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KEY=MARKET - CAYDEN ROGERS

THE STOCK MARKET AS A SOURCE OF FINANCE

A COMPARISON OF U.S. AND INDIAN FIRMS

STOCK MARKET DEVELOPMENT AND LONG RUN GROWTH

World Bank Publications

TAXMANN'S INVESTING IN STOCK MARKETS – COMPREHENSIVE, UP-TO-DATE, WELL-ILLUSTRATED BOOK FOR INVESTING IN EQUITY SHARES INCORPORATING CONCEPTS, TOOLS, TECHNIQUES, ETC. | B.COM. | CBCS

Taxmann Publications Private Limited This book is a comprehensive, up-to-date, and illustrated textbook on 'Investing in Stock Markets'. It is written to provide the reader with the following: • Comprehensive understanding of the investment environment • Investment decision process • Trading mechanism in stock markets It also explains the various concepts, tools, and techniques related to investment in financial assets with lively examples and suitable illustrations. The book's focus is investment in stock markets, primarily equity shares. This book covers the entire syllabus prescribed for students pursuing: • B.Com. (Hons.) Semester III Paper BCH 3.4(a) Generic Elective under CBCS Programme • B.Com. Semester IV Paper 4.4(b) Skill Enhancement Course under CBCS Programme • Non-Collegiate Women's Education Board • School of Open Learning of University of Delhi • Various Central Universities throughout India The Present Publication is the 6th Edition, authored by Prof. (Dr.) Vanita Tripathi & Neeti Panwar, with the following noteworthy features: • [Simple, Systematic and Comprehensive Explanation] of the concept procedures and techniques of Investment in Stock Market • [Learning Outcomes] Every chapter begins with a list of learning outcomes that the reader will achieve after completing the chapter. It sets the broad framework for the chapter • [Main Text Supplemented by Illustrations & Examples] Various concepts and techniques have been explained in a lucid and well-knit manner. • [Solved Problems] Each chapter provides a sufficient number of solved problems for better understanding and application of the concepts explained in the main text • [Summary Points to Recapitulate the Concepts] which helps the reader to glance over the entire discussion presented in that chapter • [Test Yourself] Every chapter provides a variety of assignments to test the reader's knowledge. It comprises of the following: o True/False Statements o Theory Questions o Numerical Problems • [Project work] is provided to apply various concepts and techniques of investments in real life • [Previous Year's Question Papers] This book includes the following previous year question papers: o B.Com. (Hon.) 2018 SEM: II General Elective In Commerce o B.Com. (Prog.) 2018 SEM: IV Skill Enhancement Course o B.Com. (Hon.) 2019 SEM: II General Elective In Commerce o B.Com. (Prog.) 2019 SEM: IV Skill Enhancement Course Highlights of the 6th Edition are as follows: • [Additional Theoretical Concepts & Latest Technical Tools] used in the Stock Markets • [Role & Importance of Primary & Secondary Market] have been added in Chapter 4 • [Clearing Corporations & MSEI] have been added in Chapter 5 • [EIC Framework for Fundamental Analysis] of stock has been added in Chapter 7 • [Modern Tools for Technical Analysis] such as filter rules, Credit Balance Theory, MACD, advance-decline ratio & interactive charts have been added in chapter 8 • [Payoffs of Call & Put Options] are discussed with elaborate illustrations and diagrams in Derivative Market Chapter. • [Data Tables, Facts & Information] have been updated in the 6th Edition of the book Contents of this book are as follows: • [Basics of Investment] is introduced by Chapter 1 • [Risk & Returns] Chapter 2 trains about the following: o Risk and return analysis o Measurement of

risk and return o Comparison of various alternative investment choices posed to an investor • [Trading in Securities] The focus of Chapter 3 is on Online Trading, which is gaining popularity in India • [Indian Securities Market] is discussed in Chapter 4 • [Stock Exchanges] Chapter 5 provides a comprehensive overview of stock exchanges in India, including NSE, BSE, MCX, MSEI, etc. • [Derivatives Market] Chapter 6 discusses the derivatives market and its instrument such as forwards, futures, options, etc. • [Fundamental & Technical Analysis] After creating this solid theoretical base, Chapters 7 and 8 aim to inculcate analytical knowledge amongst the readers by deliberating upon tools of fundamental analysis and technical analysis • [Introduction & Investing in Mutual Funds] is discussed in Chapters 9 & 10 • [Previous Exam Question Papers] Latest University examination question papers have been added for ready reference by students during exam preparation

