

Dear Readers,

I am pleased to present the second issue of the eighth volume of the *Journal of Capital Markets Studies* (JCMS), showcasing six insightful articles that delve into critical aspects of finance, governance and economic performance in today's dynamic global landscape. These papers highlight emerging trends, empirical studies and innovative methodologies, offering valuable insights for researchers, practitioners and policymakers.

The first article, "Market resilience in turbulent times: a proactive approach to predicting stock market responses during geopolitical tensions," written by Srivatsa Maddodi and Srinivasa Rao Kunte, presents an innovative predictive model for understanding stock market behavior amid geopolitical uncertainties. By integrating sentiment analysis from social media with traditional market indicators, the authors achieve an impressive prediction accuracy of 98.47%. The authors state that this model's originality lies in its focus on short-term impact, novel data fusion and high accuracy. Moreover, this study offers a novel approach to navigating market volatility, making it a valuable tool for investors seeking to make informed decisions in uncertain times.

The next paper, "Term structure of interest rate and macro economy: an empirical study on selected emerging countries sovereign bond," written by Doddy Ariefianto, Citra Amanda and Zaafri Ananto Husodo examines the behavior of the term structure of interest rates in emerging markets. By analyzing the slope and curvature of the yield curve, the authors highlight the implications of interest rate changes for macroeconomic stability. The study employs a novel econometric approach, providing fresh insights into how short-term yield levels and macroeconomic variables interplay, ultimately influencing economic growth in these nations.

The third article, "Audit report lag and the cost of equity capital," co-authored by Md. Borhan Uddin Bhuiyan, Yimei Man and David H. Lont, explores the relationship between audit report lag and the cost of equity capital. The authors demonstrate that an extended audit report lag can significantly increase the cost of equity by reducing the value of information available to investors. Utilizing a sample of USA firms from 2003 to 2018, the study finds that a one-standard deviation increase in audit report lag raises the cost of equity capital by 3.82 basis points. This research underscores the importance of timely financial reporting in maintaining investor confidence.

In the fourth article, "Interlinkages between public expenditures, non-tax government revenues and corruption in the transition economies," co-authored by Alper Ozun, Hasan Murat Ertuğrul and Ergul Haliscelik, the authors investigate the relationship between public spending and corruption in eleven transition economies. The study uncovers a strong linkage between public expenditures and corruption, while the connection with non-tax revenue remains weak. Additionally, this research highlights the need for constitutional economic policies to control public spending and mitigate corruption, offering crucial policy implications for these economies.

The next article, "Corporate governance and capital market development in the GCC: a comparative literature review," written by Mohamed A. Ateia Elhabib, offers a comprehensive analysis of corporate governance practices across Gulf Cooperation Council (GCC) countries. The findings reveal significant similarities and differences in governance

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frameworks, particularly regarding board structures and executive remuneration. By aligning corporate governance with sustainable practices, this review provides valuable perspectives on enhancing market performance and investor confidence in the region.

Finally, “Performance analysis of the Next Eleven countries regarding climate change for the selected years,” written by Nuray Tezcan, utilizes Grey Relational Analysis to evaluate the performance of N-11 countries in terms of energy use and climate change. The results indicate that while some countries like Bangladesh and the Philippines have shown strong performance, others like Mexico and Iran lag. Furthermore, this study is a significant contribution to understanding the challenges these emerging markets face in achieving the sustainable development goals (SDGs) related to energy and climate.

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.emeraldgroupublishing.com/journal/jcms>

Best Regards,

Professor Guler Aras

Editor-in-Chief, Journal of Capital Markets Studies

Guler Aras

About the Editor-in-Chief

Professor Guler Aras is academic, civil society leader and researcher who leads key studies on finance, corporate governance, corporate sustainability and integrated reporting. She is Professor of Finance and Accounting at Yildiz Technical University in Istanbul, where she served as the Dean of the Faculty of Business and Dean of the Graduate School for many years. She spent a year as a visiting professor at Georgetown University McDonough School of Business in Washington, District of Columbia. Having founded the Center for Finance Governance and Sustainability (CFGs), she is known as the ambassador of governance and sustainability. Professor Aras, who is a member of the Integrated Reporting and Connectivity Council (IRCC), the advisory body to the IFRS Foundation Trustees, the IASB and the ISSB, pioneered a global initiative with the Integrated Reporting Association Turkey (ERTA), of which she is the founding chair. Professor Aras is the author of more than 25 international books. She contributed to more than 300 articles in international journals and conferences and carried out numerous granted international projects. She is also the founding Editor-in-Chief of the *Journal of Capital Market Studies* and Editor of *Routledge's Finance, Governance and Sustainability Book Series*. Professor Aras is the founder and board member of numerous national and international professional and academic organizations and a member of the Accountancy Europe Corporate Governance Task Force. She has spoken extensively at professional and academic conferences and has served as a consultant to several governmental and commercial organizations such as the Minister of Development, Minister of Finance, Undersecretary of Treasury and Minister of Labor and Social Security Employment in Turkey. She also serves as a board member of the Turkish Capital Markets Association. Professor Aras writes a newspaper column. She focuses on the education of the next generation of academics and business leaders who could promote sustainable solutions for societal and corporate challenges. She has been crowned one of the most inspirational women in Turkey for 2020.