

Editorial

A hearty welcome to the fifth issue of Amity Journal of Finance. As the financial landscape continues to evolve, research in various fields of finance should play a guiding role to develop a responsible and prudent financial behavior at personal, organizational and country level to achieve greater financial stability. Amity Journal of Finance endeavours to provide an international platform to academicians, research scholars and practitioners from across the world to contribute their scholarly research and lead in advancement of financial concepts for the benefit of academia, business and society at large.

First paper explores how far knowledge of market microstructure will assist investors in profiting from their stock market investment. The study confirms that awareness of market microstructure needs to be created for the mass of investors who flood the market without knowing the ways and processes of price movement. The statistical evidence validates that there is no significant discrepancy between the actual price and forecast price which confirms the relevance of Glosten and Milgrom (1985) model in calculating bid-ask spread which can be used to predict next day's stock price. The next study investigates the relationship between firm specific factors and the performance of insurance firms in Nigeria over the period 2009-2017. It is suggested that exogenous factors should be examined as they relate to performance of insurance companies.

The third literature attempts to analyze the improvements in banking sector operations in India in the new perspective of globalization. Out of three categories of banks, private banks outperformed the foreign and public sector ones on the parameter of interest income, while foreign banks outperformed private and public banks on net interest income and non-interest income. However, private banks got the highest interest income, but foreign banks emerged as most cost-efficient banking institutions resulting into the highest net interest income. Besides, foreign banks managed secondary banking activities better than private and public banks since their non-interest income was also higher.

The next research has examined arbitrage opportunity in the Nigerian foreign exchange market. The study confirms that arbitrage gain arises in transactions in the Nigerian foreign exchange market and arbitrage gain prevalent in the informal FX market is significantly high in Nigeria. This study therefore recommends that investors with idle funds should take advantages of investing and optimizing the arbitrage opportunities in the Foreign exchange market. The fifth literature examined exchange rate instability and its effects on Nigerian foreign exchange reserves. The effort to regularise the instability in the exchange rate market has resulted in adverse pressure on the Nigerian foreign exchange reserves. The study ascertained the short run and long run analyses of exchange rate instability.

The sixth paper examines the relationship between corporate taxes, agency costs and dividend policy of non-financial firms in Nigeria. The results revealed that corporate tax liabilities of non-financial firms do not have significant impact on their dividend pay-out. However, larger proportions of institutional and foreign ownership in non-financial firms leads to a fall in dividend pay-out by management. The last research focuses on relationship between CBOE DJIA Volatility Index, compared with Volatility Index of Emerging Markets, NASDAQ 100 and S&P 100. The paper also determines the volatility of the stock market and the momentum change with other markets. The study CBOE DJIA Volatility index has major impact on other indices so traders and investors should prefer this while making financial and investing decisions.

At the end, we thank our esteemed Editorial Advisory Board, Editorial Board and Editorial Review Board. Without their constant guidance and high-quality review, it would not have been possible to come out with this journal par excellence. We also take this opportunity to thank the authors who have shown immense faith and contributed their research papers to Amity Journal of Finance.

We invite suggestions from our readers to help us improve the quality and the content of the journal.

We hope you would appreciate and enjoy the journal.

Prof. (Dr.) Ramanjeet Singh

Editor-in-Chief