SHARE SPLIT AND MARKET PERFORMANCE - CASE OF POLISH STOCK EXCHANGE

GRIN Verlag Research Paper from the year 2005 in the subject Business economics - Banking, Stock Exchanges, Insurance, Accounting, grade: advanced, Warsaw University (Faculty of Economic Sciences), 31 entries in the bibliography, language: English, abstract: The purpose shares split is to divide nominal value in given proportion eg. 2:1, 5:4 etc, what hat involves the proportional reduction of the price Splits are conducted on shares, both traded public and in private turnover. From the rational point of view split should have no other consequences for investors and for share price and should be treated as a cosmetic correction. For shareholders, split changes a nominal amount of shares, but it does not change the value of portfolio. Shareholders rights, Cash Flow and equity of company stay unchanged. In the history of the world stock exchanges the first shares splits took place in 1927. The earliest research is dated 1933 (Doodley 1933), but the top of popularity splits reached recently, since the '90. Easley, O"Hara, Saar (2001) report that the most of splits took place in 1997 on NYSE, when about 235 companies made a split. On average about 10% of firms decide each year to lower the share price. Some of companies made a split for many times as e.g. Johnson & Johnson (6 splits since 1970), Bouygues (12 splits since 1979) etc. The main question of researchers, investors and companies is " why to make a split?". Still the explicit motive of split is unknown. There are many hypothesis and case studies in the literature. All appearing hypothesis are clustered around some periods of time. In history of splits there are three main groups to be distinguished: •Since '30 up to '70 - from splits appearance to the market transformation during fuel crisis •Since '70 up to 1998 - form the development of modern financial instruments to the crisis of new technology companies •Since 1998 up to now and more Given above classification concerns mainly U.S. market, the most developed one in the world. But one should remember, that this market serves as a indicator of investments mood. It gives a direction of development and influences trends all over the world. So, everything what happens on the U.S. market is also about the rest of the world, but with some time lag.

FINANCIAL LITERACY AND STOCK MARKET PARTICIPATION

Individuals are increasingly put in charge of their financial security after retirement. Moreover, the supply of complex financial products has increased considerably over the years. However, we still have little or no information about whether individuals have the financial knowledge and skills to navigate this new financial environment. To better understand financial literacy and its relation to financial decision-making, we have devised two special modules for the DNB Household Survey. We have designed questions to measure numeracy and basic knowledge related to the working of inflation and interest rates, as well as questions to measure more advanced financial knowledge related to financial market instruments (stocks, bonds, and mutual funds). We evaluate the importance of financial literacy by studying its relation to the stock market: Are more financially knowledgeable individuals more likely to hold stocks? To assess the direction of causality, we make use of questions measuring financial knowledge before investing in the stock market. We find that, while the understanding of basic economic concepts related to inflation and interest rate compounding is far from perfect, it outperforms the limited knowledge of stocks and bonds, the concept of risk diversification, and the working of financial markets. We also find that the measurement of financial literacy is very sensitive to the wording of survey questions. This provides additional evidence for limited financial knowledge. Finally, we report evidence of an independent effect of financial literacy on stock market participation: Those who have low financial literacy are significantly less likely to invest in stocks.

THE WORK OF WALL STREET

OECD BUSINESS AND FINANCE OUTLOOK 2016

OECD Publishing This edition of the OECD Business and Finance Outlook focuses on fragmentation: the inconsistent structures, policies, rules, laws and industry practices that appear to be blocking business efficiency and productivity growth.

UNREGULATED STOCK MARKETS IN SECOND LIFE

SLCapex is a stock exchange owned and operated by “residents” of the online virtual world Second Life. Despite its almost complete lack of regulation and legal protections against fraud or insider trading, issuers were able to raise approximately US$145,000 from investors, which grew to US$900,000 in market value before plummeting, resulting in overall investor returns of -71%. Investors in large issuances lost more than investors in small issuances, and small investors experienced more severe losses relative to large investors when more money was at stake, suggesting that the market did a poor job of protecting investors from issuers and of providing a level playing field for investors. Theories from financial economics can explain the markets' poor performance in the absence of regulatory and legal institutions, but cannot easily explain why issuers were able to raise capital in such a setting.

