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UNIVERSIDADE DE MACAU  
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## **Faculty of Business Administration** *Finance*

### *The Renminbi Central Parity: An Empirical Investigation*

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#### **Abstract**

On August 11, 2015, China revamped its procedure of setting the official central parity of the renminbi (RMB) against the US dollar. Our empirical investigation shows that the inter-temporal dynamics of China's central parity are not the same before and after this policy change. They are more variable and have a few new determining factors. Both the deviation of the RMB offshore rate from the central parity and the US dollar index are the two significant determinants of the central parity both before and after the policy change. The VIX index has explanatory power before August 2015, but not after. After August 2015, the onshore RMB rate and the difference between the one-month offshore and onshore RMB forward points show a significant impact on the central parity. While the US dollar index effect remains, we find no evidence of a role for the RMB exchange rate against the currency basket revealed by China in December 2015 in the fixing process.

**Date:** 22 February, 2017 (Wednesday)  
**Time:** 15:00~16:00  
**Venue:** Faculty of Business Administration, E22-G010

## **A Short Biography of Prof. Yin-Wong CHEUNG**

Yin-Wong Cheung obtained his Degrees from the University of Hong Kong, the University of Essex, and the University of Pennsylvania. Cheung was a professor in the Economics Department at the University of California, Santa Cruz, and the vice chair of the Department. Cheung is now a Chair Professor of International Economics, (previously head of) Department of Economics and Finance, City University of Hong Kong. Concurrently, Cheung is a member of the Council of Advisers, HKIMR/HKMA, a Research Fellow of the CESifo in Germany, a founding and board member of the Methods in International Finance Network in Europe, and a Chair Professor of the Shandong University. Cheung is included in The America's Registry of Outstanding Professionals, the Academic Keys Who's Who in Social Sciences Higher Education, Who's Who in Economics, Who's Who in America, and Who's Who in the World. Cheung's areas of research include econometrics, applied econometrics, exchange rate dynamics, asset pricing, output fluctuation, and economic issues in Asian Economies.

His research results have been published in over 100 refereed articles, which appeared in more than 40 academic journals including *Econometric Theory*, *Game and Economic Behavior*, *Journal of Business & Economics Statistics*, *Journal of Econometrics*, *Journal of International Economics*, and *Journal of Finance*. Cheung also coauthored a book on *Financial Options*. His research is characterized by state-of-the-art empirical methodologies applied to long-outstanding but unresolved issues and to important new research topics. His research is of great interest to academics and policy makers, and helps shape the debates by emphasizing what conclusions can and cannot be drawn from the data. He has been an extremely influential and recognized researcher; he is consistently ranked among the world's top 5% of economists according to a widely used ranking of economists that employs a composite index of citation-based rankings (total citations, citations adjusted for co-authorship, etc.). His work on the finite sample critical values was incorporated in the econometric packages including STATA and TSP. Besides academic venues, Cheung's research has been cited by, for example, the *ChinAfrica*, the *Economist*, the *U.S. News & World Report*, *CFA Magazine*, and the US government 2007 Congressional Research Service Report to the Congress and awarded the Citation of Excellence Award, offered by the ANBAR Electronic Intelligence, [WWW.anbar.co.uk/awards/citations](http://WWW.anbar.co.uk/awards/citations). Cheung has reviewed more than 500 articles and proposals and served as a referee for more than 80 different journals and grant agencies.

He also has served on the editorial boards of ten journals. Cheung has presented his research results at academic and research institutions and conferences in Canada, Denmark, Finland, France, Germany, India, Italy, Luxembourg, The Netherlands, Norway, Spain, United States, China, Hong Kong, Japan, Korea, Malaysia, Singapore, Taiwan, Turkey, Australia, and New Zealand. He has given invited lecture series and keynotes in France, Germany, Luxembourg, China, and Taiwan. Some research grant awards include the Center for German and European Studies Grant, UC Pacific Rim Research Grant, and Strategic Research Grant. Cheung was the president (2007) and vice president (2001, 2002) of the Chinese Economic Association in North America (CEANA). He was the Executive Committee member (2005-2007) of the Asia-Pacific Economic Association. During 2010-11, he was the first Co-Director of the Sury Initiative for Global Finance and International Risk Management (SIGFIRM), and a member of its steering committee and Co-Director elected (2009-10).

**ALL ARE WELCOME!**