C. DETAILED OUTLINE

Part A: Report

1. **Case Study 1 (35 marks): Monetary policy**

a. Statement of Problem or Issue (Approx. 100-150 words)
- Clearly state your assigned country
- Begin by briefly define monetary policy and its impacts on the economy
- Briefly analyse the impacts of COVID-19 on the monetary policy
- Provide rationale for analysing monetary policy before and after COVID-19

Example:
- Monetary policy in Vietnam refers to the strategic management of the money supply, interest rates, and credit conditions by the State Bank of Vietnam. It plays a crucial role in achieving economic stability, fostering growth, and controlling inflation.
- The COVID-19 pandemic had a profound impact on Vietnam's monetary policy. In the face of economic disruptions, the State Bank of Vietnam swiftly implemented measures such as interest rate cuts and liquidity support to mitigate the pandemic's adverse effects.
- Analyzing Vietnam's monetary policy before and after COVID-19 is essential for several reasons:
  + To assess how effectively the policy responded to the unique challenges posed by the pandemic and whether it helped stabilize the economy.
  + To determine the adaptability of Vietnam's monetary policy framework in the face of unprecedented shocks and whether adjustments were made to align with evolving economic needs.
  + To provide valuable insights for policymakers, economists, and financial institutions on the trajectory of Vietnam's monetary policy in a post-pandemic world, and whether any recalibrations are required to sustain economic growth and stability.

b. Interpretation and Critical Analysis (Approx. 300-400 words):
Objectives of Monetary Policy:

+ State the objectives before and after COVID-19 (you can find this information through central bank's official website, monetary reports, press releases, economic research papers)

+ Explain how these objectives evolved before and after the COVID-19 pandemic. Analyze any shifts in priorities, such as inflation control, economic growth, or stability.

Example:

- Before COVID-19:

+ Pre-pandemic, Vietnam's monetary policy primarily focused on achieving stable economic growth while maintaining low inflation rates.

+ The State Bank of Vietnam aimed to balance the promotion of investments and lending with the need to control inflation, often setting moderate interest rates to stimulate economic activity.

- After COVID-19:

+ The pandemic triggered a shift in monetary policy objectives in Vietnam. The immediate priority became mitigating the economic fallout of the crisis.

+ The central bank adjusted its objectives to prioritize supporting businesses, preserving employment, and ensuring financial stability. This included slashing interest rates and providing liquidity support to banks.

- Analysis:

+ The evolution of monetary policy objectives illustrates the adaptability of Vietnam's central bank in responding to crises. The shift from inflation control to economic support reflects the need for immediate relief during uncertain times.

+ As the country emerges from the pandemic, there may be a need to reevaluate and recalibrate these objectives to strike a balance between post-crisis recovery and longer-term economic sustainability.

Central Bank Actions (2020 – 2022)

- Briefly explain the primary objectives and responsibilities of the central bank in the country's economy.

- Provide a chronological account of major monetary policy decisions made by the central bank during the specified three-year period. Include information on changes in interest rates, adjustments in policy tools, and any extraordinary measures taken in response to economic events.
- Analyze the central bank's rationale for each policy action. This may involve examining economic indicators, inflation data, and external factors. Consider whether the central bank aimed at achieving objectives like price stability, economic growth, or financial stability.
- Discuss whether the central bank's actions were effective in achieving their intended outcomes
- Identify any challenges or controversies associated with the central bank's policy actions.

Example:
- Vietnam's central bank, the State Bank of Vietnam (SBV), plays a pivotal role in shaping the country's economic landscape.
- The SBV's primary objectives include maintaining price stability, fostering economic growth, and ensuring the stability of the financial system.
- 2020: In response to the early stages of the COVID-19 pandemic, the SBV lowered policy rates and introduced debt relief measures to support businesses and individuals.
- 2021: As the economy recovered, the SBV cautiously adjusted interest rates upward to combat potential inflationary pressures.
- 2022: The SBV continued to fine-tune policy tools, including reserve requirements and open market operations, to ensure stable liquidity conditions.
- The SBV's actions were generally effective in achieving short-term objectives of economic stability and recovery.
- Challenges included balancing growth and inflation objectives. There were discussions about the sustainability of prolonged low-interest rates.

Utilizing Generative AI
- AI Analysis: Use an appropriate generative AI tool (e.g., Bing AI, Google Bard AI) to analyze how changes in monetary policy over the last three years affected yield and

interest rates in the country's debt markets. Include evidence such as a screenshot or a transcript of the AI tool's analysis.

