1. Record Nr. UNINA9910583085403321 Autore Economou Fotini Titolo Handbook of Investors' Behavior During Financial Crises Pubbl/distr/stampa San Diego:,: Elsevier Science & Technology,, 2017 ©2017 **ISBN** 0-12-811253-0 0-12-811252-2 Descrizione fisica 1 online resource (516 pages) Altri autori (Persone) GavriilidisKonstantinos GregoriouGreg N **KallinterakisVasileios** Disciplina 332.6 Soggetti Investments - Psychological aspects Investment analysis - Psychological aspects Financial crises Borse Kapitalanleger Investor Anlageverhalten Finanzkrise Lingua di pubblicazione Inglese **Formato** Materiale a stampa Livello bibliografico Monografia Nota di contenuto Cover -- Title -- Copyright page -- Contents -- List of Contributors --Editor Bios -- Contributor Bios -- Acknowledgments -- Section A -Theoretical Perspectives of Investors' Behaviour During Financial Crises -- Chapter 1 - Debt Markets, Financial Crises, and Public Finance in the Eurozone: Action, Structure, and Experience in Greece -- 1.1 -Introduction and Theoretical Framework -- 1.2 - The Crisis Chronology -- 1.3 - Experiences -- 1.3.1 - The Greek Government -- 1.3.1.1 -The Prime Ministers -- 1.3.1.2 - The Ministers of Finance -- 1.3.2 -The European Central Bank -- 1.3.3 - The President of the Eurogroup

-- 1.3.4 - The President of the European Commission -- 1.3.5 - The European Commissioner for Economic and Monetary Affairs and the Euro -- 1.3.6 - The President of the European Council -- 1.3.7 - The

German Government -- 1.3.8 - The French Government -- 1.3.9 - The Greek Citizen -- 1.3.10 - The Investors -- 1.4 - The Structures --1.4.1 - The Structural Weaknesses of the Eurozone -- 1.4.2 - Structural Weaknesses of the Greek Economy -- 1.5 - Conclusions -- References -- Further Reading -- Chapter 2 - Investor Behavior Before and After the Financial Crisis: Accounting Standards and Risk Appetite in Fixed Income Investing -- 2.1 - Introduction -- 2.2 - Early Signs of Trouble -- 2.3 - Investor Fat Tail-Seeking -- 2.4 - Investor Behavior, Pre- and Postcrisis -- 2.5 - Benchmark-Relative Performance -- 2.5.1 -Nonlinearity in Asset and Portfolio Returns -- 2.6 - Information Ratio in a Low-Volatility/Rate Environment -- 2.7 - Probability of Outperformance and Investor Utility of Wealth -- 2.8 - Portfolio Ratings and Probability of Outperformance -- 2.9 - Conclusions -- References -- Further Reading -- Chapter 3 - Optimal Bubble Exit Strategies --3.1 - Introduction -- 3.2 - The Model -- 3.3 - The Game with Multiple Shots. 3.4 - Cascading the Orders in Dark Pools -- 3.5 - Conclusions --References -- Chapter 4 - Why History Matters to Financial Economists: The Case of Black Monday 1987 -- 4.1 - Introduction -- 4.2 -Analyzing Investor Behavior -- 4.2.1 - Errors are Information -- 4.2.2 -Experimental Economics and Economic History -- 4.3 - Prisoners' Dilemma and Investor Behavior -- 4.4 - Empirical Observations-The Black Monday of October 1987 -- 4.5 - Conclusions -- References --Chapter 5 - Governing Financial Orders Which Have Been Grown and Not Made: The Origins of the Financial Crisis in Financial Gridlock --5.1 - Introduction -- 5.2 - Governing Financial Orders Which Have Been Grown and Not Made -- 5.3 - Common Elements in Recent Crises -- 5.4 - Financial Reform and the Law of Liberty -- 5.5 - Regulating a Grown Financial Order -- 5.6 - Fragmentation of Property Rights and Financial Order -- 5.7 - Illustrations of the Role of Fragmentation of Property Right in Inducing Crises -- 5.7.1 - Market Order as a Public Good -- 5.8 - Regulation as an Imperfect Substitute for Social Norms of Good Behavior -- 5.9 - Liberal Justification of Financial Regulation --5.10 - Tragedies of the Commons, Anticommons, and Gridlock -- 5.11 - Fragmentation of Property Rights as a Trigger for Financial Crisis and Reform -- 5.12 - Conclusions -- Appendix: Ownership Fragmentation and Conflicts in the CDO/CDS Market -- References -- Further Reading -- Chapter 6 - Overconfidence in Finance: Overview and Trends -- 6.1 - Market Efficiency and Investor Rationality -- 6.2 - Overconfidence --6.3 - Sources of Overconfidence -- 6.4 - Empirical Evidence on Overconfidence -- 6.5 - What Next for Overconfidence in Finance? --6.6 - Conclusions -- References -- Chapter 7 - Rational Agents and Irrational Bubbles -- 7.1 - Introduction. 7.2 - An Application of AB to the United States 2006-07 Housing Bubble -- 7.2.1 - Exogenous Bubble -- 7.2.2 - Endogenous Bubble --7.3 - Conclusions -- References -- Chapter 8 - The Similarities Between the Bulgarian Local Financial Crisis in 1997 and the Global Financial Crisis in 2008 -- 8.1 - Introduction -- 8.2 - The Face of the Bulgarian Crisis -- 8.3 - On the Edge of the Crisis -- 8.4 - Investor Overconfidence -- 8.5 - The Development of the Bulgarian Financial Crisis -- 8.5.1 - Dramatic Devaluation of the Local Currency -- 8.5.2 -The Behavior of Commercial Banks -- 8.5.3 - Experiment with Index-Linked Bonds -- 8.5.4 - Rollover of Domestic Debt -- 8.5.5 - Why was it Important to Serve the Domestic Debt? -- 8.6 - The Recovery of the Trust in the Financial System -- 8.6.1 - Overcoming of the Political Crisis -- 8.6.2 - New Monetary Regime and Regulations -- 8.6.3 -Monetization of the Sovereign Debt-The Role of Psychological Perceptions -- 8.6.4 - Market Interest Rates-The Role of the Arbitration

-- 8.6.5 - To Prudent Fiscal Policies After a Crisis -- 8.6.6 - Impulses for Structural Actions -- 8.7 - Conclusions -- References -- Section B -Empirical Evidence on Investors' Behaviour During Financial Crises --Chapter 9 - Herding, Volatility, and Market Stress in the Spanish Stock Market -- 9.1 - Introduction -- 9.2 - Data -- 9.3 - Methodology and Results -- 9.3.1 - Herding Intensity Measure -- 9.3.2 - Market Stress and Herding Intensity -- 9.3.3 - Volatility Measure -- 9.3.4 - Volatility, Herding Intensity, and Market Stress -- 9.3.5 - Conditional Volatility Models and Herding -- 9.4 - Conclusions -- Acknowledgments --References -- Chapter 10 - Did Security Analysts Overreact During the Global Financial Crisis? Canadian Evidence -- 10.1 - Introduction --10.2 - Conceptual Framework -- 10.2.1 - Financial Analysts' Forecast Accuracy. 