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EDUCATION

PhD	Department of Management Studies, Indian Institute of Technology Delhi, India <i>Thesis Title:</i> Comovement between Developed, Emerging and Frontier Equity Markets: Evidence from Europe and Asia-Pacific <i>Advisors:</i> Prof. Smita Kashiramka & Prof. Surendra Singh Yadav <i>CGPA:</i> 9.69/10	2014 – (Pre PhD completed)
MBA	Institute for Integrated Learning in Management- Graduate School of Management, Greater Noida <i>CGPA:</i> 7.04/8	2004-2006
B.Com (Hons)	Jesus and Mary College, Delhi University <i>Division:</i> First	2001-2004
DSSCE, CBSE (XII Std)	Kerala School, Vikaspuri (Commerce Stream) <i>Percentage:</i> 85.8	2000-2001
DSSE, CBSE (X Std)	Kerala School, Vikaspuri <i>Percentage:</i> 90.6	1998-1999

RESEARCH PUBLICATIONS

Journal Publications

1. **Thomas N.M.**, Kashiramka S., Yadav S.S. (2019). The nature and determinants of comovement between developed, emerging and frontier equity markets: Europe versus Asia-Pacific. *Thunderbird International Business Review*. 61(2): 291-307 (ABDC: B ; Scopus Citescore 2018: 1.55)
2. Kashiramka S., **Thomas N.M.**, Yadav S.S., Rao N.V. (2018). An assessment of the role of IPO grades in improving investor confidence: Evidence from India. *South Asian Journal of Management*. 25(3): 32-54 (ABDC: C)

3. **Thomas N.M.**, Kashiramka S., Yadav S.S. (2017). Dynamic linkages among developed, emerging and frontier capital markets of Asia-Pacific region. *Journal of Advances in Management Research*, 14(3): 332-351.
4. **Thomas N.M.**, Kashiramka S., Yadav S.S. (2016). Dynamic linkages among developed, emerging and frontier equity markets of Europe, *Journal of Financial Management and Analysis*, 29(2): 51-66. (ABDC: C)
5. **Thomas N.M.**, Kashiramka S., Yadav S.S. (Under Review). Role of frontier markets and emerging markets in enhancing international portfolio diversification benefits: Asia-Pacific and Europe. *International Review of Financial Analysis*.(ABDC: A)
6. **Thomas N.M.**, Kashiramka S., Yadav S.S. (Under Review). Patterns and causes of stock market comovement: Latin America vs. Asia-Pacific. *Journal of Economic Studies*. (ABDC: B)

Conference Proceedings

1. **Thomas N.M.**, Kashiramka S., Yadav S.S. (2018) Do Emerging and Frontier Stock Markets of Middle East and North Africa (MENA) Region Provide Diversification Opportunities?. In: Tsounis N., Vlachvei A. (eds) *Advances in Time Series Data Methods in Applied Economic Research*. International Conference on Applied Economics (Poland, July 2018). Springer Proceedings in Business and Economics. Springer, Cham

Contributions in Conferences

1. **Thomas N.M.**, Kashiramka S., Yadav S.S. Did the 2008 Global Financial Crisis affect comovement between Developed and Emerging equity markets of Europe, accepted for presentation at *Academy for Global Business Advancement's 16th World Congress*, Indian Institute of Technology Delhi, India, to be scheduled on 2-4 July 2019.
2. **Thomas N.M.**, Kashiramka S., Yadav S.S. Role of frontier markets and emerging markets in enhancing international portfolio diversification benefits: Asia-Pacific and Europe, *INFINITY Conference on International Finance Asia-Pacific*, University of Sydney Business School, Australia, 10-11 December 2018
3. **Thomas N.M.**, Kashiramka S., Yadav S.S. Impact of Global Financial Crisis on Stock Market Comovement in Europe, *17th Global Conference on Flexible Systems Management*, Delhi Technological University, India, 11-13 December 2017
4. **Thomas N.M.**, Kashiramka S., Yadav S.S. Determinants of Stock Market Integration between Developed and Emerging Equity Markets of Asia Pacific Region. *2nd International Conference on Evidence Based Management*, Birla Institute of Technology & Science, Pilani, India, 17 -18 March 2017

