

Dear Readers,

It is my pleasure to introduce the second issue of sixth 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.

This issue begins with the paper of Mohammed Ayoub Ledhem titled “Deep learning with small and big data of symmetric volatility information for predicting daily accuracy improvement of JKII prices”. This paper offers new operative techniques such as the ANNs to predict the Jakarta Islamic Index (JKII) daily prices as an accuracy improvement for supporting both institutional and individual investors. This paper aims to achieve related investment objectives by reducing trading risk and make the precise investment decision. Experimental results show that the optimal DL technique for predicting daily accuracy improvement of the JKII prices is the LM training algorithm. The paper provides evidence for researchers, financial investors and decision-makers across countries in the Islamic capital markets to the necessity of adopting DL due to high volatilities and unstable movements in Islamic stock indices, artificial intelligence and machine learning, which are the major tools in the age of big data technology and the emerging of Islamic Fintech across the world.

The issue continues with another piece of empirical evidence in which Dermeval Martins Borges Júnior examines the relationship between corporate governance mechanisms and the capital structure of Latin American firms. The author contributes the international debate with extensive sample of Latin American firms by addressing four corporate governance mechanisms: board composition, ownership and control structure, minority shareholders protection and information disclosure. The main results indicated that chief executive officer duality, legal protection system and corporate social responsibility voluntary disclosure impact the firm's total debt ratio. The variables board size and information transparency have been found negatively related to long-term debt, but positively associated with short-term debt.

The third paper by Fatma Mathlouthi and Slah Bahloul titled as “Co-movement and causal relationships between conventional and Islamic stock market returns under regime-switching framework” addresses the related topics not only across different financial markets' regimes but also during the COVID-19 period. The findings show the presence of two different regimes for the stability and crisis periods by using Markov-switching auto regression (MS-AR) in MSCI emerging markets; MSCI frontier markets and MSCI developed market indexes from November 2008 to August 2020. The authors also dig into the casual relationship between two types of between conventional and Islamic stock market returns, and the results prove Granger causality only for emerging and developed markets and only during the stability regime. The findings may help investors in making educated decisions



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about whether or not to add Islamic indexes to their portfolios especially during the recent outbreak.

The following paper co-authored by Chi Aloysius Ngong, Kesuh Jude Thaddeus, Lionel Tembi Asah, Godwin Imo Ibe and Josaphat Uchechukwu Joe Onwumere investigates the bond between stock market development and agricultural growth in African emerging economies from 1990 to 2020. The findings suggest that the governments should promote agricultural growth initiatives and strategies which would stimulate stock market development in the long term. Moreover, effective methods to encourage credit flow and liquidity stream to agricultural enterprises through the stock markets' intermediation should be promoted applying aggressive policy which eliminate the bottlenecks undermining credit flow to the agricultural sector.

We conclude the issue with the paper co-authored by İlhan Çam, Gökhan Özer Nurullah Okur with the title "Determinants of becoming an M&A acquirer or target: evidence from the US insurance industry" This paper tries to explore what fundamental information of US insurance firms makes significant contributions in determining whether firms will be the target or acquirer firms. By focusing on 251 M&A deals over the 1990 and 2019 period, multinomial logistic regression results identify the determinants associated with becoming targets or acquirers. The result show that a higher likelihood of becoming a target exists for insurance firms with smaller, lower cash holding and higher intangible assets. Besides, insurance firms are more likely to be acquirers if they have lower size, higher profitability, higher cash flow and higher intangible assets. Moreover, the likelihood of becoming an acquirer decreases in crisis times as compared to non-financial crisis. This research presents simple and efficient model in determining M&A targets or acquirers in the US insurer industry.

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 <https://www.emeraldgroupublishing.com/journal/jcms>

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 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 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 also edited several book collections and conference proceedings. Her latest books, *Sustainable Markets for Sustainable Business: A Global Perspective for Business and Financial Markets* (2015) and co-authored books *Transforming Governance* (2016) and *Corporate Behaviour and Sustainability: Doing Well by Being Good* (2017) were 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.

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