

Insights into HK's financial domain

Trip provides value-add to participants' knowledge, say **NG KENG LEONG, YEO SUEANN** and **WONG JIAN-HUI**

THE Asian Investment Immersion Programme 2010 (AIIP 2010), brainchild of the Singapore Management University's (SMU) E.y.E Investment Club, was developed in line with the vision of SMU's largest finance club – to attain global outreach in student investment education.

Spearheaded by club president Wong Jian-Hui and vice-president Yeo Sueann, the trip involved visits to prestigious investment banks and key government financial agencies, and incorporated an academic element via a tie-up with The University of Hong Kong (HKU).

Why Hong Kong?

Historically, Hong Kong has always been viewed by large financial institutions as an entry point into Asia's markets and this has translated into a strong presence of financial firms in Hong Kong. Moreover, as the development of the Chinese economy picks up speed, investments have started to flow into Hong Kong by those targeting a more open exposure to the Chinese market. All these make Hong Kong a more important region than ever for our current generation. This trip was aimed at giving participants an insight into Hong Kong's financial landscape, and the key differences between the two Asian financial hubs of Singapore and Hong Kong.

Located in Hong Kong's tallest building, the International Convention Centre, Deutsche Bank (DB) was our first stop. The sharing session was extremely insightful as DB shared with us its history and its long-standing presence in Hong Kong. Most notably, we were told that Asia's growth potential makes it essential for most financial institutions to maintain their presence in Asia despite lower profitability as compared to the West. DB was very hospitable and the session ended with a networking session with key representatives from each division of the bank.

Moving on to Goldman Sachs, we were greeted by four Singaporeans who live and work in Hong Kong, two of whom are SMU graduates. The session spanned nearly three hours, much longer than usual, as eager participants crowded the experienced young analysts who were more than willing to share their experiences with us. From the Investment Banking division to the Asset Management department, we gained insights into challenges they faced thus far and key industry trends that they noticed while working in these popular financial divisions. For most, this helped shed some light on individual career choices as many of us aspire to work in the finance industry in the near future.

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At the bourse: Participants of SMU's Asian Investment Immersion Programme during a visit to the Hong Kong Stock Exchange



Our final bank visit was to Credit Suisse (CS) located in the International Financial Centre. Apart from the introduction to the operations of CS and its focus for each country that it operate in, CS took us through a thorough session of soft-skills training and, in particular, tips for the nerve-wrecking interview and the highly important yesume.

It felt almost like a class back at SMU when we were coached on the finer points of good interview techniques and winning resumes, except that this came from a very valuable source – a recruiter's perspective. After that, we had a networking session where many senior members of CS's Investment Banking Department (IBD) mingled with us allowing us a glimpse into the daily lives of these head honchos in IBD.

In addition to private institutions, AIIP 2010 was also marked by visits to two significant financial institutions in Hong Kong. They were the Hong Kong Stock Exchange (HKEX) and the Hong Kong Monetary Authority (HKMA). The first visit showed us the history of the HKEX and the live trading floor. An interesting insight was that with the advent of the Automatic Order Matching and Execution System in 1993, less than one per cent of the daily traded volume actually happens on the exchange trading floor.

At HKMA, we learnt about their role as the currency board. Many of us gained a better understanding of how HKMA maintains its peg to the US dollar through the exchange fund. Plenty of questions were raised about HKMA's stance in comparison with the Monetary Authority of Singapore's monetary policies.

It was an enriching visit as our eyes were opened to the complicated processes that HKMA undertakes to maintain the authenticity and security of its currency. We were also taken through the financial history of Hong Kong that has led it to where it is today.

Creating synergy

During the visit to HKU, we were greeted by a hilltop campus blessed with many colonial-style buildings and complexes. An interesting point brought to our notice was how politically charged and driven the students there were. We could easily see many political slogans plastered all around the campus grounds by their students.

The beauty of the campus matched the keen minds of the students we met. We exchanged ideas with the members of HKU's investment society on how to further the

interest in investing in youths, and also debated much about the Asian economy. Differences in our housing policies, trading and investing measures were also raised.

All in all, we created synergy with HKU's students that we had initially hoped for. As future leaders in both our economies, this strong working relationship we have built will inadvertently benefit us going forward.

The various visits had different characteristics that provided value-add to each participant's knowledge. Through this trip, many have fine-tuned their career choices in the finance industry.

In many aspects, we took our learning outside the classroom, an experience that SMU has always been an advocate of. We were also fortunate to bond over adventures of climbing up Victoria Peak for its breathtaking view and dining at the cheapest one Michelin star restaurant in the world. Looking back at the people we befriended and insights gathered along the way, AIIP 2010 has indeed proven to be a journey well taken.

The writers are co-organisers of the Asian Investment Immersion Programme 2010. They are second-year students at SMU pursuing a Bachelor of Business Management