5. **Thomas N.M.**, Kashiramka S., Yadav S.S. Long run Relationship between Stock Market Indices of Developed and Emerging markets of Asia Pacific region, *International Conference on Financial Markets and Corporate Finance*, Indian Institute of Technology Madras, India, 12-13 August 2016
6. Kashiramka S., **Thomas N.M.**, Yadav S.S. Mandatory IPO Grading: The Indian Experience, *8th ISDSI International Conference*, Pune, India. Jan 2-4, 2015

ACHIEVEMENTS AND SCHOLARSHIPS

1. Research Scholar Travel Award from IIT Delhi to present at 2018 INFINITI Conference on International Finance Asia-Pacific, University of Sydney Business School, Sydney, Australia
2. Best Paper Award in the area of Finance at 2nd International Conference on Evidence Based Management, Birla Institute of Technology & Science, Pilani, India, March 2017
3. Qualified the UGC NET JRF held on December 2012
4. Awarded full scholarship from Embassy of France in India to undertake Post-Graduate Certificate course in International Business from Grenoble Graduate School of Business, France in 2006
5. Secured first position in Finance Specialization at the MBA program, IILM-Graduate School of Management, 2004-2006
6. Awarded Certificate of Merit from National Scholarship Scheme in recognition of high position secured in the list of meritorious candidates who appeared for DSSE exam (Xth Std.) in 1999
7. Participated and won many awards in debates, elocutions, paper presentations, and recitation competitions during school, graduate and post-graduate days

ACADEMIC AND ADMINISTRATIVE ACTIVITIES

1. Reviewer for Journal of Advances in Management Research.
2. Reviewer for 2018 INFINITI Conference on International Finance Asia-Pacific, University of Sydney Business School, Sydney, Australia.
3. Part of the organizing team of Department of Management Studies, IIT Delhi that planned and executed the following programs
 - Short-term course on International Finance for delegates from Tshwane University of Technology, South Africa (2016 and 2017)
 - Ph.D. admissions at the Department of Management Studies, IIT Delhi (2015 and 2016)

- Short-term course on Financial Management under the sponsorship of Technical Education Quality Improvement Program-II, 17 – 21 August 2015
 - Executive Development Program on Risk Identification for Airports Authority of India, 13-17 October 2014
4. Administrative duties as a faculty member at IILM and Amity University
- Mentored students for their summer internship and final placements
 - Member of the course committee for improvement of course modules in Finance
 - Part of coordinating teams to ensure that the programs are well conducted in the institutes premises
 - Member of University Examination Squad to ensure that exams are held fairly in the university

WORK EXPERIENCE

Pearl Academy of Fashion,
Noida
(Jan 2014- May 2014)

Visiting Faculty
Taught Business Research to graduate students

Institute for International
Management and Technology,
Gurgaon
(April 2013)

Visiting Faculty
Taught Banking and Financial Institutions to
PGDM students

IILM Institute for Higher Education,
Lodi Road
(Jan 2011- June 2012)

Lecturer
Taught Corporate Finance, Bank Lending & Credit
Appraisal, Indian Financial System and Equity
Research to PGDM students

Amity School of Business,
Amity University, Noida
(Sept 2009- Dec 2010)

Lecturer
Taught Financial Management, Cost and
Management Accounting, Banking and Financial
Institutions to undergraduate management
students

Research International India,
Hauz Khaz
(June 2008- July 2009)

Research Executive
Conducted market research to gain insights in
usage and attitude studies and consumer
research. Involved in designing of effective
questionnaires, preparation of analysis plan,
conducting interviews, data analysis and giving
presentation and recommendation to clients.

ILFS-Infrastructure Development
Corporation Ltd,
Lodi Road
(July 2006- Jan 2008)

Senior Officer
Member of transaction advisory team which was
involved in PPP projects in logistics sector.
Involved in preparation of bid documents,
structuring of PPP projects, financial analysis and
feasibility studies.

SKILLS

Languages:

Databases and Software Tools:

English, Hindi and Malayalam

Datastream, Bloomberg, STATA, E-Views,
MS Office

PERSONAL INFORMATION

Date of Birth: 11th April 1983

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REFERENCES

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APPENDIX

RESEARCH ARTICLE

The nature and determinants of comovement between developed, emerging and frontier equity markets: Europe versus Asia-Pacific

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International investors are increasingly attracted towards emerging and frontier markets because of their potential to enhance diversification benefits of a global portfolio. This calls for a rigorous analysis of the nature and determinants of stock market comovement between developed, emerging, and frontier markets in Europe and Asia-Pacific regions. The findings suggest that unlike their Asia-Pacific counterparts, European developed, emerging, and frontier stock markets display a higher degree of comovement. Although Asia-Pacific frontier markets provide good diversification opportunities, investors must be cautioned against their weak financial system. The volatility of returns, gross domestic product growth rate, and the 2008 global financial crisis (GFC) are the key determinants of stock market comovement in Europe. The mechanisms by which comovement in the Asia-Pacific region is strengthened differ across markets. Comparative analysis of comovement and its determinants across different classes of equity markets and geographies is expected to provide valuable perspectives to global investors, portfolio managers, and policymakers.