+ "Can you provide an overview of the central bank's monetary policy changes in [country] from 2020 to 2022?"

+ "How did changes in the policy rate (e.g., interest rate) impact short-term and long-term bond yields in [country] during this period?"

+ "What were the key quantitative easing measures, if any, implemented by the central bank in [country] during this period, and how did they influence bond prices and interest rates?"

+ "Were there any specific policy tools or strategies adopted by the central bank to control inflation, and how did they affect government bond yields?"

+ "Did the central bank's forward guidance on future interest rates have an impact on investor behavior and bond market dynamics?"

+ "How did the central bank's response to economic events related to the COVID-19 pandemic influence the yield curve and overall interest rate environment in [country]?"

+ "Can you analyze the relationship between changes in monetary policy and the demand for government and corporate bonds in [country]?"

+ "Were there any significant shifts in investor sentiment or risk appetite in response to changes in monetary policy, and how did this impact bond prices and yields?"

+ "What role did external factors, such as global economic conditions or geopolitical events, play in shaping bond market dynamics alongside changes in monetary policy?"

+ "Based on historical data and AI analysis, can you provide insights into whether the central bank's monetary policy actions were effective in achieving their intended goals in terms of bond market stability and interest rate control?"

- Summarize the findings generated by AI on how the changes in monetary policy in the last three years affected the yield and interest rates in the debt markets of the country.

- Evaluate AI Reliability and Limitations:

+ Critically evaluate the reliability of the AI-generated information and analysis

+ Identify potential limitations or biases in the AI's output.

+ Discuss the extent to which you trust the AI's analysis and highlight any areas where human judgment is essential.

+ Look for any discrepancies between the AI-generated response and the real-world data. Note areas where the AI may have provided incomplete or inaccurate information.

+ Identify any additional insights or nuances in the data that the AI may have missed.

- Generate your own analysis with support of economic frameworks and models, academic resources or real-life data

Example:

- Summary: As from Bing AI generated, monetary policy changes in Vietnam during 2020 to 2022 led to a gradual reduction in policy rates, resulting in lower bond yields and increased investor demand for government bonds. Additionally, the central bank's quantitative easing measures provided ample liquidity to the debt markets, further driving down interest rates.

- Evaluate AI Reliability and Limitations:

    + AI Reliability: The AI-generated response aligns with the general principles of monetary policy and its impact on bond markets. It provides a coherent explanation of the observed trends.

    + Limitations: The AI response lacks specific data points or references to historical events. It may not account for nuanced factors that influenced bond market dynamics, such as investor sentiment.

- Generate Your Own Analysis

    + Economic Frameworks: Applying economic frameworks, such as the Fisher equation, I expect that a reduction in policy rates would lead to lower bond yields, all else being equal.

    + Real-Life Data: Based on real-life data from Vietnam's bond markets, historical yield curves, and central bank reports, it's evident that policy rate

reductions indeed corresponded to declining bond yields during the specified period.

+ Academic Resources: Academic studies on the Vietnamese bond market support the idea that quantitative easing measures positively influenced liquidity and lowered interest rates.

+ Additional insight:

● The AI didn't mention the role of foreign investment in Vietnam's bond market, which also contributed to lower yields as international investors sought higher returns in emerging markets.

● The AI didn't discuss the potential inflationary risks associated with a prolonged period of low-interest rates, which could be a concern for policymakers.

● The AI didn't touch upon how changes in global economic conditions might have influenced Vietnam's bond market, particularly given the country's export-driven economy.

c. Results of the Research/Recommendations (Approx. 200-250 words):

- Summarize the objectives of monetary policy and the Central Bank's actions you discussed earlier.

- Provide recommendations for the country based on the objectives (You can see what other countries had been done to further strengthen your arguments). Note that you should discuss only 2 to 3 most importan and relevant policy to your country's context. Recommendations may include:

+ Balanced Objective Prioritization:
+ Inflation Targeting with Flexibility:
+ Financial Sytem Resilence
+ Data-Driven Decision Making
+ Enhanced Communication and Transparency
+ Regular Policy Framework Review

- You can provide a table to discuss the details of your recommendation with further analysis of the recommendation's pros and cons.

