



PHBS UK
Peking University
HSBC Business School

NEWSLETTER

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Coronavirus Diaries

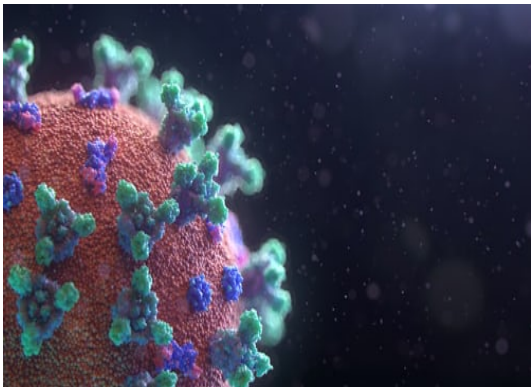
A diary of how a group of Chinese professionals in the UK who have rallied together since mid-March 2020 to actively raise funds to procure PPEs and medical equipment for the NHS

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A Voice from Milan

How did the Covid-19 evolve in Italy? Are there any guidelines to follow? What can other countries learn from Italy? Dr Domenico Tarzia answers these questions.

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Being in Lockdown A Student's Thoughts

Some people might find being under quarantine very frustrating, but I look at it from a very different perspective.

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MESSAGE FROM PROF LIU

Let Us Share Our Stories and Experiences of PHBS-UK

With an increasing number of scholarly activities happening at the UK Campus of Peking University HSBC Business School since its opening in Spring 2018, I am delighted that the UK Campus is launching our inaugural issue of our Campus Newsletter. This newsletter is aimed at broadening our perspectives about global current affairs, promoting an exchange of the varied views and knowledge on the various issues related to our economy and social development, disseminating news of the research conducted by our academics, as well as reporting on the life and experiences of our students, staff, Peking University alumni, and the collaborative partners of the UK Campus.

With these aims, I hope that this newsletter will become a good platform in facilitating our communication with our readers and those who are interested in our Campus and its development. I believe that communication is about the fluid exchange of words and thoughts; In particular, a good communicative exchange can help change the world. I very much welcome our readers to readily contribute to our Newsletter; Not only by sharing our Newsletter with your friends and family, I hope that you could share your stories and thoughts on current issues with us. I also hope that this Newsletter would become an interactive and learning platform for everyone. I, for one, look forward to learning from you on this platform.



With the current global focus being on the fight against the Covid-19 pandemic, our first issue is dedicated to sharing our stories and activities in this regard. Our Campus has actively participated in helping and supporting the NHS through the organization of donations of PPEs and medical equipment to hospitals in London (Guy's and St. Thomas' Hospital, King's College Hospital) as well as hospitals in Cambridge and Bristol.

We are One World for One Fight. I am confident that together, we will win the battle against Covid-19, and our lives will be back for the better.

One World, One Fight

环球同凉热，四海共冬春



The Coronavirus Diaries

The UK-Chinese Community join hands to fight Covid-19 together

Dr Yijing Li

“The Coronavirus Diaries” is a record of a group of Chinese professionals living in the UK who have rallied together since mid-March 2020 to share information, resources, and to organize a campaign to actively raise funds to procure the necessary Personal Protective Equipment (PPE) to support the NHS hospitals in the UK in combating the Covid-19 pandemic. The UK-Chinese community hope to use the group's modest strength to help the British people to fight the pandemic together and that this small gesture can gain strength to become a force of goodwill for our frontline heroes.

This diary aims to be the “heart” of the following institutions who have pledged their support to help the British fight the pandemic:

- Peking University Alumni Association (UK)
- Peking University HSBC Business School, the UK Campus
- King's College London Chinese Alumni Association
- Wuhan University Alumni Association (UK)
- Sun Yat-Sen University Alumni Association (UK)

- China-Britain Artificial Intelligence Association
- Beijing University of Posts and Telecommunications Alumni Association (UK)
- Hi-Tech Innovation Association
- Oxford University CSSA
- Art Saves US
- Yongtai Zhai
- Chinese Association of Financial Executives (UK)
- Zhejiang University Alumni Association (UK)
- British Chinese Community
- Zhejiang UK Association

This initiative hopes to express the support of the UK-Chinese community for the NHS, convey a positive Chinese voice, and most importantly, tell a heartwarming story of gratitude to our healthcare workers. This diary also serves as a record our experiences and feelings during this outbreak so as to keep it in our memory!

