

Dear Readers,

It is my pleasure to introduce the first issue of six volume of the *Journal of Capital Markets Studies (JCMS)* with a diverse range of papers focusing on the new trends in capital markets and behavioural attitudes.

The opening paper co-authored by Khumbulani Lindani Masuku and Thabo J.Gopane Charalampos Basdekis focuses on one of the hot topics “Cryptocurrency.” The paper entitled “*Technical trading rules’ profitability and dynamic risk premiums of cryptocurrency exchange rates*” investigates the capability of technical analysis to predict and outperform a buy–hold strategy in bitcoin return against common exchange rates. By applying CAPM in conjunction with a VAR-MGARCH, the authors show that the performance of the chosen technical trading rule strategies is superior to the buy–hold strategy. The study is original in that it accounts for time-varying risk premiums and finds some of the registered profits diminish after the factoring of risk.

The issue continues with another common topic “banking takeovers” in which Guoxiang Song examines the effectiveness of systemically important banks’ acquisitions during the 2008 global financial crisis and investigates what went wrong with the market for corporate control of large banks. The paper entitled “*Large US bank takeovers in 2008: performance and implications*” presents a model of the disciplinary takeover based on the efficient market hypothesis. The analysis reveals that takeovers have not played the role of the market for corporate control for large banks effectively during the crisis. The reason is that the market could not distinguish strong banks from weak banks before the GFC, and the performance of acquiring banks deteriorated after takeovers. This evidence is different from the existing average evidence on large samples of takeovers among banks of different sizes during normal times. It is helpful for addressing the specific deficiencies of large bank takeovers during financial crises.

Third, Dimitra Loukia Kolia and Simeon Papadopoulos’s “*Integration in banking efficiency: a comparative analysis of the European Union, the Eurozone and the United States banks*” addresses the convergence of efficiency in the Eurozone, European and American banking markets, which is of utmost importance as it sheds light on the process of banking integration. Using two-stage semi-parametric double bootstrap DEA method, the authors show that the efficiency of the US banking system is considerably higher, more than double, than that of the Eurozone and European Union banks also in concerning the subset of banks (commercial, cooperative and saving banks). They also test for bank convergence related to integration by applying panel data, although there is no evidence of convergence across the banking groups. The results reveal that the US banking system is closer to convergence than the Eurozone and the European Union banks while the speed of

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Journal of Capital Markets Studies  
Vol. 6 No. 1, 2022  
pp. 3-5  
Emerald Publishing Limited  
2514-4774  
DOI 10.1108/JCMS-02-2022-050

convergence of the Eurozone and European Union banks is higher than that of the rest of the banking groups.

The following paper deals with quality of regulation in a frontier capital market, co-authored by Fisayo Fagbemi, Opeoluwa Adeniyi Adeosun and Kehinde Mary Bello. The paper examines the possible long-run and short-run impact of regulatory quality on stock market performance in Nigeria. The study adopts autoregressive distributed lag (ARDL) bounds test and cointegrating regression techniques, and the findings reveal that regulatory quality positively and significantly influences the performance of stock market, which strengthens the view that market-enhancing governance can engender an improvement in stock market performance. The paper suggests that, while improving the institutional environment is a challenge to regulators, there is a need for strong and effective regulatory mechanism to enhance the development of stock market in the country.

Fifth, Sunay Çıralı's paper entitled "*A comparison of international market indices for measuring market efficiency based on price-volume relationship*" examines the price-volume relationship to evaluate the efficiency levels of various markets. The author investigates a critical piece of information about the market structure, which can be obtained by evaluating the degree and direction of the volume-price relationship in capital markets. The results indicate a relationship, on the one hand, and the existence, size and direction of this relationship, on the other hand, are dependent on the market's structure and efficiency level. According to the findings, investors are advised to examine the price-volume relationship in a market before beginning to trade in that market. In this way, investors can understand about the market's efficiency and whether it is overpriced.

We conclude the issue with Ali İhsan Akgün's paper entitled as "*Investigating the relationship between bank performance and accounting standards: evidence from M&As in European banking*". The study aims to identify whether international financial reporting standards (IFRS) or local generally accepted accounting principles (GAAP) reporting provides investors and senior management of acquirer banks with superior information on target banks under post-merger bank performance. The authors compare the financial performance of merged banks where the target and acquirer banks employed the same reporting system (up to 305 merged banks) to the performance of a control group of banks not engaged in M&A activity (up to 1,690 European banks). The results show that local GAAP reporting allows a more transparent assessment of financial performance using traditional indicators, making it a superior tool for assessing potential acquisition targets.

We hope you enjoy this issue of *JCMS*. If 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.emeraldgroupublishing.com/services/publishing/jcms/index.html>

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 Güler Aras**

Editor-in-Chief, *Journal of Capital Markets Studies*

**Güler Aras**

#### **About the Editor-in-Chief**

Güler Aras, PhD, CPA, is a Professor of Finance and Accounting at Yildiz Technical University and the Founding Director of Center for Finance, Governance and Sustainability (CFGs) at YTU. Professor Aras is the Founding Chair of the "Integrated Reporting Network Turkey." She was a Visiting Professor at Georgetown University McDonough School of Business, and she is the former Dean of the Faculty of Administrative and Economic Sciences

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and the former Dean of the Graduate School. Her research focus is on financial economy and financial markets with particular emphasis on the relationship between sustainability, corporate governance, corporate social responsibility and corporate financial performance. She has published more than 25 books and has contributed over 250 articles in academic, business and professional journals. She has also edited several book collections and conference proceedings. Her latest book is *Sustainable Markets for Sustainable Business: A Global Perspective for Business and Financial Markets*, and she has also co-authored books, namely *Transforming Governance: New Values, New Systems in the New Business Environment and Corporate Behaviour and Sustainability: Doing Well by Being Good* published by Routledge. She is the Editor-in-Chief of *Journal of Capital Market Studies*, Editor of *Routledge Book Series, Finance, Governance and Sustainability: Challenges to Theory and Practice* and the Editor of *Routledge book series Corporate Social Responsibility*; she has also served as an Editor of *Social Responsibility Journal* and *Emerald Development of Governance and Responsibility book series*. Professor Aras has spoken extensively at professional and academic conferences and has served as a Consultant to number of governmental and commercial organizations, such as Minister of Development, Minister of Finance and Minister of Labour and Social Security Employment in Turkey. Professor Aras is working with business closely.