales fees were cut in stages between 2023 and 2025. Who gained from the cuts — investors, fund managers or the platforms that sell funds?

Data: Fund-industry statistics; fund annual reports; CSRC rules.