"Once in a lifetime, you meet
someone who changes
everything"

The Coronavirus Diaries

DAY 1

19th April – A Frontline Emergency

The Covid-19 outbreak in the UK, especially in London, is becoming increasingly serious, and this week our whole family has begun to consciously enter a "new normal" of home isolation and social distancing.

Early this morning, I received a message my close friend John. I knew John from our time at Cambridge; A kind-hearted man, John is now a senior fundraiser for King's Health Partners at King's College London. He told me that the frontline at Guy's and St Thomas' hospitals, the first batch of hospitals in London area to provide treatment for patients with Covid-19, is facing an acute emergency – the lack of medical equipment like Covid-19 test kits, PPEs, and masks.

As I happened to know a Covid-19 antibody test kits manufacturer from Anhui province, I wondered if a donation of the Covid-19 antibody test kits could be helpful to the frontline NHS staff in London. Immediately, I emailed John about a potential donation. John communicated immediately with Professor Richard Beale, (Professor of intensive care medicine, clinical director of perioperative, critical care and pain services, and consultant intensivist at Guy's and St Thomas' Hospitals) and they were very interested and grateful for the initiative.

I was very inspired by John's email, but I knew I was unable to initiate such a massive campaign for big donations in such limited time by myself. Immediately, I turned to Professor Guy Liu (Head of Peking University HSBC Business School, the UK Campus).

"We could do this and we should do it! Maybe we could consider donating 10,000 test kits. I just need to get the approval from the main campus in Shenzhen, China," enthused Prof. Liu

His enthusiasm and positivity was the starting motivation that was needed to kick-start this project ■



**Note: King's Health Partners is an Academic Health Sciences Centre where world-class research, education and clinical practice are brought together for the benefit of patients, including Guy's and St Thomas' NHS Foundation Trusts, King's College Hospital NHS Foundation Trust, South London and Maudsley NHS Foundation Trusts. The Executive Director is Professor Sir Robert Lechler, who is Senior Vice President/Provost (Health) for King's College London.

(Source: <https://www.kingshealthpartners.org/about-us/our-team>)



Helping Hands

Yuting Hang

It was the best of times, and it was the worst of times. The Covid-19 pandemic has been shaping lives for better and worse since the first outbreak in December. Here in the UK, it has been nearly 7 weeks since the UK government has enforced a lockdown; It was and still is a critical time for the Covid-19 pandemic is still spreading rapidly and unchecked across Europe and the rest of the world. During this crucial time period, there is an increased urgency in providing PPE for our frontline workers here in the UK. Thus it is with great pride and honour that I could help out with PHBS-UK's donation efforts to the NHS frontlines. Keeping a record of what I was doing during the pandemic seems apt, and I would like to share some of my thoughts and experiences of the donation drive with you.



My first donation trip was to Cambridge. On evening of 8th April, I received a message from Prof Guy Liu, head

of PHBS-UK. He told me that he was picking up the PPE donation at a warehouse near Heathrow airport and we would deliver 1,000 PPEs and 300 goggles to Cambridge Judge Business School the next day.



It was sunny on our trip to Cambridge and we had to wear a mask during our long drive. The inability to breathe normally behind a mask made me feel a little uncomfortable and breathless. I was thinking, wearing a mask for a few hours on a relatively short trip is nothing as compared to how long the NHS staff had to wear them. If I felt this uncomfortable, how would they be feeling? The thought that stuck with me that day was how truly remarkable our frontline careworkers are in their spirit and endurance.

The donation to Cambridge was executed smoothly thanks to the unwavering and strong support from PHBS in Shenzhen and Peking University in Beijing. As Prof. Wen Hai, Dean of PHBS recently remarked,

“a friend in need is a friend indeed; we must always help our friends”. This quote struck a chord in me, for without friends to support us during this difficult times, where would we be? It is necessary for us to put aside our differences and work together in this fight.

