

**Are Capital Market Anomalies Common to Equity and Corporate Bond Markets? An Empirical Investigation**

Tarun Chordia, Amit Goyal, Yoshio Nozawa, Avanidhar Subrahmanyam, and Qing Tong

**Valuations in Corporate Takeovers and Financial Constraints on Private Targets**

Daniel Greene

**Interactions among High-Frequency Traders**

Evangelos Benos, James Brugler, Erik Hjalmarrsson, and Filip Zikes

**The Performance of Short-Term Institutional Trades**

Bidisha Chakrabarty, Pamela C. Moulton, and Charles Trzcinka

**Regulatory Sanctions and Reputational Damage in Financial Markets**

John Armour, Colin Mayer, and Andrea Polo

**How Do Foreign Institutional Investors Enhance Firm Innovation?**

Hoang Luong, Fariborz Moshirian, Lily Nguyen, Xuan Tian, and Bohui Zhang

**The Interpretation of Unanticipated News Arrival and Analysts' Skill**

Amir Rubin, Benjamin Segal, and Dan Segal

**Tournament-Based Incentives, Corporate Cash Holdings, and the Value of Cash**

Hieu V. Phan, Thuy Simpson, and Hang T. Nguyen

**Time-Varying Beta and the Value Premium**

Hui Guo, Chaojiang Wu, and Yan Yu

**Mutual Fund Performance Evaluation and Best Clienteles**

Stéphane Chrétien and Manel Kammoun

**Stock Liquidity and Stock Price Crash Risk**

Xin Chang, Yangyang Chen, and Leon Zolotoy

**Payout Yields and Stock Return Predictability: How Important Is the Measure of Cash Flow?**

Gregory W. Eaton and Bradley S. Paye

**Expected Business Conditions and Bond Risk Premia**

Jonas N. Eriksen

**Liquidity Constraints and Credit Card Delinquency: Evidence from Raising Minimum Payments**

Philippe d'Astous and Stephen H. Shore

**Common Macro Factors and Currency Premia**

Ilias Filippou and Mark P. Taylor

**DRIPs and the Dividend Pay Date Effect**

Henk Berkman and Paul D. Koch



<b>Are Capital Market Anomalies Common to Equity and Corporate Bond Markets? An Empirical Investigation</b> .....	1301
Tarun Chordia, Amit Goyal, Yoshio Nozawa, Avaniidhar Subrahmanyam, and Qing Tong	
<b>Valuations in Corporate Takeovers and Financial Constraints on Private Targets</b> .....	1343
Daniel Greene	
<b>Interactions among High-Frequency Traders</b> .....	1375
Evangelos Benos, James Brugler, Erik Hjalmarrsson, and Filip Zikes	
<b>The Performance of Short-Term Institutional Trades</b> .....	1403
Bidisha Chakrabarty, Pamela C. Moulton, and Charles Trzcinka	
<b>Regulatory Sanctions and Reputational Damage in Financial Markets</b> .....	1429
John Armour, Colin Mayer, and Andrea Polo	
<b>How Do Foreign Institutional Investors Enhance Firm Innovation?</b> .....	1449
Hoang Luong, Fariborz Moshirian, Lily Nguyen, Xuan Tian, and Bohui Zhang	
<b>The Interpretation of Unanticipated News Arrival and Analysts' Skill</b> .....	1491
Amir Rubin, Benjamin Segal, and Dan Segal	
<b>Tournament-Based Incentives, Corporate Cash Holdings, and the Value of Cash</b> .....	1519
Hieu V. Phan, Thuy Simpson, and Hang T. Nguyen	
<b>Time-Varying Beta and the Value Premium</b> .....	1551
Hui Guo, Chaojiang Wu, and Yan Yu	
<b>Mutual Fund Performance Evaluation and Best Clienteles</b> .....	1577
Stéphane Chrétien and Manel Kammoun	
<b>Stock Liquidity and Stock Price Crash Risk</b> .....	1605
Xin Chang, Yangyang Chen, and Leon Zolotoy	
<b>Payout Yields and Stock Return Predictability: How Important Is the Measure of Cash Flow?</b> .....	1639
Gregory W. Eaton and Bradley S. Paye	
<b>Expected Business Conditions and Bond Risk Premia</b> .....	1667
Jonas N. Eriksen	
<b>Liquidity Constraints and Credit Card Delinquency: Evidence from Raising Minimum Payments</b> .....	1705
Philippe d'Astous and Stephen H. Shore	
<b>Common Macro Factors and Currency Premia</b> .....	1731
Ilias Filippou and Mark P. Taylor	
<b>DRIPs and the Dividend Pay Date Effect</b> .....	1765
Henk Berkman and Paul D. Koch	