- Summary of your recommendations

Example:

Objectives of Monetary Policy: The primary objectives of monetary policy in Vietnam have traditionally centered on maintaining price stability, promoting economic growth, and ensuring the stability of the financial system. The Central Bank of Vietnam has pursued these objectives through various policy tools, including policy rate adjustments and open market operations

Recommendation	Details	Pros	Cons
Balanced Objective Prioritization	Prioritize price stability and economic growth.	- Economic stability.	- Potential trade-off challenges.
Inflation Targeting with Flexibility	Adopt an inflation targeting framework with a flexible target range.	- Clarity in policy objectives.	- Frequent adjustments may be needed.
Enhanced Communication and Transparency	Improve communication with stakeholders.	- Reduced uncertainty and market confidence.	- Requires careful messaging.

Summary of Recommendations: For Vietnam, striking a balance between price stability and economic growth is paramount. Adopting an inflation targeting framework with flexibility can provide a clear anchor for inflation expectations. Additionally, enhancing communication and transparency will promote market confidence. However, it's crucial to navigate potential challenges associated with these recommendations effectively.

2. **Case Study 2 (30 marks): Credit Ratings Agencies (CRA)**

a. Statement of Problem or Issue:
- Begin by introducing the role of Credit Ratings Agencies (CRA) and their significance in financial markets.
- Highlight the emergence of issues and challenges faced by CRAs during the Global Financial Crisis (GFC).
- Frame the problem by addressing the impact of CRA failures on the financial system and investor confidence.

Example:
- During the Global Financial Crisis (GFC), Credit Ratings Agencies (CRAs) came under intense scrutiny due to their failure to accurately assess the creditworthiness of financial instruments, particularly mortgage-backed securities.
- This misjudgment contributed to the widespread financial turmoil and market distrust.

- This case study explores the issues that emerged for CRAs during the GFC and delves into conflicts of interest within the CRA industry, examining their origins and implications.

b. Interpretation and Critical Analysis:
- Identify and explain the key issues that emerged for CRAs during the GFC. These may include inaccurate credit ratings, conflicts of interest, and overreliance on CRA ratings.
- Define conflicts of interest within the context of CRAs and discuss when and why these conflicts may arise.
- Analyze the effectiveness of mitigants implemented by CRAs to address conflicts of interest. Discuss the extent to which these measures succeeded or failed during the GFC.

Example:
- The GFC exposed several issues within the CRA industry. CRAs faced criticism for providing overly optimistic ratings to complex financial products, often influenced by the fees they received from the issuers.
- Conflicts of interest arose because CRAs were financially incentivized to provide favorable ratings to their clients.
- The effectiveness of mitigants, such as internal controls and Chinese walls, proved limited during the crisis, as these measures did not prevent rating agencies from assigning high ratings to risky assets.

c. Results of Research/Recommendations:
- Provide recommendations based on lessons learned from the GFC and subsequent regulatory changes.
- Discuss the role of regulators in addressing conflicts of interest in the future. Offer insights into how regulatory oversight can be strengthened to prevent a recurrence of GFC-like issues.
- Consider the specific country assigned in Case Study 1 and tailor recommendations to its context. Discuss how the country's regulatory framework can be enhanced to ensure the integrity of credit ratings.

Example:

- To address these challenges, CRAs in Vietnam should prioritize transparency in their rating methodologies and consider alternative compensation models to reduce conflicts of interest.
- Regulatory authorities must assume a more active role in supervising CRAs and implementing stricter oversight.
- For Vietnam, it is recommended that regulators enhance transparency and demand greater accountability from CRAs to safeguard the integrity of the Vietnamese financial market.

3. Guest speaker session (10 marks)

a. Introduction:

- Provide context by briefly mentioning the guest speaker's presentation on ESG (environmental, social, and governance) practices in relation to debt markets.
- Highlight the significance of ESG considerations in today's financial landscape.

Example:
- The guest speaker's presentation shed light on the intersection of ESG (environmental, social, and governance) practices with the functioning of debt markets.
- In today's financial landscape, the incorporation of ESG criteria has become increasingly important, influencing investment decisions and debt issuance.

b. Summary of Insights:

- Summarize the key insights and knowledge shared by the guest speaker regarding ESG practices and their connection to debt markets. This may include the impact of ESG factors on investment decisions, the integration of ESG criteria in debt issuance, and the role of responsible investing.

Example:

- The guest speaker provided valuable insights into the relevance of ESG considerations in debt markets.