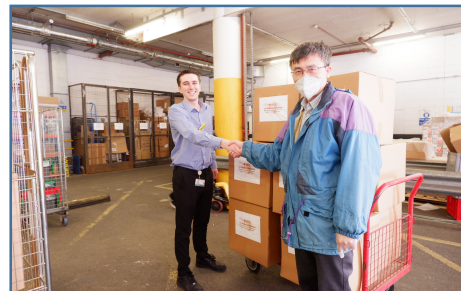
My second donation trip was to Bristol on the 28th of April. That day, Prof Liu and I brought with us 1200 PPEs, 300 goggles and 1000 protective gloves to donate to North Bristol NHS Trust; This donation was in recognition of our longstanding partnership and friendship with Bristol University. I remembered that it was drizzling that day. Prof Liu had arranged for Diogo, Roberto and I to pick up the donation at the warehouse once all the PPE had cleared customs. Time was of the essence. When we arrived at the warehouse, we immediately repacked all the PPE in the rain, and then we set off immediately to Bristol. Thankfully when we arrived in Bristol, the rain had stopped. At the logistic area, there were not many people due to the social distancing policy but the porter let us pass once he realised that we are delivering the donation. The donation process was very easy – we just unloaded the boxes and drove back. I thought to myself, if only the fight against Covid-19 was as easy.



By the time my third trip rolled around on the 4th of May, I was taking to the donation process like a duck to water. The trip this time was to London. As a mark of our friendship, and in recognition of our sustained partnership with University College London, Prof Liu arranged for us to

deliver 2,000 PPEs, and 600 goggles to University College Hospital (UCH). The staff from UCH were waiting for us when we arrived; They seem to be quite familiar and adept with the donation process because with their help, we managed to unpack over sixty cases in only half an hour! As we were unpacking, I could feel that the camaraderie between the two teams was high despite the lull in conversation. All of us were focused on unpacking all the PPE and the only sound I heard the noise of the trolley wheels.

What touched me the most was when the staff from UCH expressed their appreciation and gratitude to us at the end before we left. It was such a nice feeling to be appreciated and to have helped in the fight against Covid-19, albeit it was only a small contribution on my part.



Our last donation for this month was again to Cambridge. This time, we headed off to Cambridge with another donation of 700 PPEs. It was another sunny trip to Cambridge and like the last time, we had to wear a mask throughout the long drive. It reminded me that the frontline NHS staff are working very hard, putting up with the discomfort of being in a mask and PPE so that they can take care of us. My heart was overwhelmed with pride for our healthcare workers. Having completed so many donation trips, I am glad that we could contribute towards the good fight that the NHS is fighting for us against the virus. I am also very blessed that I was able to contribute towards this global fight against the Covid-19 pandemic!



Covid-19: A Voice From Milan

Dr Domenico Tarzia

Reported by Anabela Santos

During the period between the 22 February and the 9 May, Italy registered more than 30,000 coronavirus-related deaths. How did the Covid-19 evolve in Italy? Are there any guidelines to follow? What can other countries learn from Italy? On the morning of 9 May, Assistant Professor Domenico Tarzia from Peking University HSBC Business School UK Campus (PHBS-UK) shed some light on these questions during the first Webinar hosted by PHBS-UK.

History of the Italian Outbreak

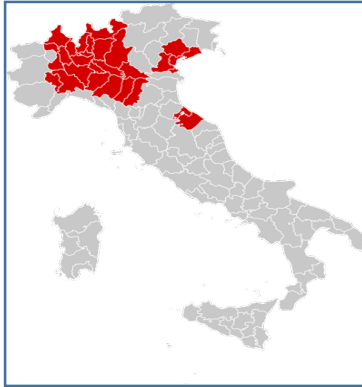
Dr Tarzia stressed that in order to understand how the Covid-19 pandemic unfolded in Italy, it is necessary to understand the structure of the Italian healthcare service – Servizio Sanitario Nazionale (SSN). Ranked among the best in the world, the SSN is regionally based and covers all citizens and expatriates. The SSN is centrally managed but it shares the responsibility for the healthcare of everyone in the country's 19 regions and two autonomous provinces. This means that the regions, through local health authorities, have

the autonomy regarding how they structure and organise the local healthcare system.

Located in the north of Italy, where the health facilities are considered better than those in the south, the province of Lombardy was at the centre of Italy's coronavirus outbreak. The story of the pandemic began on the 14th of February, when a 38 year-old man in Lombardy who unwell, and went to see a doctor. With no travel history to China, there were no suspicion of Covid-19 and thus no precautionary measures were taken so he was subsequently treated for influenza. On the 19th of February, the wife of the patient revealed that he had met an Italian friend who had returned from China. This friend was subsequently tested negative for Covid-19, but the patient and his pregnant wife tested positive. This presented an interesting conundrum for the Italian authorities regarding whether if this man was indeed patient zero.

