

Editorial for the special issue on modern aspects of financial engineering

The special issue of the *China Finance Review International* on the “modern aspects of financial engineering” brings the readers recent developments in this area with a special emphasis on Chinese financial markets. The rapid growth of the Chinese economy and the financial liberalization of its financial markets enforce more research in this market. With its rapidly growing financial markets and trade, Chinese economy is at the highest importance for global stability and growth. Therefore, we believe that more academic research should highlight the differences or fundamental characteristics of this market from a financial engineering and quantitative finance perspective. This special issue serves for this purpose by including and presenting a variety of interesting research findings with an emphasis on the Chinese financial markets. The articles in this special issue analysis covers a range of topics such as differences between the overnight vs day trading hours in the Chinese commodity futures, price fluctuations based on the perspective of volume information, and the term structure of interest rates using principal component analysis.

In particular, the Chinese commodity markets are increasingly important for the price determination in the global commodity markets. China hosts some of the largest commodity futures exchange in the global economy and is the largest consumer of various commodities. It turns out that the significant differences during day and night trading hours in the Chinese commodity futures is crucial to understand this market. Furthermore, in the other studies on the term structure of the Chinese interest rates, the authors demonstrate the use of principal component analysis to understand this crucial market. In another study, this special issue presents the mechanism and effectiveness of credit scoring of P2P lending platform with a case from the Chinese market.

Overall, we consider that all the articles in the special issue on the modern aspects of financial engineering provides interesting findings for a wide range of audience whether from academics or from the financial industry.

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