Editorial

Dear Readers,

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

This issue begins with the paper of Emon Kalyan Chowdhory titled "Strategic approach to analyze the effect of Covid-19 on the stock market volatility and uncertainty: a first and second wave perspective". This paper proposes to measure the impact of four Covid-19 events in terms of confirmed cases, fiscal measures, vaccination and abnormal rise of confirm cases on the US stock market as well as to establish volatility spillover model. This paper investigates the conditional correlations between the US and Indian stock indices during first and second waves of Covid-19. The results reveal a significantly negative impact of Covid-19 on the US stock market being an idiosyncratic black swan event. Furthermore, while ARIMA negatively predicts the S&P 500, the dynamic conditional correlation senses the contagion effects with the increasing trend of death and confirmed cases in the US. Additionally, a perpetual correlation between the Covid-19 and the stock market variables has been noticed. This study briefly highlights the drawbacks of existing policies and suggests appropriate guidelines to successfully implement the forthcoming initiatives for reducing the catastrophic impact of Covid-19 on the stock market volatility and uncertainty.

This issue continues with empirical evidence in which Sotirious Rouvolis seeks to detect whether IFRS and US GAAP protected firms from abnormal sales arising from the outbreak of the crisis, whether the reclassification option under IFRS was an answer to the crisis, and whether IFRS and US GAAP succeeded in regulating shadow banking through their amendments. For revealing the effects of the crisis on accounting regimes, 679 financial institutions data from Australia, Germany, Greece, the UK and the US have been obtained between the years 2009 and 2013. The results suggest that the reclassification option in terms of "fair value orientation" was successful, helping firms to perform better amid the crisis, indicating that the manipulation of the crisis was appropriate. It seems therefore that US GAAP should have activated this option for US firms. Moreover, the author also points out that US may not have hurried to act because its banking sector seemed to recover more quickly than in Australia and Europe. The findings may help investors in making investment strategies by enhancing their tools of analysis with the results, which they might detect more effectively not only how each country responds to IFRS improvements, but also cases of earning management. Overall, the study identifies several issues arising from IFRS adoption and reveals interesting results that may prompt further study.

Third, Tetsuya Kirihata's "Contribution of business angel investments: evidence from Estonia" addresses the contribution of business angels (BAs), defined as wealthy individuals who provide risk capital to entrepreneurial firms without family connections in Eastern Europe, Estonia, which is emerging as a start-up hub in the region in recent years.

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The authors compared the data of the financial and non-financial performance of BA-backed firms with that of "twin" non-BA-backed firms, extracted from all Estonian unlisted firms by using propensity score matching. The findings highlighted that BAs were patient enough to allow their investees to spend for future growth rather than squeezing profit from increased sales. The author points out that this is not patience without options for a BA in a situation in which the investee's sales are deteriorating, but rather deliberate patience in the presence of options for a BA where the investee's sales growth is increasing, contrary to conventional investor behavioral principles.

We conclude the issue with the paper co-authored by Prosper Babon-Ayeng, Eric Oduro-Ofori, De-Graft Owusu-Manu, David James Edwards, Ernest Kissi and Augustine Senanu Komla Kukah. This study investigates the socio-political factors underlying the adoption of green bond financing of infrastructure projects in Ghana. The results reveal that training and experience with sustainable finance was deemed as the most significant social factor underlying the adoption and the social support, level of human capital. Additionally, this adaptation increased investors' green awareness and green bond experience also influenced the usage of green bond fund infrastructure projects. Besides, the findings revealed that governmental tax-based incentives, political stability, governments' long-term economic growth policies and government regulations were some of the highly rated factors. The study also gives some policy implications especially in a developing country, Ghana, to extent green bond financing of infrastructure projects

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. *JCMS*'s website is available at: https://www.emeraldgrouppublishing.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 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 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 books, Sustainable Markets for Sustainable Business: A Global Perspective for Business and Financial Markets (2015) and co-authored books Transforming Governance (2016) and Corporate Behavior and Sustainability: Doing Well by Being Good (2017) 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 the *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 Labor and Social Security Employment in Turkey. Professor Aras is working with business closely.