## MANAGING EDITORS

**Hendrik Bessembinder**  
Arizona State University

**Jennifer Conrad**  
University of North Carolina

**Jarrad Harford**  
**Paul Malatesta**  
University of Washington

## ADVISORY EDITORS

**Stephen Brown**  
New York University

**Mark Grinblatt**  
University of California at Los Angeles

## ASSOCIATE EDITORS

**Warren Bailey**  
Cornell University

**Francis Longstaff**  
University of California at  
Los Angeles

**Sergei Sarkissian**  
McGill University

**Gurdip Bakshi**  
University of Maryland

**Ronald Masulis**  
University of New South  
Wales

**Paul Schultz**  
University of Notre Dame

**Turan Bali**  
Georgetown University

**John McConnell**  
Purdue University

**Chester Spatt**  
Carnegie-Mellon University

**Murillo Campello**  
Cornell University

**Robert McDonald**  
Northwestern University

**Kumar Venkataraman**  
Southern Methodist University

**Mikhail Chernov**  
University of California at  
Los Angeles

**Darius Palia**  
Rutgers University

**Ralph Walkling**  
Drexel University

**Jeffrey Coles**  
University of Utah

**Neil Pearson**  
University of Illinois at Urbana-  
Champaign

**Yuhai Xuan**  
University of Illinois at  
Urbana-Champaign

**Ran Duchin**  
University of Washington

**George Pennacchi**  
University of Illinois at Urbana-  
Champaign

**David Yermack**  
New York University

**Alex Edmans**  
London Business School

**Jeffrey Pontiff**  
Boston College

**Lu Zhang**  
Ohio State University

**Wayne Ferson**  
University of Southern  
California

**Jay Ritter**  
University of Florida

**Guofu Zhou**  
Washington University  
in St. Louis

**Marcin Kacperczyk**  
Imperial College London

**Bryan Routledge**  
Carnegie Mellon University

**PRODUCTION EDITOR**  
**Wendy Katz**  
University of Washington

The Journal of Financial and Quantitative Analysis (ISSN 0022-1090), Michael G. Foster School of Business, University of Washington, 370 Mackenzie Hall, UW Box 353200, Seattle, WA 98195-3200, is published bimonthly in February, April, June, August, October, and December by Cambridge University Press, One Liberty Plaza, 20th Floor, New York, NY 10006/Cambridge University Press, University Printing House, Shaftesbury Road, Cambridge CB2 8BS, UK for the University of Washington Michael G. Foster School of Business in cooperation with the W. P. Carey School of Business at Arizona State University and the Kenan-Flagler Business School at University of North Carolina. Periodicals Postage Paid at New York, NY and additional mailing offices. POSTMASTER: Send address changes to Journal of Financial and Quantitative Analysis, Cambridge University Press, One Liberty Plaza, 20th Floor, New York, NY 10006, USA.

Copyright 2017, Michael G. Foster School of Business, University of Washington



**JOURNAL OF FINANCIAL AND QUANTITATIVE ANALYSIS**

PHONE: (206) 543-4598  
 FAX: (206) 616-1894  
 E-MAIL: [jfqa@uw.edu](mailto:jfqa@uw.edu)  
 URL: [jfqa.org](http://jfqa.org)

University of Washington  
 Michael G. Foster School of Business  
 370 Mackenzie Hall UW Box 353200  
 Seattle, WA 98195-3200 USA

