

Summary

Retail IPO in Emerging Markets

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In our research we analyze main effects which accompany IPO on emerging markets. We focus the attention on such countries as Russia, India, China, Brazil, Poland, Singapore, Malaysia, Egypt and other emerging markets. There are 161 placements in our sample which took place in 11 emerging markets. The major interest involves the effects accompanying privatization of state companies through IPO and how much retail investors win from participating in IPOs of the companies from emerging markets.

We estimate the dependence of underpricing or initial return IPO (the price change measured from the offering price to the market price on the first trading day) and long-run IPOs performance from such factors as ownership of shares before placing (a state ownership/private property), origin of the company, shares allocation (retail/institutional investors), etc.

Our research has revealed that retail IPO have the greatest initial return, than usual IPO. The hypothesis about the lower long-term yield of such placements in comparison with yield of the market is thus confirmed. Surprisingly, IPOs of the state companies have bigger underpricing (allowing investors to earn more in the first days of the quotations), than private companies IPO. However long-run abnormal return is also positive (at usual IPO it is negative in average) which shows that privatization IPO is a separate phenomenon. Country specific characteristics matter in retail IPO and sometimes the differences are crucial. Most of the peculiarities depend on the distinctions in institutional environment of the countries and the level of retail investors' participation in IPO. Moreover, countries authorities set various purposes at privatization of the state companies which could also affect IPO performance.

Key words: IPO, underpricing, long-run performance, retail IPO, emerging markets.

Applied Analysis of Advertising's Influence on Consumer Behavior Based on the Tracking Research Data

Ivanova N.G., Ratnikova T.A., Trutneva E.A.

The article is devoted to classical tracking data analysis conducted to obtain the role of consumer experience, advertising awareness of the brand and competitors', reputation and others in potential demand driving. One of the key research'

outcomes is approach verification, which allows obtaining hierarchy effects chains for particular brand considering tracking data specific.

The article includes tracking studies methodology detailed explanation and shows its role in marketing planning process. Applied brand health analysis methods rooted in hierarchy effects theory are discussed. Special focus is made on actionable recommendations providing, targeted to advertising efficiency increase.

Key words: tracking study, advertising efficiency, hierarchy effects models, brand health, pseudo-panel, clutter.

Cyclical Fluctuations of Industrial Output in US and Russia: Why are they Different

Smirnov S.V.

The article demonstrates that cyclical fluctuation of industrial outputs (consumer products, equipments, materials and supplies) have important, specific features in Russian and US's economies. The result allows to better understand the formation of business cycles of national economies within their structural peculiarity. Based on statistical analysis of physical industrial output (for Russia relevant indexes were specially calculated by the author) one can conclude that in Russia the dynamics of industrial production are dependent not so much on demand but rather on supply of products. This is explained through weak diversification of Russian economy as well as its high monopolization and exceptional role of imports in consumer and investment expenditures.

Key words: business cycle, growth cycle, industrial output, consumer demand, investment demand, intermediate goods, cycle and economic structure, Russia.

Regulatory Reform and the Practice of Selecting Suppliers for Government Procurements in Russia: 2008 vs. 2004

Yakovlev A.A., Demidova O.A.

Corruption in government procurements remains to be one of grave problems in transition economies. A reaction to this problem in Russia came in 2005–2006 in form of a radical reform of government procurements. This paper analyses the main parameters of firms participating in government procurements before and after changes in regulation. Our analysis is based on the data of a survey of 957 manufacturing enterprises conducted in 2009. The questionnaire included queries about participation of firms in supplies to government orders, the extent of «kickback» in public procurement system etc. A similar survey with the same sampling was conducted in 2005, and this enabled us to construct a panel of 499 firms and to have a unique opportunity for a comparison of the situation before and after the radical change in the legislation.

Our regression analysis confirmed the hypotheses that in 2005, firms with government stakes, old firms (established before 1992) and larger firms had advantages in access to government orders. Our analysis of the 2009 data showed a substantial growth in the share of firms participating in government procurements. As before, large firms retain their advantages in access to government orders. However for the old firms, the corresponding coefficient became insignificant. On the other hand, firms that are located in more developed Russian regions have obtained advantages in access to government orders.

Our analysis of the 2009 data also revealed that factors of active modernization of the enterprises (presence of large-scale investment projects in 2005–2008, exports, ISO certification) had no influence on access of the firms to government orders. At the same time, the fact of having fulfilled government orders in 2004 has positive influence on participation of a firm in government procurements in 2008. Estimated scales of «kickback» in 2009 were practically the same. The results of our analysis enable us to conclude that principal goals of the radical reform in 2005 were never achieved. The conclusion of our paper examines of the reason for this situation and formulates policy implications.

Key words: public procurement, institutional reforms, firms' behavior, corruption.

On Markov Chain Monte Carlo Methods

Shvedov A.S.

This paper examines two Markov chain Monte Carlo methods that have been widely used in econometrics. An introductory exposition of the Metropolis algorithm and the Gibbs sampler is provided. These methods are used to simulate multivariate distributions. Many problems in Bayesian statistics can be solved by simulating the posterior distribution. Invariance condition is of importance, the proofs are given for both methods. We use finite Markov chains to explore and substantiate the methods. Several examples are provided to illustrate the applicability and efficiency of the Markov chain Monte Carlo methods. They include bivariate normal distribution with high correlation, bivariate exponential distribution, mixture of bivariate normals.

Key words: multivariate density simulation, Metropolis algorithm, Gibbs sampling.

Factors that Have Influenced the RTSI during the Financial Crisis of 2008–2009 and before it

Samoylov D.V.

This article deals with the influence of different factors on the RTSI in the period from March 2007 to August 2009. The period is further subdivided into three subperiods – pre-crisis, high oil prices and time of crisis ones. The stationarity testing, the Granger causality analysis, the analysis of cointegration, the impulse response functions and the variance decomposition let us get the information on the degree of oil

price impact, the S&P-500 and FTSE-100 stock indices one and the «investors' fear gauge» index VIX influence on the RTSI. The time series cointegration analysis demonstrates the presence of the cointegration relations. The results of the research can be applied in making scenario forecasts based on the middle-run and long-run oil prices.

Key words: RTSI drivers, vector autoregression, variance decomposition, cointegration, Russian financial crisis.