

Information, transparency and liquidity

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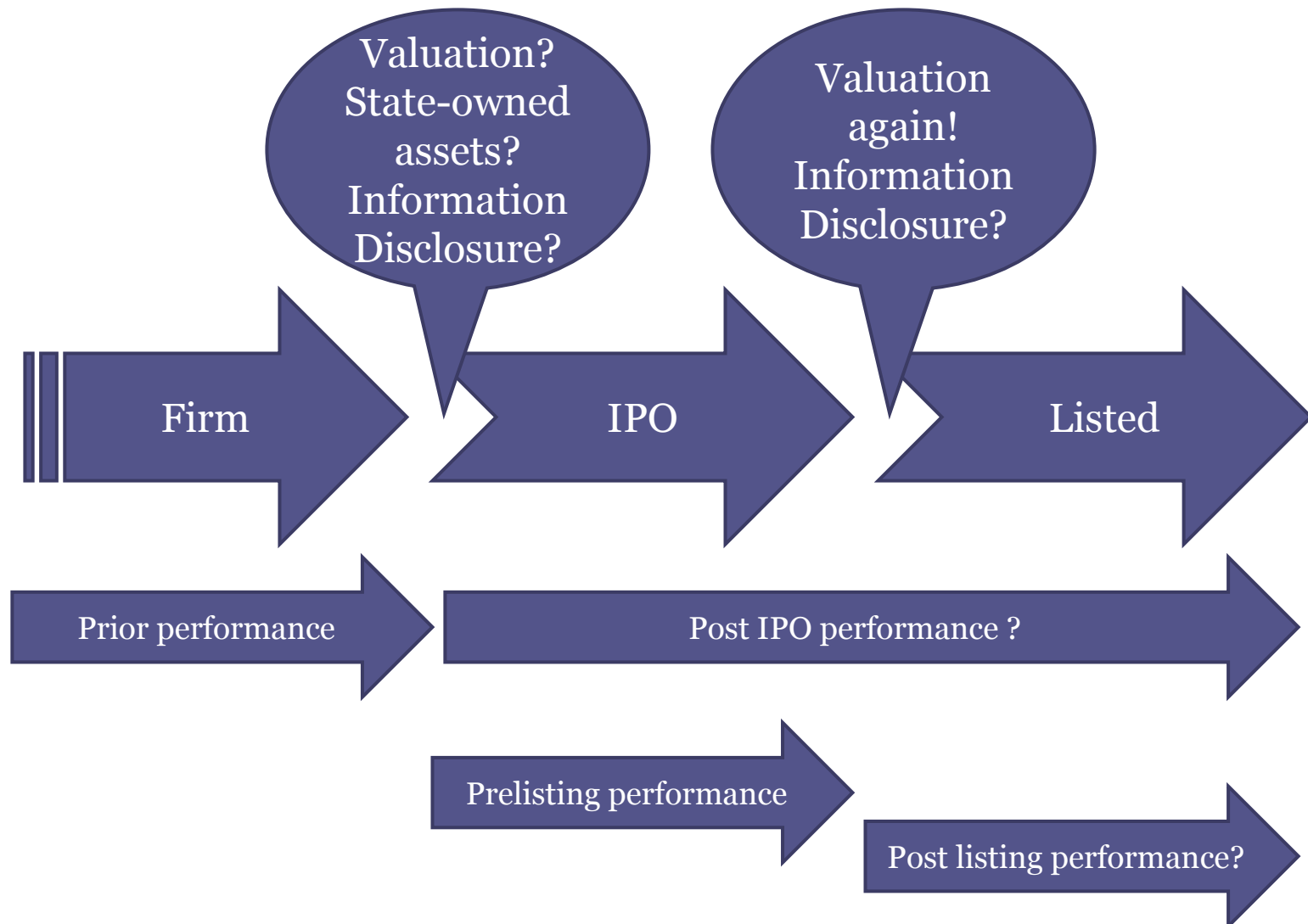
What I want to share

- Sorry that I will not follow the title, but focus on what should we research along with the firm process.
- A lecturer in finance at NEU
- Research and Investment Advisory at TSC
- No intention to make a research presentation on any specific topics, but brainstorm on what is going on.
- Mixed between investors and policy makers to suggest research areas for researchers.

