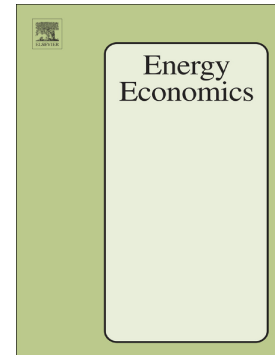


Accepted Manuscript

Market fragmentation, liquidity measures and improvement perspectives from China's emissions trading scheme pilots

Kai Chang, Rongda Chen, Julien Chevallier



PII: S0140-9883(18)30258-5
DOI: doi:[10.1016/j.eneco.2018.07.010](https://doi.org/10.1016/j.eneco.2018.07.010)
Reference: ENEECO 4089
To appear in: *Energy Economics*
Received date: 25 February 2018
Revised date: 27 June 2018
Accepted date: 10 July 2018

Please cite this article as: Kai Chang, Rongda Chen, Julien Chevallier , Market fragmentation, liquidity measures and improvement perspectives from China's emissions trading scheme pilots. Eneeco (2018), doi:[10.1016/j.eneco.2018.07.010](https://doi.org/10.1016/j.eneco.2018.07.010)

This is a PDF file of an unedited manuscript that has been accepted for publication. As a service to our customers we are providing this early version of the manuscript. The manuscript will undergo copyediting, typesetting, and review of the resulting proof before it is published in its final form. Please note that during the production process errors may be discovered which could affect the content, and all legal disclaimers that apply to the journal pertain.

Market fragmentation, liquidity measures and improvement perspectives from China's emissions trading scheme pilots

Kai Chang^{1,2,3,4}, Rongda Chen¹, Julien Chevallier⁵

1. School of Finance, Zhejiang University of Finance and Economics, Hangzhou, 310038, China

2. The Center for Research on Regulation and Policy of Zhejiang Province, Hangzhou, 310018, China

3. Collaborative Innovation Center of Local Finance, Zhejiang University of Finance and Economics, Hangzhou 310038, China

4. China Academy of Financial Research, Zhejiang University of Finance and Economics, Hangzhou, 310038, China

5. IPAG Business School (IPAG Lab), 184 boulevard Saint-Germain, 75006 Paris, France.

Abstract: China's emissions trading pilots constitute an emerging and young commodity market. This paper compares the greater regional divergences of market rules and explores the impacts of market fragmentation and liquidity on emissions allowances prices in eight of China's emissions trading scheme (ETS) pilots using a Generalized Autoregressive Conditional Heteroskedasticity (GARCH) model with a generalized error distribution (GED). The Hubei, Guangdong and Shenzhen ETS pilots have obviously greater market shares and higher liquidity than the Beijing, Shanghai, Tianjin, Chongqing and Fujian ETS pilots. Market fragmentations have significant impacts on emissions allowance returns in the Beijing, Guangdong and

*Corresponding author: Kai Chang, School of Finance, Zhejiang University of Finance and Economics, Hangzhou, 86-310018, China.

Email address: kchang16@163.com(Kai Chang); 569669316@qq.com(Rongda Chen); Julien.Chevallier@ipag.fr (Julien Chevallier).

Download English Version:

<https://daneshyari.com/en/article/10134529>

Download Persian Version:

<https://daneshyari.com/article/10134529>

[Daneshyari.com](https://daneshyari.com)