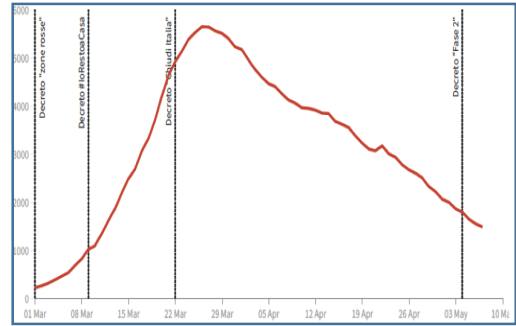
The secondary cluster of infections in Italy occurred in Veneto, another northern province. 21 February saw two Italians testing positive for Covid-19, of which a 78-year-old man (from the municipality of Vò),

died in the hospital a day after. He was the first Italian fatality. The central government swiftly quarantined of 11 municipalities in Northern Italy.



On the 26th of February, the government announced that testing would be performed on symptomatic patients. However, not all regions followed the same guidelines. The Governor of Veneto ordered all 3,300 residents of Vò to be tested. If someone is tested positive, everyone in that person's home as well as their neighbours were tested. On the other hand, Lombardy only tested residents who showed symptoms. Crucially, it was the decisive policy of inclusive testing in Veneto that proved to have reduced the burden on hospitals. On the other hand, hospitals in Lombardy were eventually overrun.

On the 1st of March, the quarantine territory was divided into three areas: A red zone (10 municipalities including Vò) where the whole population is under quarantine; A yellow zone (composed of the regions like Lombardy) where some activities and businesses were closed, and the rest of the national territory where safety and prevention measures were advertised in public places. Come 4th of March the Italian government imposed the shutdown of all schools and universities, and finally on the 8th of March, Lombardy and 14 other provinces were under strict lockdown. National lockdown was eventually implemented on the 21st of March.



The red line shows the daily evolution of new cases:

- Decreto "Zone Rosse" (1 March).
- Decreto "#IoRestoInCasa" (8 March)
- Decreto "#ChiudiItalia" (22 March)

Dr Tarzia complied and analysed the data available and showed that it was only after the 22nd of March that the daily evolution of new cases started to slow down. At that time, Veneto had 600 cases, while in Lombardy the number was over 3,000. Dr Tarzia's data also showed that the new cases decreased as the daily number of testing increased. It is clear that the increase in the number of tests performed made it possible to start to flattening the proverbial curve and reducing of the number of patients under intensive care in hospitals.

Looking at the map of country distribution of the Covid-19 cases, Dr Tarzia commented that, "it looks like three different countries" with more than 71% of cases being detected in the north. What made it possible to contain the disease in the North? Dr Tarzia replied, "people really obey the lockdown rules in the south".

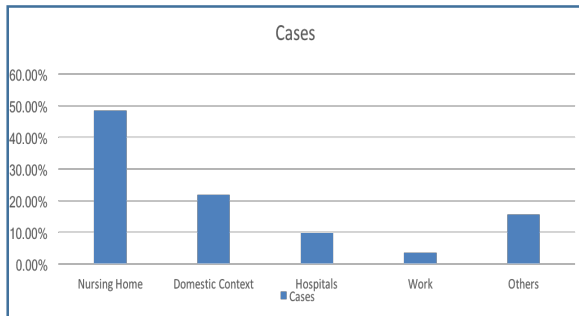
Lessons from the Italian experience

- ***Covid-19 crisis should be taken seriously from the get-go.*** The initial state-of-emergency declarations were met with scepticism, and while measures were stepped up gradually, it was inconsistent with the rapid spread of the virus.
- ***There is no time to waste!*** Experts estimate that it takes 10 days from the

first symptom to death. That was why Covid-19 can easily overwhelm hospitals.

- **Lack of coordination can be fatal.** Hospitals can form Covid-19 clusters, as they are rapidly populated by infected patients. More than 11% of health workers were infected.
- **The importance of a more aggressive policy.** The virus should be **tracked**; People should be **tested**, and **treated**.

