

GLOBAL TENSIONS IN FINANCIAL MARKETS

RESEARCH IN FINANCE

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GLOBAL TENSIONS IN FINANCIAL MARKETS

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NOTE FROM THE PUBLISHER

Research in Finance has been edited by John W. Kensinger for nearly 20 years. John passed away last year, and it is with great sadness that we at Emerald publish this, the final volume compiled under his leadership.

We are very grateful to the new series editors, Rita Biswas and James Conover, for their assistance in finalizing this volume and for taking the helm on future volumes. We would like to extend to them a warm welcome to the Emerald family.

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INTRODUCTION

The volume starts with empirical investigations of the impact from macro-economic variables on equity values in emerging economies compared with developed economies (such variables include the following: currency exchange rates, various market indices, and gross domestic product). Then we learn what happens immediately following a stock's new addition or removal from the "Dogs of the Dow" portfolio. The "Dogs of the Dow" strategy focuses on selecting the highest dividend-paying stocks from among those that compose Dow Jones Industrial Average. The investigation finds that new inclusion on the list is associated with significant immediate increase in stock price, and removal from the list is associated with significant immediate decrease in stock price. So, we have strong evidence that dividends are important.

Next is an empirical affirmation of the efficiency of the Midcontinent Independent System Operator (MISO) electricity exchange following its recent (2014) major expansion in terms of market participants and geographic scope. MISO (headquartered in Carmel, Indiana) operates one of the world's largest real-time energy markets, trading electrical power across Middle America (including parts of the United States and Canada).

Next we find several investigations into the efficacy of efforts to stimulate the arousal of emerging nations around the world. We have here investigations into the banking industry in Egypt and Jordan, plus investigations of the "micro-finance" tools intended to relieve poverty in Peru and Vietnam. Also here, we see an empirical investigation of the question whether "Loyalty Voting Rights" add value to stock in Italy (compared with France).

We conclude the volume with examination of how financial discipline might be made more comfortable by effective hedging of real property values. Then we have a comparison of "insider" versus "outsider" chief executive officers in various situations. Finally, we have a critique of the real-world impact of financial research.