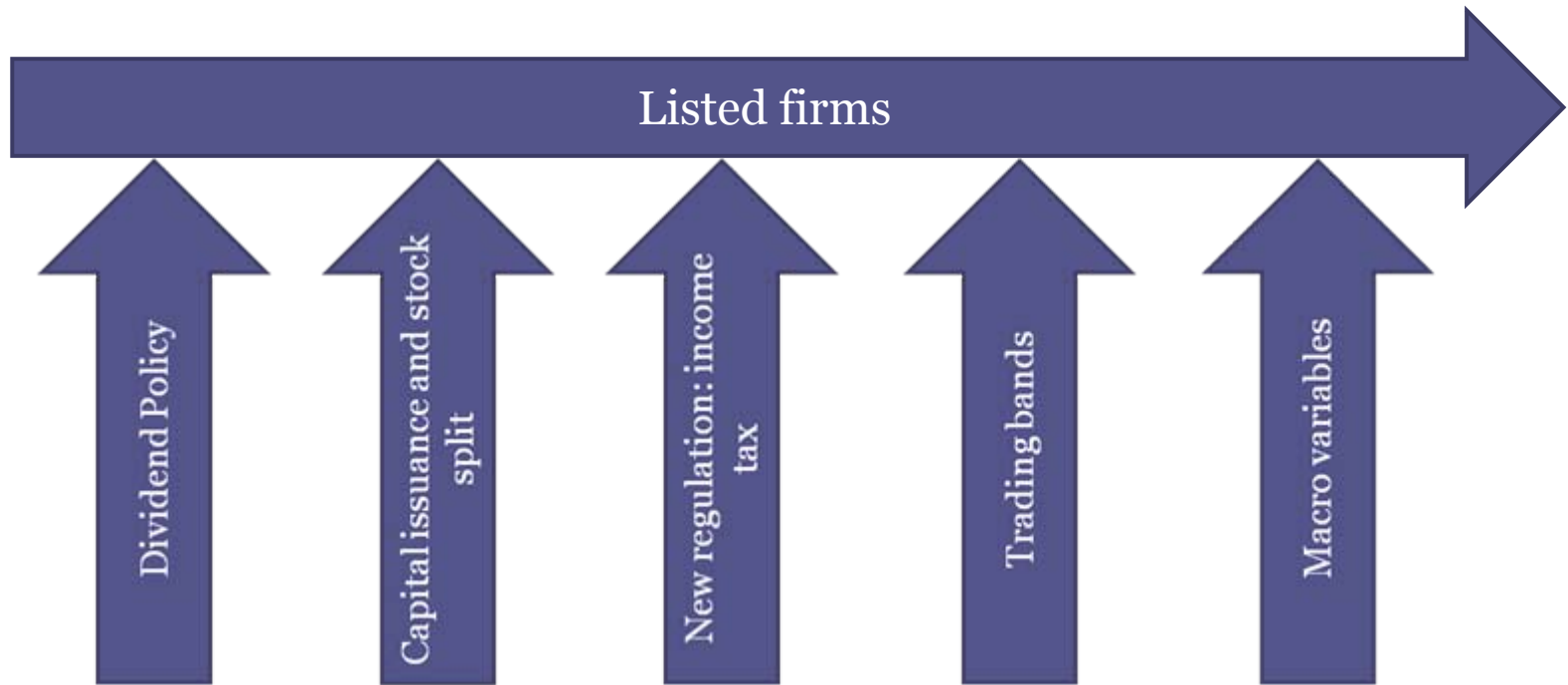
Briefly speaking...

- The simple process of the firm
- Event studies
- Valuations
- Regulations
- Q&As

Start with a simple process



What happen then?



Event studies

- Do firms do better after IPO?
 - The answer to this question definitely benefits policy makers
 - No comprehensive study is seen. We've just seen some comparative data for revenues and profits
 - This kind of study should look at several areas:
 - Financials
 - Corporate governance
 - Market positioning
 - Information disclosure
 - Etc.

Event studies

- Do firms do better after listing?
 - This question is important for both investors and policy makers
 - Addresses the choice of buy-sell trading strategies by investors
 - Reveals the possibility of inside information: people on the board selling.
 - Should look at:
 - Abnormal returns
 - Information availability: e.g. trading volume
 - Liquidity: e.g. trading price gaps

Event studies

- Dividend payouts, earning announcements, stock splits, new regulation, trading bands?
 - Would benefit both investors and policy makers
 - For investors, would the above create any opportunities?
 - For policy makers, should and when they propose a new policy?
 - Income tax on securities investment?
 - Intervention in dividend payouts: should stock-dividend allowed? When to announce earnings?
 - All the above should have some impact. Policy makers should research to understand the market reactions.

Valuations

- The Big Big problem!!!
- Is the IPO price set too high?
 - Cost-Benefit analysis of high IPO price?
 - The effect on the overall market?
 - High IPO price versus the goal of IPO: efficiency
- Is the initial listing price set too high?
 - Valuation problems or exit strategies for insiders?
- How to value intangible assets: brand names?
 - Market prices minus book value?
- How to value state-owned assets?
 - Should land position advantage be counted?
 - Different industries should benefit different from the same land!

Regulations

- Macro variables are understood to have impact on stock market
 - We haven't seen much of research on this
 - So are the new policies and regulations reasonable?
- We rely too much on research findings from western countries. But we are different.
- We indeed lack of research with data from Vietnam and applicable in Vietnam
- Simply put: if you want to use macro variables as regulatory tools, you must know how much and how long they should have an impact on the target.

Thank you - Q&A

- Three main research areas:
 - Event studies
 - Valuations
 - Regulations
- The fact:
 - We don't really have research with data from and applicable to Vietnam.
- Dos
 - Replications of existing research in the literature should be the first steps.
- THANK YOU for watching my poorly prepared slides!