Dr Tarzia's data also demonstrated that older Italians are more vulnerable to the disease. 29% of deaths were among the elderly over 80 years old and most cases occur in nursing homes. Dr Tarzia pointed out that this is an important case in point for the UK because the death toll in the UK is over 30,000. In particular, the UK is still struggling with Covid-19 spreading in nursing homes.



Furthermore, it seems that the UK is making the same mistakes as Italy: with the initial belief in herd immunity, a delay in imposing lockdown and safe-distancing

measures, and registering a huge delay in testing. This cavalier attitude towards Covid-19 was encapsulated by the UK's Prime Minister Boris Johnson who famously and ironically said, "I shook hands with everybody", weeks before his own Covid-19 diagnosis.

At the end of the webinar the audience asked numerous questions about the economic measures taken by Italy to restart its economy, about how the virus is affecting special communities, and about how to track the virus in order to understand its spread. The webinar was followed by more than 40 people, from different countries like China, Italy and Germany. There will be many lessons to learn regarding the Covid-19 pandemic and we are very grateful that Dr Tarzia was able to share the Italian lesson with us ■



Assistant Professor Domenico Tarzia received his PhD in Finance from Bocconi University and has been with PHBS since 2014, where

he has taught Econometrics, Investments, Behavioral Finance, International Finance, Fixed Income, Derivative Pricing and Corporate Finance. Dr Tarzia's research interests lie in options pricing, stochastic modelling, behavioral finance. He has also published extensively on economics letters and complexity.



Being in Lockdown – A Reflection

Michael Reyner Suwijono

Some people might find being under quarantine very frustrating, but I look at it from a very different perspective. Since the announcement of UK's lockdown, I have not been outside of my accommodation apart for essential activities like grocery shopping and exercise. This means that I have spent most of my time at home. Is it boring? I can only say that depends on how one manages oneself. And the most important lesson that I have learned from this lockdown is how to develop *self-discipline*.

Being in lockdown, in other words social distancing and staying home, means that I have more time for myself. I have also stopped working part-time which further increases my "free time". During the first few days, I was like everyone else; lockdown was very frustrating. I slept late and woke up late when there were no online classes. I spent most of my time online, doing unnecessary things, such as surfing YouTube. At that point in time, I thought that having more "free time" means having more "fun time". I quickly realized that it was just the first few days. Soon, I realized that these activities are the very things that caused my frustration in the beginning.

The way I see it, there are many ways for us to get through this difficult time. One

way is to break from the more "free time" equals more "fun time" paradigm. It is indeed very tempting to have a full 24 hours at home to do whatever we wanted to do. Some might want to use the time to do whatever they wanted to but couldn't due to their busy lives. Which led to people indulging in meaningless activities like gaming or watching TV. Eventually, boredom and frustration will set in.

I started to see this "free time" differently. I learnt that boredom and frustration can be alleviated if we use our time constructively. If we take this time to learn new things and keep our brains engaged, we would be more enriched mentally and get through this lockdown meaningfully. After this moment of realization, I started to adjust my sleep cycle; by sleeping early and waking up early.

I felt really good when I started my day early: I would do some morning exercise, take a shower, and start my day fresh. I bought fitness equipment from Amazon to help me exercise from home, because I believe that exercise is very important during lockdown as our activities are severely limited. The only exception I made to this routine was if I had morning classes. That meant exercise will be later in the afternoon.

In addition, every Saturday I will cycle around Oxford, and obviously with a mask.

This lockdown has also made me more creative in my cooking. Having the same meals everyday can be quite boring and repetitive. Thus I would look for recipes to try on YouTube. I rarely ordered any takeaways unless I ran out of food. I would like to think that I added culinary skills to my arsenal when I emerged from lockdown.



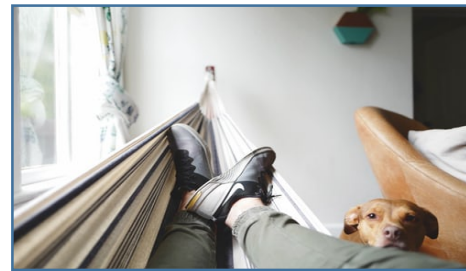
Being a Catholic, Easter is always a special time when I would go to the church and celebrate with my friends and family. Unfortunately, this year, I had to spend Easter at home alone. Luckily, my church provided online streaming. Not only during lockdown, but weekly masses also streamed online which I really appreciated.