THE EFFICIENT MARKET HYPOTHESIS AND ITS APPLICATION TO STOCK MARKETS

GRIN Verlag Scholarly Research Paper from the year 2008 in the subject Business economics - Investment and Finance, grade: 1.7, The FOM University of Applied Sciences, Hamburg, language: English, abstract: Especially after the 90ies, where the stock markets raised enormously, many private investors joined the stock market and were blended by abnormal profits and neglected possible losses. The same behavior could be observed before the Financial Crisis became reality. But each endless raising stock market would finally collapse, because stock prices are randomly and only driven by relevant news. The adjustment to the news is quickly. This is the theoretical argumentation of the Efficient Market Hypothesis (EMH), which will be evaluated in this paper. The author gives an overview about the EMH by explaining the basic principles and its mathematical formulation. The practical part evaluated the EMH on selected examples, where the theory could only be partly approved.

SHANGHAI STOCK EXCHANGE COMPOSITE INDEX AND BANK STOCK PRICES IN CHINA

A CAUSALITY ANALYSIS

STOCK MARKET CYCLE RESEARCH

ANALYSIS OF FACTORS AFFECTING THE DEVELOPMENT OF AN EMERGING CAPITAL MARKET

THE CASE OF THE GHANA STOCK MARKET

BIGGS ON FINANCE, ECONOMICS, AND THE STOCK MARKET

BARTON'S MARKET CHRONICLES FROM THE MORGAN STANLEY YEARS

John Wiley & Sons Released to the public for the first time, writings by the incomparable Barton Biggs Long considered one of the best brains on Wall Street, Barton Biggs acquired the stature of a legend within his lifetime. Among his many coups, he accurately called the rise and fall of the dot-com market, and was an energetic promoter of emerging markets, including China, well before American businesses began flocking there—and he made vast fortunes for his clients, in the process. But, as this fascinating book confirms, it wasn't Biggs's genius as a market analyst and hedge fund manager alone that made him special. The product of a keen and broad-ranging intellect in full command of his subjects—and the English language—the letters compiled in this volume leave no doubt that Barton Biggs was one of the most interesting observers of Wall Street, the financial world, and the human comedy, ever to set pen to paper. Released from Morgan Stanley's archives and made public for the first time, the letters compiled in this volume add new luster to Biggs's reputation as a first-class finance author Address the most essential aspects of high-frequency trading, from formulation of ideas to performance evaluation Shares Biggs's fascinating insights and uncannily accurate predictions about an array of economic and financial topics, liberally peppered with historical references and wry humor Organized thematically, the letters showcase Barton Biggs's observations on finance, economics and the stock market, from 1980 to 2003

CAN THE THEORY OF BEHAVIORAL FINANCE DEPICT THE REALITY ON STOCK MARKETS AND DOES IT CONTRIBUTE TO THE PROGRESSION IN THE CAPITAL MARKET

THEORY?

GRIN Verlag Seminar paper from the year 2015 in the subject Business economics - Investment and Finance, grade: 1,7, University of Applied Sciences Essen, language: English, abstract: "The Portfolio Theory" by Harry Markowitz, the "Capital Asset Pricing Model" by William Sharpe and the concept of the "Homo Oeconomicus" of Adam Smith – all of these models that are taught to business students and referred to by financial specialists all over the world are based on the assumption of the fundamental efficiency of markets. Market analysts build their substantial economic and financial predictions on the supposition that investors and corporations always behave and decide rationally. Consequently there would not be a chance that manias, panics or crashes ever occur. Nevertheless there were various speculation bubbles in the past such as the 1929 Stock-market-crash, the Dot-com bubble starting 1997 and the US-Subprime crisis as of 2007. So stock prices show fluctuations that cannot be only elucidated by economic factors. Moreover there are studies that come to the conclusion that there is only a low correlation between share prices and fundamental data. Concomitant new research approaches deployed that either developed the existing models further or even created a complete paradigmatic change. Nowadays when it comes to explaining the occurrences on the stock markets the field of psychology and the behavioral science gain in relevance. However the following question arises: Can the theory of Behavioral Finance depict the reality on stock markets and its participants and does it make a contribution for the progression in the Capital Market Theory? Yet there are some approaches that attempted to answer this question but there is no scientific consensus about it. Hence this term paper should accomplish a concise but fundamental contribution for the contemplation of this topic.

