# Superior Research Requires Quality Data CRSP

#### **CRSP Products**

- ◆ CRSP US Stock Databases
- ♦ CRSP/Compustat Merged Database
- ♦ CRSP US Indices Database
- ♦ CRSP US Treasury Databases
- CRSP Survivor-Bias Free US Mutual Fund Database
- ♦ CRSP Cap-Based Reports
- ♦ Proxy Graphs for 10K SEC Filing
- Custom Datasets

The Center for Research in Security Prices (CRSP) is a financial research center that creates and maintains premier historical US databases of stocks (NASDAQ, AMEX, NYSE), indices, bonds, and mutual funds. Unparalleled accuracy has made CRSP data files a staple of academic and commercial research for over 35 years. Data is delivered on CD-ROM with utility software and sample FORTRAN and C programs to access the data. Data can also be read directly by SAS.

CRSP. Clean, quality data for excellence in research.

CRSP

Center for Research in Security Prices

725 South Wells, Suite 800 Chicago, Illinois 60607 Telephone 773.702.7467 Fax 773.702.3036 www.crsp.uchicago.edu

### CHICAGO GSB

A research center of The University of Chicago Graduate School of Business

JFQA0303

#### Forthcoming Articles

Do Takeover Targets Under-Perform? Evidence from Operating and Stock Returns

Anup Agrawal and Jeffrey F. Jaffe

Common Factors and Local Factors: Implications for Term Structures and Exchange Rates

Dong-Hyun Ahn

The Value of Trading Consolidation: Evidence from the Exercise of Warrants Yakov Amihud, Beni Lauterbach, and Haim Mendelson

Trade Execution Costs and Market Quality after Decimalization Hendrik Bessembinder

Does Insider Trading Impair Market Liquidity? Evidence from IPO Lockup Expirations Evidence from IPO Lockup Expirations Charles Cao, Laura Casares Field, and Gordon Hanka

Cross-Hedging with Currency Options and Futures Eric C. Chang and Kit Pong Wong

A Yen is not a Yen: TIBOR/LIBOR and the Determinants of the "Japan Premium"

Vicentiu Covrig, Buen Sin Low, and Michael Melvin

Agency Costs of Controlling Minority Shareholders Henrik Cronqvist and Mattias Nilsson

The Performance of Multi-Factor Term Structure Models for Pricing and Hedging Caps and Swaptions

Joost Driessen, Pieter Klaassen, and Bertrand Melenberg

The Impact of Regulation Fair Disclosure: Trading Costs and Information Asymmetry

Venkat R. Eleswarapu, Rex Thompson, and Kumar Venkataraman

Is There Really a When-Issued Premium?

John R. Ezzell, James A. Miles, and J. Harold Mulherin

Market Structure and Trader Anonymity: An Analysis of Insider Trading Jon A. Garfinkel and M. Nimalendran

Demographics, Stock Market Flows, and Stock Returns Amit Goyal

Liquidity in the Futures Pits: Inferring Market Dynamics from Incomplete Data Joel Hasbrouck

The Impact of Minimum-Trading-Units on Stock Value and Price Volatility Shmuel Hauser and Beni Lauterbach

Errors in Implied Volatility Estimation Ludger Hentschel

Minority Shareholder Protections and the Private Benefits of Control for Swedish Mergers

Martin Holmen and John D. Knopf

#### Forthcoming Articles (continued)

Monte Carlo Valuation of American Options through Computation of the Optimal Exercise Frontier

Alfredo Ibáñez and Fernando Zapatero

Financial Advisors and Shareholder Wealth Gains in Corporate Takeovers Jayant R. Kale, Omesh Kini, and Harley E. Ryan, Jr.