KEYWORDS

Asia-Pacific, DCC-GARCH, emerging markets, Europe, frontier markets, stock market comovement

1 | INTRODUCTION

"In my 45-year career as an investment counselor, humility did show me the need for worldwide diversification to reduce risk." Sir John Templeton

The world has always been on a lookout for fast-growing investment avenues. However, the 2008 global financial crisis (GFC) adversely affected their risk appetite that resulted in a flight to safe options like gold. However, investors have been starved of high yields for too long and are now rediscovering their risk appetite. The spotlight has now shifted to emerging and frontier markets to satiate this appetite. Frontier markets are relatively small equity markets existing in countries that are in the early stages of economic development. Recent data indicate heavy investment in emerging markets and increasing interest in frontier markets. Institute of International Finance projects nonresident inflows to emerging markets to cross USD 1 trillion in 2018 (Reuters, 2017). The annual performance of

MSCI Frontier Market Index jumped from 3.16% in 2016 to 32% in 2017 (MSCI, 2017). This reflects renewed interest in frontier markets owing to their good economic growth and expanding domestic market. The growing importance of emerging markets and frontier markets in the investment community makes it imperative to analyze stock market comovement between themselves and in relation to developed markets.

Stock market comovement has implications for international investors, portfolio managers, and policymakers. A strong comovement implies limited international diversification benefits for investors and portfolio managers. For policymakers, it implies easy access to foreign capital as well as increased vulnerability to financial contagion. However, mere existential knowledge of stock market comovement is inadequate for both these groups. They also need to know the factors that drive stock market comovement. An understanding of the determinants will enable investors and portfolio managers to design an optimal portfolio and will facilitate policy makers in formulating suitable resource mobilization and economic stabilization policies.

An Assessment of the Role of IPO Grades in Improving Investor Confidence: Evidence from India

Smita Kashiramka¹, Nisha Mary Thomas², Surendra Singh Yadav³ and N V Muralidar Rao⁴

SEBI introduced mandatory grading of Initial Public Offers (IPO) in 2007 to enhance information symmetry between issuing companies and investors in the primary market, particularly for retail investors, increasing overall investor participation and ensuring pricing efficiency. However, in December 2013, SEBI scrapped mandatory grading and made it an optional exercise; this event signals that mandatory IPO grading failed to meet its objectives. This paper attempts to analyze the impact of mandatory grading of IPO in promoting investor confidence by analyzing all graded IPO offered during the mandatory grading regime (2007-2013) using regression analysis. Results indicate that IPO grades have a significant influence on retail demand; also, high graded issues attract demand from across all investor categories. Further, high graded IPO seem to be priced efficiently as compared to others. Overall, this study suggests that this provision should have been retained, especially in the interest of retail investors.

Key Words: India Investor Confidence, Long-run Performance, Mandatory IPO Grading, Pricing Efficiency

INTRODUCTION

One of the key objectives of SEBI Act (1992) is to protect and promote the financial market in India. SEBI endeavors to create a robust financial market which is “resilient, innovative and responsive to the changing requirements of all market participants” (Tandon and Vashisht, 2002). Over the last two decades, SEBI has introduced various measures to strengthen the market, including primary market segment (Bhole and

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2. Allen, F., & Faulhaber, G. R. (1989). Signalling by underpricing in the IPO market. *Journal of Financial Economics*, 23(2), 303-323.
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6. Bozzolan, S., & Ipino, E. (2007) Information Asymmetries and IPO Underpricing: The Role of Voluntary Disclosure of Forward-Looking Information in the Prospectus (July 10, 2007). Available at SSRN: <http://ssrn.com/abstract=999518> or <http://dx.doi.org/10.2139/ssrn.999518>
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15. Kaur, A., & Singh, B. (2017). Examining SEBI's Edict: Mandatory to Voluntary IPO Grading. *Management and Labour Studies*, 42(2), 79-87.
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Dynamic linkages among developed, emerging and frontier capital markets of Asia-Pacific region

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Abstract

Purpose – The purpose of this paper is to investigate the long-run equilibrium relationship between developed, emerging and frontier markets of the Asia-Pacific region during January 2000 to June 2016.