STOCK MARKET INTEGRATION

A REVIEW OF LITERATURE FROM A GLOBAL PERSPECTIVE

The relaxation of the various rules and regulations and opening the doors of financial markets to foreign capital has helped in the global financial integration. This paper is an attempt to assemble the various literature available in the field of stock market integration across the world. This paper has gathered around 223 research papers from various sources for a period ranging from 1972 to September 2018. From the study, it has been observed that the stock market integration has been accelerated over a period of time, especially after the two major crises, viz., Asian financial crisis of 1999 and 2008 subprime global financial crisis. Further, from the previous studies it is noted that researchers concentrated mainly on the integration between developed and emerging stock markets, while frontier and standalone markets received less focus. Overall, the present paper will be a guide to the researchers to carry out future research in this area and to the various practitioners in these markets to arrive at faster and better decisions.

INEFFICIENT MARKETS:AN INTRODUCTION TO BEHAVIORAL FINANCE

AN INTRODUCTION TO BEHAVIORAL FINANCE

OUP Oxford The efficient markets hypothesis has been the central proposition in finance for nearly thirty years. It states that securities prices in financial markets must equal fundamental values, either because all investors are rational or because arbitrage eliminates pricing anomalies.This book describes an alternative approach to the study of financial markets: behavioral finance. This approach starts with an observation that the assumptions of investor rationality and perfect arbitrage are overwhelmingly contradicted by both psychological and institutional evidence. In actual financial markets, less than fully rational investors trade against arbitrageurs whose resources are limited by risk aversion, short horizons, and agency problems. The book presents and empiricallyevaluates models of such inefficient markets.Behavioral finance models both explain the available financial data better than does the efficient markets hypothesis and generate new empirical predictions. These models can account for such anomalies as the superior performance of value stocks, the closed end fund puzzle, the high returns on stocks included in market indices, the persistence of stock price bubbles, and even the collapse of several well-known hedge funds in 1998. By summarizing and expanding the research in behavioral finance,the book builds a new theoretical and empirical foundation for the economic analysis of real-world markets.

CONTRACTUAL SAVINGS OR STOCK MARKET DEVELOPMENT, WHICH LEADS?

World Bank Publications This paper argues that contractual savings (assets of pension funds and life insurance companies) contribute to stock market development.

STOCK MARKET VOLATILITY

CRC Press Up-to-Date Research Sheds New Light on This Area Taking into account the ongoing worldwide financial crisis, Stock Market Volatility provides insight to better understand volatility in various stock markets. This timely volume is one of the first to draw on a range of international authorities who offer their expertise on market volatility in developed, emerging, and frontier economies. The expert contributors cover stock market volatility modeling, portfolio management, hedge fund volatility, and volatility in developed countries and emerging markets. They present some of the vocational aspects, emphasizing the equity markets. The book approaches the material from the practitioner’s viewpoint and familiarizes readers with how volatility is linked to speculation, trading volume, and information arrival. It also discusses recent trends in forecasting volatility, along with the newly cultivated trading platform of volatility derivatives. Given the current state of high levels of volatility in global stock markets, money managers, financial institutions, investment banks, financial analysts, and others need to improve their understanding of volatility. Examining key aspects of stock market volatility, this comprehensive reference offers novel suggestions for accurately assessing the field.

STOCK MARKET CYCLES, FINANCIAL LIBERALIZATION AND VOLATILITY

In this paper we analyze the behavior of stock markets in six emerging countries. More specifically, we describe the bull and bear cycles of four Latin American and two Asian countries, comparing their characteristics during both phases and the degree of concordance of bullish periods. We divide our sample in two subperiods in order to account for differences induced by the financial liberalization processes that these countries went through in the early 1990's. We find that cycles in emerging countries tend to have shorter duration and larger amplitude and volatility than in developed countries. However, after financial liberalization Latin American stock markets have behaved more similarly to stock markets in developed countries whereas Asian countries have become more dissimilar. Concordance of cycles across markets has increased significantly over time, especially for Latin American countries after liberalization.

ARE HIGH INCOME INDIVIDUALS BETTER STOCK MARKET INVESTORS?

This paper presents evidence that the corporate stock owned by high income investors appreciates substantially faster than the stock owned by investors with lower incomes. Those with very high incomes enjoy the greatest success on their investments while those with incomes under $20,000 have the least success. The evidence indicates that the differences are large and that they have persisted for a long time.

