

Report on Bachelor / Master Thesis

Institute of Economic Studies, Faculty of Social Sciences, Charles University

Student:	Yixiang Huang
Advisor:	Mgr. Soňa Sivá
Title of the thesis:	Analysis of the Chinese green bond market and factors influencing issuance interest rates

OVERALL ASSESSMENT (provided in English, Czech, or Slovak):

Short summary

The thesis of Yixiang aims to analyse the development of the Chinese green bonds market as well as the determinants of the issuance interest rate of green bonds and to answer the question whether Covid-19 had an influence on the issuance interest rate of Chinese green bonds. The main results suggest that Covid-19 had a negative effect on the issuance interest rate and also that in the post-Covid period, the determinants of issuance rate slightly changed.

Contribution

The work of Yixiang Huang contributes to the literature studying the development of the green bonds market in China and the factors influencing the issuing interest rate of green bonds. Compared to the previous studies, he uses the newest data covering green bonds issued in the period from January 2016 to May 2023. Importantly, he focuses on the role of Covid-19 as a potential factor influencing the issuing interest rate. However, the own contribution could be more clearly stated in the text, as in the thesis proposal it was defined more properly than in the thesis itself.

There is a space for improvement of the reasoning and drawing conclusions from the results which are commented often vaguely. For example, on page 20, the author explains that the reason for the negative relationship between issuance rate and issue size can be „*the instability of the green bond issue size and other factors such as the issue period, or the selection of the bond size unit is not appropriate*“ which is incomprehensible for the reader.

Methods

In the first part of the thesis, Yixiang uses a method of description and graphical visualisation to provide a comprehensive summary and comment on the development of the green bonds market. This serves as a base for the empirical analysis presented in Chapter 4. Here, Yixiang uses the newest data from Wind database and by means of multiple linear regression he aims to determine the factors influencing the issuing interest rate. He conducted also some additional analyses, e.g. to find out whether influencing factors differ in the period before and after Covid-19. In my view, the methods were applied correctly.

Literature

The thesis contains an extensive literature review. The relevant sources are also referenced when presenting results, which allows a reader to see the findings of the thesis in the context of existing literature. However, I lack referencing the literature (and the author's results) also in Chapter 5 Discussion of results.

Manuscript form

The thesis is well structured and meets the formal requirements. The sources are cited correctly, except for the sources of figures which could be written directly below the figure and not in the footnote. Yixiang could have given more care to the manuscript, e.g. unify the appearance and column names of tables with outputs from R, unify using either % or word percent, Figure vs Fig., etc. Also,

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the language could be improved. While Chapter 2 is written in appropriate academic English and is easy to follow, Chapter 4, 5 and Conclusion sometimes require a lot of effort to understand what the author wanted to say and the language deviates from the formality. Some parts (such as the interpretation of the table with descriptive statistics) are not necessary and could be deleted.

Overall evaluation and suggested questions for the discussion during the defense

Yixiang demonstrated that he can produce academic work autonomously. The aim of the submitted thesis was fulfilled, but more care could have been given to the manuscript form, language and drawing conclusions from the findings which would increase the quality of the work.

In my view, the thesis fulfills the requirements for a bachelor thesis at IES, Faculty of Social Sciences, Charles University, I recommend it for the defense and suggest a grade D.

The results of the Turnitin analysis do indicate significant text similarity with other available sources only in the Introduction and it seems that some parts of the Introduction are direct quotations from other sources, but they are not marked as direct quotations. Otherwise, no significant similarity with other sources is present.

Suggested questions for the defense:

1. You found that Covid-19 had a negative effect on the issuance interest rate of green bonds and in this context you state that „*The Chinese government should adopt a moderately loose monetary policy while controlling inflation to stimulate financial market vitality. Additionally, during exceptional periods, the government should play a regulatory role in stabilizing market panic and mitigating the economic impact of unforeseen events.*“ Elaborate on this and explain your ideas behind this statement. E.g. Do you think the Chinese government should have acted better during the Covid-19 in the context of the green bonds market?
2. Can you identify any potential drawbacks of your model or data you used? How could you improve it or extend it?

SUMMARY OF POINTS AWARDED (for details, see below):

CATEGORY	POINTS
<i>Contribution (max. 30 points)</i>	20
<i>Methods (max. 30 points)</i>	22
<i>Literature (max. 20 points)</i>	17
<i>Manuscript Form (max. 20 points)</i>	9
TOTAL POINTS (max. 100 points)	68
GRADE (A – B – C – D – E – F)	D

NAME OF THE REFEREE: Mgr. Soňa Sivá

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DATE OF EVALUATION: 14.1.2024

Digitally signed (14.1.2024):
Soňa Sivá

Referee Signature

EXPLANATION OF CATEGORIES AND SCALE:

CONTRIBUTION: *The author presents original ideas on the topic demonstrating critical thinking and ability to draw conclusions based on the knowledge of relevant theory and empirics. There is a distinct value added of the thesis.*

METHODS: *The tools used are relevant to the research question being investigated, and adequate to the author's level of studies. The thesis topic is comprehensively analyzed.*

LITERATURE REVIEW: *The thesis demonstrates author's full understanding and command of recent literature. The author quotes relevant literature in a proper way.*

MANUSCRIPT FORM: *The thesis is well structured. The student uses appropriate language and style, including academic format for graphs and tables. The text effectively refers to graphs and tables and disposes with a complete bibliography.*

Overall grading:

TOTAL	GRADE
91 – 100	A
81 - 90	B
71 - 80	C
61 – 70	D
51 – 60	E
0 – 50	F