Opportunity Cost of Capital for Venture Capital Investors and Entrepreneurs Frank Kerins, Janet Kiholm Smith, and Richard Smith

Price Dynamics in the Regular and E-Mini Futures Markets Alexander Kurov and Dennis Lasser

Order Imbalances and Market Efficiency: Evidence from the Taiwan Stock Exchange

Yi-Tsung Lee, Yu-Jane Liu, Richard Roll, and Avanidhar Subrahmanyam

Confidence in the Familiar: An International Perspective Kai Li

Weather, Stock Returns, and the Impact of Localized Trading Behavior Tim Loughran and Paul Schultz

Changing Risk, Return, and Leverage: The 1997 Asian Financial Crisis Neal Maroney, Atsuyuki Naka, and Theresia Wansi

The Economic Value of Predicting Stock Index Returns and Volatility Wessel Marquering and Marno Verbeek

Discounting and Clustering in Seasoned Equity Offering Prices Simona Mola and Tim Loughran

Sharpe Ratios and Alphas in Continuous Time Lars Tyge Nielsen and Maria Vassalou

Reputation and the Market for Distressed-Firm Debt Thomas H. Noe and Michael J. Rebello

Third-Market Reforms: The Overlooked Goal of the SEC's Order Handling Rules

Elizabeth R. Odders-White

A Multi-Factor Spot-Rate Model for the Pricing of Interest-Rate Derivatives Sandra Peterson, Richard C. Stapleton, and Marti G. Subrahmanyam

An Examination of the Performance of the Trades and Stockholdings of Fund Managers: Further Evidence Matt Pinnuck

On Inferring the Direction of Option Trades Robert Savickas and Arthur J. Wilson

On the Impossibility of Weak-Form Efficient Markets Steve L. Slezak

The Clustering of IPO Gross Spreads: International Evidence Sami Torstila

#### JFQA Style Requirements

Send manuscripts via e-mail in PDF or mail hard copy manuscripts in duplicate on 8.5" x 11" paper. The cover page must show title, author name(s) and affiliation(s), e-mail address(es), and work phone number(s). The first page of text should include the title and a one-paragraph abstract of no more than 100 words. Manuscripts must be double-spaced on one side of the page. All sections of the paper, beginning with the introduction and ending with a conclusion or summary, must be numbered with Roman numerals. Subsection headings must be lettered A, B, C, etc.

The manuscript should explain its relation to other research in the field, especially recently published material. References cited in the text should be noted by the last name(s) of the author(s) followed by the publication year enclosed in parentheses without punctuation: Smith (1988). When a particular page, section, or equation is referred to, the reference also should be placed within parentheses: (Smith and Jones (1988), p. 222), (Green (1988a), eq. 3).

Lengthy mathematical proofs and extensive tables should be placed in an appendix or omitted from the manuscript entirely. In the latter case, the author may indicate in a footnote that proofs or tables are available on request. The author should make every effort to explain the meaning of mathematical proofs.

The author should check the manuscript for clarity, grammar, spelling, and punctuation to minimize editorial changes and the necessity of extensive corrections at the proof stage. All abbreviations must be defined.

*Equations*. All but very short mathematical expressions should be displayed on a separate line and centered. Important displayed equations must be identified by consecutive Arabic numerals in parentheses on the left. Expressions should be aligned and subscripts and superscripts clearly marked to avoid confusion.

Tables. Each table must be titled and numbered consecutively with Arabic numerals. Please check the text to make sure there is a reference to each table. General footnotes should be marked a, b, c, etc., for specific footnotes. Asterisks \* or \*\* indicate significance at the 5% and 1% levels, respectively. The author should check tables to be sure that totals are correct and that the title, column headings, and footnotes clearly explain the content of the table. If tables are on separate pages at the end of the article, indicate approximate placement within the text.

Figures. Figures must be titled and numbered consecutively with Arabic numerals. Captions should present sufficient information to describe the purpose of the figure. Figures for accepted manuscripts must be of professional quality and ready for reproduction.

Footnotes. Footnotes must be double-spaced. Footnotes must not be used for the purpose of citation. Footnotes with extensive content should be avoided.

References. All works cited in the text must be alphabetically arranged in a double-spaced list at the end of the manuscript. Examples:

Brown, S., and J. Warner. "Using Daily Stock Returns: The Case of Event Studies." *Journal of Financial Economics*, 14 (1985), 1–31.

Ross, S. A. "Return Risk and Arbitrage." In *Risk and Return in Finance*, Vol. I, I. Friend and J. L. Bicksler, eds. Cambridge, MA: Ballinger (1977).