INSTITUTIONAL, TRADITIONAL, AND ASSET PRICING CHARACTERISTICS OF THE NIGERIAN STOCK EXCHANGE

THE OXFORD HANDBOOK OF AUSTRIAN ECONOMICS

Oxford University Press The Austrian School of Economics is an intellectual tradition in economics and political economy dating back to Carl Menger in the late-19th century. Menger stressed the subjective nature of value in the individual decision calculus. Individual choices are indeed made on the margin, but the evaluations of rank ordering of ends sought in the act of choice are subjective to individual chooser. For Menger, the economic calculus was about scarce means being deployed to pursue an individual's highest valued ends. The act of choice is guided by subjective assessments of the individual, and is open ended as the individual is constantly discovering what ends to pursue, and learning the most effective way to use the means available to satisfy those ends. This school of economic thinking spread outside of Austria to the rest of Europe and the United States in the early-20th century and continued to develop and gain followers, establishing itself as a major stream of heterodox economics. The Oxford Handbook of Austrian Economics provides an overview of this school and its theories. The various contributions discussed in this book all reflect a tension between the Austrian School's orthodox argumentative structure (rational choice and invisible hand) and its addressing of a heterodox problem situations (uncertainty, differential knowledge, ceaseless change). The Austrian economists from the founders to today seek to derive the invisible hand theorem from the rational choice postulate via institutional analysis in a persistent and consistent manner. Scholars and students working in the field of History of Economic Thought, those following heterodox approaches, and those both familiar with the Austrian School or looking to learn more will find much to learn in this comprehensive volume.

ASSET PRICING AND INFORMATION EFFICIENCY OF THE GHANA STOCK MARKET

STOCK MARKET DEVELOPMENT AND LONG-RUN GROWTH

March 1996 Is there a strong empirical association between stock market development and long-term economic growth? Cross-country regressions suggest that there is a positive and robust association. Levine and Zervos empirically evaluate the relationship between stock market development and long-term growth. The data suggest that stock market development is positively associated with economic growth. Moreover, instrumental variables procedures indicate a strong connection between the predetermined component of stock market development and economic growth in the long run. While cross-country regressions imply a strong link between stock market development and economic growth, the results should be viewed as suggestive partial correlations that stimulate additional research rather than as conclusive findings. Much work remains to be done to shed light on the relationship between stock market development and economic growth. Careful case studies might help identify causal relationships and further research could be done on the time-series property of such relationships. Research should also be done to identify policies that facilitate the development of sound securities markets. This paper -- a product of the Finance and Private Sector Development Division, Policy Research Department -- is part of a larger effort in the department to study the relationship between financial systems and economic growth. The study was funded by the Bank's Research Support Budget under the research project Stock Market Development and Financial Intermediary Growth2 (RPO 679-53).

THE CROSS-SECTION OF STOCK RETURNS

EVIDENCE FROM THE EMERGING MARKETS

World Bank Publications

RECOVERY OF FINANCIAL MARKETS AND INSTITUTIONS AND CHALLENGES IN POST-CRISIS ERA

EVIDENCE FROM STOCK MARKETS IN THE USA AND EUROPE

GRIN Verlag Research Paper from the year 2011 in the subject Business economics - Banking, Stock Exchanges, Insurance, Accounting, grade: 70%, University of Westminster (Westminster Business School), course: MSc Finance and Accounting/ MSc International Finance, language: English, abstract: This coursework examines the effects which the financial crisis from 2007 to 2009 had in financial markets and institutions. Particularly, we are deeply analyzing the impact in the Stock Markets in the USA and Europe. We will concentrate on US stock market (S&P 500) and provide an incessant brief link to European stock markets such as FTSE 100 and DAX. The financial crisis from 2007 to 2009 is considered by many economists to be the worst crisis since the Great Depression of the 1930s. Furthermore, the use of monetary and fiscal policies and regulatory reforms is observed as well as what where the implications of these actions. Additionally, a discussion concerning the prospects of financial regulatory and the implications for the financial sector and economic growth are of great importance. To sum up, new trends and developments of the financial landscape and new challenges for partici-pants are discussed.

EXPLORING THE CHARACTERISTICS OF RISK AT THE ISTANBUL STOCK EXCHANGE

GRIN Verlag Research Paper from the year 2010 in the subject Economics - Finance, grade: none, Central European University Budapest, course: Applied Econometrics, language: English, abstract: Financial markets became indivisible part of global economy in 20th century. Their importance is still a growing process. The great depression was triggered by stock market crash in US and similarly current crises took its origin from financial markets. So, stock markets and the risk in these markets are economic phenomena which need to be studied a lot. This paper focuses on the characteristics of the risk at the Istanbul Stock Exchange(IMKB) and uses GARCH/ARCH framework for economic analysis. There are a lot of papers on this kind of markets, but they mainly investigate the risk in mature economies. The similar researches should be done for emerging markets as in nowadays their importance and influence is increasing. Hopefully this paper will be pharos for similar investigations