- These insights ranged from the impact of ESG factors on investment choices to the growing emphasis on responsible investing and sustainable debt issuance.

c. Understanding ESG Issues in Debt Markets:

- Discuss the potential ESG issues that may arise in debt markets, such as greenwashing, inadequate disclosure, and insufficient ESG due diligence
- Explain the importance of identifying and addressing these issues to maintain the integrity and sustainability of debt markets.

Example:

While ESG integration in debt markets offers numerous benefits, it also raises certain concerns. These concerns may include the potential for greenwashing, where issuers provide misleading information about their ESG practices, as well as challenges related to insufficient ESG disclosure and due diligence. Recognizing and addressing these issues is crucial to maintaining the credibility and sustainability of debt markets.

d. Recommendations for Governments:

- Propose recommendations for governments to prevent ESG issues in debt markets based on the insights gained from the guest speaker's presentation.
- Discuss specific policy measures and regulatory frameworks that can enhance ESG transparency, accountability, and sustainability in debt markets.

Example:

To prevent ESG issues in debt markets, governments can consider implementing several measures. These may include enhancing ESG disclosure requirements for debt issuers, promoting standardized ESG reporting frameworks, and fostering greater transparency and accountability in the debt issuance process. Moreover, regulatory bodies can encourage responsible investing practices and provide incentives for issuers to align with ESG principles.

e. Conclusion:

- Summarize the key takeaways from the guest speaker's lecture and the proposed recommendations for governments to address ESG issues in debt markets.
- Emphasize the role of ESG considerations in shaping the future of debt markets and responsible finance.

Example:

The insights shared by the guest speaker underscore the growing importance of ESG considerations in debt markets. As governments take proactive steps to address ESG issues and promote responsible finance, debt markets can evolve into more sustainable and resilient pillars of the global financial system.

D. TIPS & TRICKS

1. **Research and Data Collection:**
- Start your research early and gather relevant data from reputable sources such as central banks, financial databases (e.g., Refinitiv Eikon), and international organizations (IMF, World Bank).
- Ensure the data you collect aligns with the years 2021 and 2022, and it's specific to your assigned country or countries (Vietnam and your assigned developed country).
- Use tables and charts to present data when it enhances the understanding of your analysis. Keep in mind that these should complement your text, not replace it.
- Ensure that tables and figures are appropriately labeled, with clear titles and sources cited.

2. **Professionalism**
- Follow the provided structure and word count limits for each part of the report. Clear organization is essential for academic writing.
- Use headings and subheadings to break down your analysis into sections. Make sure your report is reader-friendly and easy to navigate.

3. **Writing Tips**
- Write concisely and coherently. Avoid unnecessary jargon and ensure your writing is clear and understandable.
- Use proper grammar and punctuation. Proofread your work to eliminate spelling and grammatical errors.

4. Tips for Video

- Clarity and Conciseness: Keep your presentation clear and concise. You have a maximum of 5 minutes, so make every second count. Avoid rambling or going off-topic.

- Professional Appearance: Dress professionally for your video presentation. Ensure good lighting and a clutter-free background. Your face should be clearly visible.

- Script: Prepare a script or an outline for your presentation. This will help you stay on track and ensure you cover all the necessary points within the time limit.

- Engaging Opening: Start with an engaging opening to grab your audience's attention. You can use a relevant quote, a surprising fact, or a thought-provoking question.

- Structured Content: Organize your presentation with a clear structure. Use the same structure as your written report, including the statement of the problem or issue, interpretation, critical analysis, results, and recommendations.

- Visuals: Utilize the PowerPoint presentation you've prepared to support your talk. Use slides to visually highlight key points, data, and recommendations. Make sure the slides are easy to read and not too cluttered.

- Voice and Tone: Speak clearly and at a moderate pace. Maintain a professional and confident tone throughout the presentation. Avoid speaking too fast or too softly.

- Engage with the Camera: Make eye contact with the camera to connect with your virtual audience. This helps create a sense of engagement and connection.

- Transition Smoothly: Use transitional phrases to guide your audience through different sections of your presentation. For example, "Now, let's move on to the critical analysis."

- Conclusion: Summarize your key findings and recommendations in a clear and memorable way in your conclusion. Leave a lasting impression on your audience.

- Recording Quality: Ensure good audio quality in your recording. Use a quality microphone if available. Eliminate background noise as much as possible.

E. FOOD FOR HUNGRY THOUGHTS