Editorial

Dear Readers,

The threat of coronavirus disease 2019 (COVID-19) continues to pose a significant risk to the social and economic welfare of all. In the face of this unprecedented international calamity, governments across the world have quickly responded by mobilizing various policy tools. Amidst the multidimensional global response, the gargantuan task of galvanizing the interconnected economic machinery fell on the financial system's shoulders. Central banks countered the risk of economic contraction with their aggressive expansionary monetary policies. In the span of a few months, the FED almost doubled its balance sheet and the European Union and Japan followed in its footsteps shortly.

In this context; capital markets, the robust pillar of financial architecture, remain a reliable apparatus to facilitate long-term financing and investing. Efforts to develop and strengthen the international capital markets appear more urgent and essential today than ever before. To this end, it is now our great pleasure to present to our readership the latest issue of *Journal of Capital Markets Studies* (*JCMS*). Despite the ongoing pandemic, we are proud of the amount of submissions we received for this volume. We are also happy about the performance of our peer-review structure that was maintained in a timely manner regardless of the pressure caused by the current crisis. We have a diverse range of papers that focus on the trends in the capital markets ranging from the recent regulation framework to asset pricing to behavioral finance.

This issue begins with the paper coauthored by Alper Özün and Mete Feridun provides a comprehensive review of theoretical and practical implications of the new framework of global banking sector entitled *"Basel IV implementation: A review of the case of the European Union"*. This article focuses on in-depth examination of the key Basel IV standards in the EU and discusses its potential impact on banks, putting forward policy recommendations. The paper highlights the fact that the new prudential regime will introduce strategic, operational and regulatory challenges for firms in scope. The authors conclude that the global implementation of the reforms by all jurisdictions and transposition into national laws concurrently with the EU in line with the Basel Committee's implementation timeline is significant from a financial stability standpoint.

Akram Ramadan Budagaga investigates the impact of cash dividends on the banks' value with by comparing the previous theoretical framework in the next paper entitled *"Dividend policy and market value of banks in MENA emerging markets: Residual income approach"*. Using the data between 2000 and 2015, the findings highlight that the dividends have no material impact on MENA banks' market values which is consistent with Miller and Modigliani's (1961) dividend irrelevance assumption. These results have some significant implications for banks' dividend policymakers and can be attributed to the fact that MENA

Erratum: It has come to the attention of the publisher that the article, Aras, G. (2020), "Editorial" published in *Journal of Capital Markets Studies*, Vol. 4 No. 1, pp. 5-6, incorrectly listed Gokben Atlas as an author. This error was introduced in the editorial process and has now been corrected in the online version. The publisher sincerely apologises for this error and for any inconvenience caused.

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banks may be forced to place more emphasis on allocating money for investment instead of paying dividends.

Third, Jacob Dahl Rendtorff's *"Corporate Citizenship, Stakeholder Management and Sustainable Development Goals (SDGs) in Financial Institutions and Capital Markets"* argues that the basis for well-organized capital markets with companies with integrity and accountability is business ethics, corporate social responsibility (CSR) and good corporate citizenship. The study focuses on sustainable corporate governance and capital markets by looking in depth corporate citizenship, stakeholder management and responsibility, ethics of sustainable development goals. The author reveals the close relation between corporate citizenship, stakeholder management and CSR for good corporate governance for development of strategies developing capital markets for ethical investments in the SDGs.

The following paper addresses the impact of political instability on the relationship of shock between investor sentiment and stock market returns. Yousra Trichilli, Mouna Boujelbène Abbes and Sabrine Zouari examine the impact of recent Tunisian revolution on stock returns and volatility; also investor attention which is proxied by Google search. The findings suggest that Google search queries index has a significant positive effect on the index return before and after the revolution. This paper is important in understanding the role of political instability on stock markets and international investors.

We conclude the issue with the paper coauthored by Abdelkader Derbali, Lamia Jamel, Monia Ben Ltaifa, Ahmed K Elnagar and Ali Lamouchi make an important perspective to the predictive capacity of Fed and European Central Bank (ECB) meeting dates and production announcements on Bitcoin and energy commodities returns and volatilities. By using DCC-GARCH approach, the authors examine the time-varying relationships among strategic commodities and Bitcoin with the Fed and ECB monetary policy surprises. The results confirm strong significant dynamic conditional correlations between Bitcoin and energy commodity markets if monetary policy surprises are incorporated in variance. The study is a crucial topic for policymakers and portfolio risk managers: while from a policymaking viewpoint, having precise estimates of the volatility spillovers throughout markets is an important step in formulating successful monetary policy decisions; from the perspective of portfolio risk managers, our empirical findings are reliable with the idea of cross-market hedging.

We hope you enjoy this issue of *JCMS*. Should you have any specific suggestions for future releases, please feel free to contact us. We value your input. Our email addresses are provided below and *JCMS*'s website is available at: http://www.emeraldgrouppublishing.com/services/publishing/jcms/index.htm

We are looking forward to putting the current situation behind us and we hope that you and your families remain safe and well.

Best regards,
Professor Guler Aras
Editor in Chief, Journal of Capital Markets Studies

Guler Aras