Impact of Money Supply and Exchange Rate Policy on Social Financing Scale under "New Normal"

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Abstract: Under the "new normal", China monetary policy regulation is shifting from quantitative type to price-oriented type, and meanwhile price-type interest rate policy and exchange-rate policy have always been a dilemma under the open economy. The scale of social financing is both a key testing and analysis index in macroeconomic regulation and control and a financial performance of economic development, so it is simultaneously influenced directly or indirectly by quantitative monetary policy and exchange rate policy. By adopting Granger causality, cointegration regression model, impulse response function and variance decomposition, this paper empirically tests the actual impact of money supply and exchange rate on the scale of social financing. The testing results show that China's quantitative monetary policy can directly affect the scale of social financing while the impact of exchange rate policy is indirect, and there exist differences in the effects of the two policies. Therefore, it is suggested that the monetary policy adjustment should balance quantitative and price-oriented tools; exchange rate formation mechanism should be perfected; and that social financing scale should be treated as an index of macro-control marketization.

Keywords: new normal; social financing scale; currency supply; RMB exchange rate

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Impact of Commercial Bank Ownership Structure Reform on Credit Risk ——An Empirical Analysis Based on DID Method

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Abstract: Based on the 2005-2015 data analysis of 28 commercial banks and by adopting DID method, this paper empirically studies the impact of China commercial bank ownership structure reform on credit risk. The research results show that the shareholding structure reform of commercial banks can significantly reduce the credit risk of the equity reform banks, and is still significant under the robustness test; the policy effect of the shareholding structure reform has a lag period of 1~2 years; and that the policy implementation effect of shareholding structure reform has nothing to do with the bank size, but is negatively related to the capital adequacy ratio. Therefore, commercial banks can reduce their risk through implementing shareholding structure reform.

Keywords: commercial bank; ownership structure; credit risks; Difference in Difference Method

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