## Journal of Financial and Quantitative Analysis 2003 Subscription Information

The Journal of Financial and Quantitative Analysis (JFQA) is published quarterly in March, June, September, and December by the School of Business Administration at the University of Washington in Seattle, Washington, U.S.A. Topics include corporate finance, investments, capital and security markets, and quantitative methods of particular relevance to financial researchers. With a circulation of 3000 libraries, firms, and individuals in 70 nations, the JFQA serves an international community of sophisticated finance scholars—academics and practitioners alike. The JFQA prints 10 to 12% of the more than 400 unsolicited manuscripts submitted annually. An intensive blind review process and exacting editorial standards contribute to the JFQA's reputation as a top finance journal.

Payment in advance is required. Checks or money orders must be payable to the JFQA in U.S. dollars for deposit in a U.S. bank. Subscriptions start with the next available issue unless otherwise requested. Upon request, electronic subscriptions are available in PDF files. Claims for missing issues must be made within six months of the publication date.

To inquire about permission to reprint or the availability of specific back issues (at a cost of \$25 per copy), contact the JFQA office

or QA office.	U.S.	Internationa	l Amount
Library or Firm	\$120	\$125	
Individual	\$55	\$60	
Student (with current verification)	\$25	\$30	
	International	Airmail \$30	
	Total Amount Paid		id
Please start subscription with the Name		•	
Company			
Address			
City	 _ State	ZIP	
Country	E-mail		
Phone	F	ax	
Payment made by:	□visa	■MasterCard	☐ American Express
Account No		Exp. Date	
Cardholder's Name			
Signature	Date		
Mail or fax directly to: Journal of Financial and Quantitative A University of Washington School of Business Administration 115 Lewis Box 353200 Seattle, WA 98195-3200 U.S.A.	nalysis		Office Use Only Chk # CT Iss
<b>Phone</b> : (206) 543-4598			

ISSN: 0022-1090

E-mail: ifga@ifga.org

URL: http://www.jfga.org

Fax: (206) 616-1894

Federal Identification No.: 91-6001537

#### JOURNAL OF FINANCIAL AND QUANTITATIVE ANALYSIS



VOL. 38, NO. 2 JUNE 2003

MANAGING EDITORS
Stephen Brown
Jonathan Karpoff
Paul Malatesta

ASSOCIATE EDITORS Geert Bekaert

Hendrik Bessembinder

Zhiwu Chen
Jeffrey Coles
Jennifer Conrad
Larry Dann
Philip Dybvig
Wayne Ferson
Michael Fishman
Mark Grinblatt
Avraham Kamara

Robert Korajczyk Josef Lakonishok

Francis Longstaff

Ananth Madhavan

Ronald Masulis

Robert McDonald

Wayne Mikkelson

Vasanttilak Naik

Maureen O'Hara

Neil Pearson

Jeffrey Pontiff

Matthew Richardson

Jay Ritter

Eduardo Schwartz

Chester Spatt Hans Stoll

Ralph Walkling

. . . . . . .

lvo Welch

David Yermack

Guofu Zhou

2002 Sharpe Award Winners

Hedge Fund Performance 1990–2000: Do the "Money Machines" Really Add Value?
Gaurav S. Amin and Harry M. Kat

Do Persistent Large Cash Reserves Hinder Performance? Wayne H. Mikkelson and M. Megan Partch

Risk Premia and the Dynamic Covariance between Stock and Bond Returns

John T. Scruggs and Paskalis Glabadanidis

Does Coordinated Institutional Investor Activism Reverse the Fortunes of Underperforming Firms? Wei-Ling Song and Samuel H. Szewczyk

Pricing Treasury Inflation Protected Securities and Related Derivatives using an HJM Model Robert Jarrow and Yildiray Yildirim

The Valuation of Default-Triggered Credit Derivatives Ren-Raw Chen and Ben J. Sopranzetti

A Multifactor Explanation of Post-Earnings Announcement

Dongcheol Kim and Myungsun Kim

Interaction of Debt Agency Problems and Optimal Capital

Structure: Theory and Evidence

Connie X. Mao

Do Momentum-Based Strategies Still Work in Foreign

Currency Markets?

John Okunev and Derek White

Pricing Bounds on Asian Options
J. Aase Nielsen and Klaus Sandmann

EDITOR

Martha Auvil

PUBLISHED BY THE UNIVERSITY OF WASHINGTON
SCHOOL OF BUSINESS ADMINISTRATION
IN COOPERATION WITH THE NEW YORK UNIVERSITY
LEONARD N. STERN SCHOOL OF BUSINESS