Design/methodology/approach – Zivot and Andrews' unit root test is used to examine the existence of unit root in index series in the presence of a structural break. Gregory and Hansen's test of cointegration is employed to examine the stable long-run relationship between the indices under study.

Findings – The results suggest that the emerging markets of China and Thailand and the frontier markets of Sri Lanka and Pakistan are fairly segmented from most of the markets in the Asia-Pacific region. Hence, these markets provide good diversification opportunities to global investors. Bidirectional cointegration analysis indicates that emerging and frontier markets influence developed markets. Hence, it can be inferred that the de facto position that only bigger markets influence small markets no longer holds true in the current environment.

Practical implications – The findings of this study will provide valuable inputs to global investors for creating an optimal investment portfolio.

Originality/value – This study does a comprehensive examination of market integration in the Asia-Pacific region. It also contributes to the thin body of work done on frontier markets. Unlike past studies, this paper analyzes the bidirectional cointegration relationship to examine if the notion that only bigger markets influence smaller markets holds true or not. Finally, this study employs advanced techniques of unit root test and cointegration test that consider structural breaks in the models.

Keywords Cointegration, Emerging markets, Asia-Pacific, Stock market integration, Frontier markets, Structural break

Paper type Research paper

1. Introduction

According to modern portfolio theory, investors must hold diversified portfolio of assets to earn better risk-adjusted returns. With respect to international portfolio, this implies that investors must have geographic diversification in their portfolio. Liberalization of stock markets, improved capital mobility and technological development in communication has encouraged investors to invest beyond the confines of their home country. However, these factors may also have strengthened the relationship between different stock markets. The existence of such long-run relationship between different equity markets may diminish the benefits of international portfolio diversification. Thus, this calls for a need to investigate the existence of long-run relationship between different equity markets and identify the least integrated market that can provide diversification benefits to international investors.

This study investigates the existence of long-run equilibrium relationship between developed, emerging and frontier markets of the Asia-Pacific region. At present, the Asia-Pacific region is an attractive investment destination for global investors. This is corroborated by the fact that almost 80 per cent of the value of total investment funds is concentrated in the Asia-Pacific region. This region also accounts for almost 35 per cent of world market capitalization and houses about 52 per cent of world's listed companies (World Federation of Exchanges, 2016). Rapid economic growth, improved capital mobility,



DYNAMIC LINKAGES AMONG DEVELOPED, EMERGING AND FRONTIER EQUITY MARKETS OF EUROPE

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Abstract

The purpose of this paper is to investigate long run relationship between developed, emerging and frontier markets of Europe. The paper applies Zivot and Andrews unit root test to examine stationarity of index series in the existence of a structural break. To account for instability in the long-run relationship between European developed, emerging and frontier markets, Gregory and Hansen test for cointegration is employed. The results suggest that European emerging markets are segmented from their matured counterparts, whereas unexpectedly, frontier markets are well integrated with the developed markets. Hence, emerging markets, and not frontier markets, provide good diversification opportunities to long-term investors. This evidence questions the de-facto assumption that only dominant markets influence smaller markets. These findings are expected to provide valuable inputs to global investors for creating an optimal investment portfolio.

Keywords: Frontier and emerging markets, Europe, Cointegration, Stock market integration

JEL classification : G10, G15, B41, C82, E61, E65, F36, G15

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Introduction

Modern portfolio theory examines benefits of international diversification which is closely linked with the concept of stock market integration. Stock market integration implies that the equity market indices tend to move together over long time period. Evidence of such a long run relationship has an important implication for global investors, as it connotes reduced long-term gains from international portfolio diversification. This study attempts to investigate stock market integration

between developed, emerging and frontier markets of Europe. Over the last two decades European emerging and frontier markets have opened up, thereby providing potential portfolio diversification opportunities to investors worldwide. This study empirically examines if either of the emerging and frontier markets of Europe enhance portfolio opportunities because of their low levels of integration with other European capital markets.

Compared to their developed counterparts,

*The research, conducted under the supervision of Professor (Dr.) Lewis D. Johnson, has benefited from the JFMA Journal referees comments and suggestions.

The authors own full responsibility for the contents of the paper.