Department of Finance
Hong Kong Institute of Business Studies

Lingnan 嶺南大學 University 香港 Hong Kong

Postgraduate Seminar Series

Topic Defence Seminar – Monetary Policy and Crypto Markets

- **Date:** 28 May 2026
- **Time:** 14:30--15:30
- **Venue:** SEK206
- **Presenter:** Ms Dong Shutong (PhD student of Finance)

Abstract: The transmission of monetary policy has been studied extensively in equity and bond markets, while far less is understood about how it propagates into cryptocurrency markets. As a rapidly expanding emerging asset class that trades around the clock, the cryptocurrency market is one in which speculative risky assets and U.S. dollar-pegged stablecoins are deeply intertwined. This study examines the transmission of U.S. monetary policy to cryptocurrency markets, focusing on the heterogeneous responses of different types of crypto assets to policy shocks. It assesses how cryptocurrency returns, volatility, and trading activity, as well as stablecoin peg deviations, respond to FOMC announcements, and investigates whether stablecoins, relative to risky cryptocurrencies, actually function as safe and liquid vehicles. The study further disentangles the channels underlying this transmission, examining sources of heterogeneity such as interest rate sensitivity. Empirically, the study employs high-frequency identified monetary policy surprises as the shock measure and conducts event studies around FOMC announcements, complemented by time-series forecasting, difference-in-differences designs, and panel regressions to compare the responses of stablecoins and risky crypto assets and to evaluate performance across groups with varying interest rate sensitivities. This study contributes systematic empirical evidence on how monetary policy transmits to crypto markets, disentangles the underlying channels, and tests whether stablecoins genuinely exhibit safe-haven properties under policy uncertainty.

All are welcome

- For any inquiries, please contact us at hkibs@ln.edu.hk or call us at 2616-8373.

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