SEMI STRONG FORM OF EFFICIENCY OF STOCK MARKET

A REVIEW OF LITERATURE

Investment in stock market is always fraught with heavy risk. The reason for this risk is “fluctuations in stock prices.” It is the forces of demand and supply which decides the price

of any stock. And the demand and supply of any stock would be on the basis of information surrounding the stock. The concept of Efficient Market Hypothesis (EMH) deals with information discounting in stock market. EMH theory narrates that one cannot make any extra ordinary profit with any type (past- Weak form of Efficiency, public- Semi strong Form of Efficiency, insider- Strong form of Efficiency) of information because it is already discounted in the market. This study, which is qualitative in nature, intends to explain the movement of stock prices with respect to arrival of public information. Various research papers are written on publicly available information and stock market. The focus of this research paper is- reviewing the literature available on publicly available information and discounting of the same stock market (Semi strong form of Efficiency).

FINANCE FOR NORMAL PEOPLE

HOW INVESTORS AND MARKETS BEHAVE

Oxford University Press Finance for Normal People teaches behavioral finance to people like you and me - normal people, neither rational nor irrational. We are consumers, savers, investors, and managers - corporate managers, money managers, financial advisers, and all other financial professionals. The book guides us to know our wants-including hope for riches, protection from poverty, caring for family, sincere social responsibility and high social status. It teaches financial facts and human behavior, including making cognitive and emotional shortcuts and avoiding cognitive and emotional errors such as overconfidence, hindsight, exaggerated fear, and unrealistic hope. And it guides us to banish ignorance, gain knowledge, and increase the ratio of smart to foolish behavior on our way to what we want. These lessons of behavioral finance draw on what we know about us-normal people-including our wants, cognition, and emotions. And they draw on the roles of these factors in saving and spending, portfolio construction, returns we can expect from our investments, and whether we can hope to beat the market. Meir Statman, a founder of behavioral finance, draws on his extensive research and the research of many others to build a unified structure of behavioral finance. Its foundation blocks include normal behavior, behavioral portfolio theory, behavioral life-cycle theory, behavioral asset pricing theory, and behavioral market efficiency.

STOCK MARKET TRADING AND MARKET CONDITIONS

This paper investigates the dynamic relation between market-wide trading activity and returns in 46 markets. Many stock markets exhibit a strong positive relation between turnover and past returns. These findings stand up in the face of various controls for volatility, alternative definitions for turnover, and differing sample periods, and are present at both the weekly and daily frequency. However, the magnitude of this relation varies widely across markets. Several competing explanations are examined by linking cross-country variables to the magnitude of the relation. The relation between returns and turnover is stronger in countries with restrictions on short sales and where stocks are highly cross-correlated; it is also stronger among individual investors than among foreign or institutional investors. In developed economies, turnover follows past returns more strongly in the 1980s than in the 1990s. The evidence is consistent with models of costly stock market participation in which investors infer that their participation is more advantageous following higher stock returns.

THE PHILADELPHIA STOCK EXCHANGE AND THE CITY IT MADE

University of Pennsylvania Press The Philadelphia Stock Exchange and the City It Made recounts the history of America's first stock exchange and the ways it shaped the growth and decline of the city around it. Founded in 1790, the Philadelphia Stock Exchange, its member firms, and the companies they financed had profound impacts on the city's place in the world economy. At its start, the exchange and its members helped spur the development of the early United States, its financial sector, and its westward expansion. During the nineteenth century, they invested in making Philadelphia the center of industrial America, raising capital for the railroads and coal mines that connected cities to one another and built a fossil fuel-based economy. After financing the Civil War, they underwrote the growth of the modern metropolis, its transportation infrastructure, utility systems, and real estate development. At the turn of the twentieth century, stagnation of the exchange contributed to Philadelphia's loss of power in the national and world economy. This original interpretation of the roots of deindustrialization holds important lessons for other cities that have declined. The exchange's revival following World War II is a remarkable story, but it also illustrates the limits of economic development in postindustrial cities. Unlike earlier eras, the exchange's fortunes diverged from those of the city around it. Ultimately, it became part of a larger, global institution when it merged with NASDAQ in 2008. Far more than a history of a single institution, The Philadelphia Stock Exchange and the City It Made traces the evolving relationship between the exchange and the city. For people concerned with cities and their development, this study offers a long-term history of the public-private partnerships and private sector-led urban development popular today. More generally, it traces the networks of firms and institutions revealed by the securities market and its participants. Herein lies a critical and understudied part of the history of metropolitan economic development.