Last week, the new academic block with PHBS started. For this block we are allowed to take up to 4 classes from the Shenzhen campus as well since all the classes are online. I was very excited because now I was able to choose a subject that I really want to explore but currently not offered here in the UK campus, such as Brand Management. I also took Research Methodology to help me prepare better for my thesis as early as possible. With extra time that I have during this lockdown, I really want to utilize it to its fullest potential. I want to devote myself more into my studies.

Apart from my classes at PHBS, I also enrolled myself in an online Chinese class. To be able to speak Chinese is one of my goals. Even though PHBS has been providing me with Chinese classes, but I still

believe that I will improve more by practicing more.

In my quest for self-improvement, I also watched a lot of YouTube video related to my subject. By having classes and keeping busy every day, it has really motivated me to study harder and make the most of this “extra time” that I have been given. However, this doesn’t mean that I didn’t take some time out to enjoy myself. I always allocate one hour before sleep to browse the internet or watch a film. On the weekends, my flat-mate and I would always sit down on the sofa in our flat’s living room and watch a film to chill out.



For me, this is all about finding the right balance to enjoy as well as to develop myself. It might sound difficult in theory, especially the “develop myself” part, because we always tend to choose things that are convenient and enjoyable. Thus, it is important to exercise self-discipline, and that is the hardest lesson that I’ve learned from this lockdown period.

The key, I’ve realized, is making things a habit. I’ve come to regret considering the initial “free time” that I had as a “holiday”. I had missed the opportunity to use this time to develop myself and to learn something new. I believe that making full use of my time every day, and having a tangible goal is the way to go in overcoming this difficult period. Therefore, for me, it’s important to use this “free time” as a way to achieve my set goals: to study better, write a good thesis, graduate, and have a successful career in the future. ■



Research Highlights

BitMEX Bitcoin Derivatives: Price Discovery, Informational Efficiency and Hedging Effectiveness

Alexander C., Choi, J., Park, H., and S. Sohn (2020) 'BitMEX Bitcoin Derivatives: Price Discovery, Informational Efficiency and Hedging Effectiveness.' *Journal of Futures Markets*, 40 (1). pp. 23-43. ISSN 0270-7314 .

To download:

<https://onlinelibrary.wiley.com/doi/full/10.1002/fut.22050>

Highlight of the Paper

BitMEX is the largest unregulated bitcoin derivatives exchange, listing contracts suitable for leverage trading and hedging. Using minute-by-minute data, we examine its price discovery and hedging effectiveness. We find that BitMEX derivatives lead prices on major bitcoin spot exchanges. Bid-ask spreads, inter-exchange spreads and relative trading volumes are important determinants of price discovery. Further analysis shows that BitMEX derivatives have positive net

spill-over effects, are informationally more efficient than bitcoin spot prices, and serve as effective hedges against spot price volatility. Our evidence suggests that regulators prioritise investigation of the legitimacy of BitMEX and its contracts. This paper is in the top 10% of downloads from the *Journal of Futures Markets* based on data since January 2018.



How do markets value stock liquidity?

Comparative evidence from the UK, the US, Germany and China

Liu, G., Gregoriou, A. and Bo, Y., 2020. How do markets value stock liquidity? Comparative evidence from the UK, the US, Germany and China. *Economics Letters*, 186, p.108500.

To download:

<https://www.sciencedirect.com/science/article/pii/S0165176519302198>

Highlight of the Paper

This paper examines the relationship between stock liquidity and returns before, during and after the 2007–2009 financial crisis. Evidence obtained demonstrated a positive association for Germany and the UK, while China on the other hand, exhibits the opposite result. However, the US, provides inconclusive evidence in this regard.

Comment by Prof Gregoriou

Professors Liu and Gregoriou published an article in 2020 in *Economics Letters* entitled “How do markets value stock liquidity? Comparative evidence from the UK, the US, Germany and China”. The research paper examines the relationship between stock liquidity and returns before, during and after the 2007–2009 financial crisis. The authors obtain evidence of a positive association for Germany and the UK, whereas China exhibits the opposite result and the US provides inconclusive evidence. Professor Gregoriou believes that this paper makes a strong contribution to the relationship between stock liquidity and financial returns in an international context. In addition, the paper investigates on how the association between liquidity and returns changes in light of the financial crises of 2007-2009.