10.2.2 - Financial Analysts' Forecast Bias -- 10.3 - Data and Methodology -- 10.3.1 - Data -- 10.3.2 - Financial Analysts' Forecast (FAF) Accuracy: A Definition -- 10.3.3 - FAF Bias: A Definition -- 10.3.4 - FAF by Subperiods and Types of Earnings -- 10.4 - Analysis of FAF on Canadian Industrial Sectors -- 10.4.1 - Analysis of FAF Accuracy: Canadian Industrial Sectors Evidence -- 10.4.1.1 - Before the GFC: 2005-07 -- 10.4.1.2 - During the GFC: 2008-10 -- 10.4.1.3 - After the GFC: 2011-14 -- 10.4.2 - Analysis of FAF Bias: Canadian Industry Sectors Effects -- 10.4.3 - Analysis of the Evolution of FAFE by Types of Earnings -- 10.4.3.1 - Earnings profits versus earnings losses: Canadian evidence -- 10.4.3.2 - Earnings increases versus earnings decreases: Canadian evidence -- 10.5 - Conclusions -- References --Chapter 11 - Bank Failures and Management Inefficiency During the Global Financial Crisis -- 11.1 - Introduction -- 11.2 - Background --11.3 - Data -- 11.4 - Methodology -- 11.4.1 - Cost Efficiency Measures -- 11.4.2 - Input and Output Efficiency Measurements --11.5 - Results and Discussions -- 11.5.1 - Cost Efficiency -- 11.5.2 -Outputs Efficiency -- 11.5.3 - Inputs Efficiency -- 11.6 - Conclusions -- References -- Further Reading -- Chapter 12 - Financial Crisis and Herd Behavior: Evidence from the Borsa Istanbul -- 12.1 - Introduction -- 12.2 - Literature Review -- 12.3 - Data and Methodology -- 12.3.1 - Determining the Crisis Periods Using CMAX Methodology -- 12.3.2 -Model of Cross-Sectional Volatility of Beta Coefficients -- 12.3.3 - LSV Measure -- 12.4 - Empirical Findings -- 12.4.1 - Herd Behavior Conditioned on Size -- 12.4.2 - Herd Behavior Conditioned on Stock Return -- 12.5 - Conclusions -- References -- Chapter 13 - Doctor Jekyll and Mr. Hyde: Stress Testing of Investor Behavior. 13.1 - Loss Aversion During Economic Crises: The Results of a Questionnaire -- 13.1.1 - Financial Markets and Choices Under Conditions of Uncertainty -- 13.1.2 - The Results of a Questionnaire --13.2 - Investor Behavior and Market Oscillations -- 13.2.1 - Some Simple Thoughts on the Practical Implications of Prospect Theory --13.2.2 - Financial Markets Over the Last 20 Years: An Ideal Context for Investor Errors -- 13.2.3 - The Behavior of Italian Investors: Stock Market Purchases and Sales During Times of Stress -- 13.3 - Investor Assessments and Coherence with Actual Behaviors -- 13.3.1 - Perhaps Investors Know What is to be Done -- 13.3.2 - ... But They are Not Able to Do It -- 13.4 - Conclusions -- References -- Further Reading --Chapter 14 - Market Sentiment and Contagion in Euro-Area Bond Markets -- 14.1 - Introduction -- 14.2 - Literature Review -- 14.3 -Data and the Setup of the Empirical Analysis -- 14.3.1 - Data -- 14.3.2 - Setup of the Empirical Analysis -- 14.4 - Empirical Evidence -- 14.5 -Conclusions -- References -- Chapter 15 - Regime Switching on the Relationship Between Stock Returns and Currency Values: Evidence From the 1997 Asian Crisis -- 15.1 - Introduction -- 15.2 - Literature

Review -- 15.3 - Data and Methodology -- 15.4 - Empirical Results on Mean Equations with Regime Switching -- 15.5 - Conclusions -- References -- Chapter 16 - Illiquidity, Monetary Conditions, and the Financial Crisis in the United Kingdom -- 16.1 - Introduction -- 16.2 - Literature Review -- 16.2.1 - Unconditional Returns for Illiquid and Liquid Stocks -- 16.2.2 - Market Liquidity (Aggregate Illiquidity Innovation, t) and Monetary Conditions -- 16.2.3 - Illiquidity Premium Across Monetary Conditions -- 16.2.4 - Flight to Liquidity -- 16.2.5 - Sensitivity of Illiquid Quintile and Liquid Quintile -- 16.3 - Data and Variables -- 16.3.1 - Data.