THE ECONOMICS OF FINANCIAL MARKETS

Oxford University Press on Demand This book puts economics to work on the daily problems faced by investors, traders, speculators and brokers as they wrestle with increasingly complex financial markets. Drawing on data direct from the financial behavior of households, corporations, and governments, through to the prices of individual securities, the authors show how accessible but rigorous economics can help the players make sense of the hour-by-hour reality of the way financial markets move. Many of the twists and turns that might seem random at first sight are, they contend, rational and often predictable. But inefficiencies do exist, and the authors also demonstrate how these can become unique profit opportunities. By bringing together information on the daily workings of financial markets with the concepts and tools of economics, Houthakker and Williamson have provided a valuable resource for practitioners and students alike.

A FRAMEWORK FOR RISK MANAGEMENT

EQUITY MARKETS, TRANSACTION COSTS, AND CAPITAL ACCUMULATION

AN ILLUSTRATION

World Bank Publications May 1995 How does an economy's efficiency in financial transactions affect its efficiency in physical production? And how does the volume of financial transactions relate to the level of real activity? There is a close, if imperfect, relationship between the effectiveness of an economy's capital markets and its level (or rate of growth) of real development. This may be because financial markets provide liquidity, promote the sharing of information, or permit agents to specialize. There is literature about how these functions help increase real activity, but surprisingly little literature predicting how the volume of activity in financial markets relates to the level or efficiency of an economy's productive activity. Bencivenga, Smith, and Starr address this question: How does the efficiency of an economy's equity market -- as measured by transaction costs -- affect its efficiency in producing physical capital and, through this channel, final goods and services? The answer: As the efficiency of an economy's capital markets increases (that is, as the transaction costs fall), the general effect is to cause agents to make longer-term -- hence, more transaction-intensive -- investments. The result is a higher rate of return on savings and a change in its composition. These general equilibrium effects on the composition of savings cause agents to hold more of their wealth in the form of existing equity claims and to invest less in the initiation of new capital investments. As a result, a reduction in transaction costs can cause the capital stock either to rise or fall (under scenarios described in the paper). Further, a reduction in transaction costs will typically alter the composition of savings and investment, and any analysis of the consequences of such changes must take those effects into account. This paper -- a product of the Finance and Private Sector Development Division, Policy Research Department -- was prepared for a World Bank Conference on Stock Markets, Corporate Finance, and Economic Growth. The study was funded by the Bank's Research Support Budget under the research project Stock Market Development and Financial Intermediary Growth (RPO 679-53).

EX-ANTE ANALYSIS OF OPTION LISTINGS

A STUDY OF THE STOCK EXCHANGE OF THAILAND

TESTING THE DYNAMICS IN THE IRREGULAR FLUCTUATIONS IN THE STOCK PRICE CHANGES OF INDIAN STOCK MARKET

Research Paper from the year 2013 in the subject Economics - Finance, grade: 8, language: English, abstract: Stock price changes generally fluctuate stochastically. The purpose of this paper is to investigate whether the stochastic fluctuations in the stock price changes are random or have some kind of dynamics in the context of Indian stock market using a recently developed method, a small shuffle surrogate method, on daily data of six indices of National Stock Exchange of India Ltd (S&P CNX Nifty, CNX 100, S&P CNX 500, CNX Nifty Junior, CNX Midcap, CNX Smallcap). The study of dynamics in irregular fluctuations of asset price changes has implications related to risk management, asset allocation and trading strategies. A small shuffle surrogate method does not depend on any specific data distribution. Our findings support the presence of dynamics in the stock price changes of S&P CNX 500, CNX Nifty Junior, CNX Midcap and CNX Smallcap. On the other hand, price changes in S&P CNX Nifty and CNX 100 exhibit random behaviour. To test the robustness of the results, we also compute the variance ratio of the stock price changes over different asset holding periods. The result from the variance ratio test also supports the findings of small-shuffle surrogate analysis for all indices.

THE NEW STOCK MARKET

LAW, ECONOMICS, AND POLICY

Columbia University Press The U.S. stock market has been transformed over the last twenty-five years. Once a market in which human beings traded at human speeds, it is now an electronic market pervaded by algorithmic trading, conducted at speeds nearing that of light. High-frequency traders participate in a large portion of all transactions, and a significant minority of all trade occurs on alternative trading systems known as “dark pools.” These developments have been widely criticized, but there is no consensus on the best regulatory response to these dramatic changes. The New Stock Market offers a comprehensive new look at how these markets work, how they fail, and how they should be regulated. Merritt B. Fox, Lawrence R. Glosten, and Gabriel V. Rauterberg describe stock markets’ institutions and regulatory architecture. They draw on the informational paradigm of microstructure economics to highlight the crucial role of information asymmetries and adverse selection in explaining market behavior, while examining a wide variety of developments in market practices and participants. The result is a compelling account of the stock market’s regulatory framework, fundamental institutions, and economic dynamics, combined with an assessment of its various controversies. The New Stock Market covers a wide range of issues including the practices of high-frequency traders, insider trading, manipulation, short selling, broker-dealer practices, and trading venue fees and rebates. The book illuminates both the existing regulatory structure of our equity trading markets and how we can improve it.

FINANCIAL MARKET HISTORY: REFLECTIONS ON THE PAST FOR INVESTORS TODAY

CFA Institute Research Foundation Since the 2008 financial crisis, a resurgence of interest in economic and financial history has occurred among investment professionals. This book discusses some of the lessons drawn from the past that may help practitioners when thinking about their portfolios. The book’s editors, David Chambers and Elroy Dimson, are the academic leaders of the Newton Centre for Endowment Asset Management at the University of Cambridge in the United Kingdom.

STRATEGIC ASSET ALLOCATION

PORTFOLIO CHOICE FOR LONG-TERM INVESTORS

OUP Oxford Academic finance has had a remarkable impact on many financial services. Yet long-term investors have received curiously little guidance from academic financial economists. Mean-variance analysis, developed almost fifty years ago, has provided a basic paradigm for portfolio choice. This approach usefully emphasizes the ability of diversification to reduce risk, but it ignores several critically important factors. Most notably, the analysis is static; it assumes that investors care only about risks to wealth one period ahead. However, many investors—-both individuals and institutions such as charitable foundations or universities—-seek to finance a stream of consumption over a long lifetime. In addition, mean-variance analysis treats financial wealth in isolation from income. Long-term investors typically receive a stream of income and use it, along with financial wealth, to support their consumption. At the theoretical level, it is well understood that the solution to a long-term portfolio choice problem can be very different from the solution to a short-term problem. Long-term investors care about intertemporal shocks to investment opportunities and labor income as well as shocks to wealth itself, and they may use financial assets to hedge their intertemporal risks. This should be important in practice because there is a great deal of empirical evidence that investment opportunities—-both interest rates and risk premia on bonds and stocks—-vary through time. Yet this insight has had little influence on investment practice because it is hard to solve for optimal portfolios in intertemporal models. This book seeks to develop the intertemporal approach into an empirical paradigm that can compete with the standard mean-variance analysis. The book shows that long-term inflation-indexed bonds are the riskless asset for long-term investors, it explains the conditions under which stocks are safer assets for long-term than for short-term investors, and it shows how labor income influences portfolio choice. These results shed new light on the rules of thumb used by financial planners. The book explains recent advances in both analytical and numerical methods, and shows how they can be used to understand the portfolio choice problems of long-term investors.

HOUSEHOLD STOCK MARKET BELIEFS AND LEARNING

This paper characterizes heterogeneity of the beliefs of American households about future stock market returns, provides an explanation for that heterogeneity and establishes its relationship to stock holding behavior. We find substantial belief heterogeneity that is puzzling since households can observe the same publicly available information about the

stock market. We propose a simple learning model where agents can invest in the acquisition of financial knowledge. Differential incentives to learn about the returns process can explain heterogeneity in beliefs. We check this explanation by using data on beliefs elicited as subjective probabilities and a rich set of other variables from the Health and Retirement Study. Both descriptive statistics and estimated relevant heterogeneity of the structural parameters provide support for our explanation. People with higher lifetime earnings, higher education, higher cognitive abilities, defined contribution as opposed to defined benefit pension plans, for example, possess beliefs that are considerably closer to what historical time series would imply. Our results also suggest that a substantial part of the reduced form relationship between stock holding and household characteristics is due to differences in beliefs. Our methodological contribution is estimating relevant heterogeneity of structural belief parameters from noisy survey answers to probability questions -- National Bureau of Economic Research web site.