VOL. 52, NO. 4, AUGUST 2017

**PURPOSE AND FOCUS**

The Journal of Financial and Quantitative Analysis (JFQA) publishes theoretical and empirical research in financial economics. Topics include corporate finance, investments, capital and security markets, and quantitative methods of particular relevance to financial researchers. Opinions expressed in the JFQA are those of the authors and do not necessarily reflect those of the University of Washington Foster School of Business. For submissions queries, please write, call, fax, or e-mail the JFQA office. For all other information related to the journal, please contact Cambridge Journals Customer Services: Cambridge University Press, One Liberty Plaza, 20th Floor, New York, NY 10006, USA. [cambridge.org/jfqa](http://cambridge.org/jfqa)

**SUBMISSIONS**

[www.editorialmanager.com/jfqa](http://www.editorialmanager.com/jfqa)

It is JFQA policy to give prompt attention to all submitted manuscripts. Consistent with this policy, honoraria are paid to referees who provide timely reviews. Submit manuscripts online ([www.editorialmanager.com/jfqa](http://www.editorialmanager.com/jfqa)). Payment is required at the time of submission. VISA, MasterCard, and American Express are accepted. Please consult the journal Web site for current submission details. Manuscripts are considered for publication on the understanding that they have not been previously published in whole or in part, and are not being simultaneously considered for publication elsewhere.

**SUBSCRIPTIONS**

[cambridge.org/jfqa](http://cambridge.org/jfqa)

For individuals or institutions interested in a single journal subscription in 2017, please contact Cambridge Journals Customer Services. In the U.S., Canada, or Mexico, subscription fees are payable in U.S. dollars: [journals\\_subscriptions@cambridge.org](mailto:journals_subscriptions@cambridge.org). Elsewhere in the world, subscription fees are payable in U.K. pounds sterling: [journals@cambridge.org](mailto:journals@cambridge.org)

**2017 Annual Subscription Fees**

Volume 52: February, April, June, August, October, and December

Category	Access Type	Price
Organizational	Online & Print	\$659/£356
Organizational	Print only	\$659/£356
Organizational	Online only	\$490/£285
Individual	Online & Print	\$116/£63
Individual	Print only	\$98/£51
Individual	Online only	\$81/£46
Student	Print only	\$27/£19

**RIGHTS AND PERMISSIONS**

All rights reserved. No part of this publication may be reproduced, in any form or by any means, electronic, photocopying, or otherwise, without permission in writing from Cambridge University Press. General enquiries from the USA, Mexico, and Canada should be addressed to the New York office of Cambridge University Press [cambridge.org/us/information/rights/contacts/newyork.htm](http://cambridge.org/us/information/rights/contacts/newyork.htm); general enquiries from elsewhere should be addressed to the Cambridge office [cambridge.org/uk/information/rights/contacts/cambridge.htm](http://cambridge.org/uk/information/rights/contacts/cambridge.htm); permission enquiries from Australia and New Zealand should be addressed to the Melbourne office [cambridge.org/uk/information/rights/contacts/australia.htm](http://cambridge.org/uk/information/rights/contacts/australia.htm); enquiries regarding Spanish language translation rights (only) should be addressed to the Madrid office [cambridge.org/uk/information/rights/contacts/madrid.htm](http://cambridge.org/uk/information/rights/contacts/madrid.htm). Photocopying information (for users in the USA): Copying for internal or personal use beyond that permitted by Sec. 107 or 108 of the U.S. Copyright Law is authorized for users duly registered with the Copyright Clearance Center (CCC), provided that the appropriate remittance is paid directly to: CCC, 222 Rosewood Drive, Danvers, MA 01923, USA. Specific written permission must be obtained for all other copying; contact the nearest Cambridge University Press office.





## Call for Papers

### **JFQA Symposium on the Microstructure of Fixed Income Markets**

The Journal of Financial and Quantitative Analysis (JFQA) intends to publish a collection of papers addressing aspects of fixed income trading, including the microstructure of corporate bond, municipal bond, Treasury, and related instrument markets. We welcome theoretical and empirical papers focusing on issues such as market quality, liquidity, dealer networks, investor behavior, market structure, internal organization of fixed income trading, systemic risk, regulation, electronic platforms, etc.

### TIMELINE FOR SUBMISSIONS AND PUBLICATION

- ◆ Initial submissions due: September 30, 2017
- ◆ First-round decision target date: November 30, 2017
- ◆ Revised manuscripts target resubmission date: April 30, 2018
- ◆ Final decision target date: June 30, 2018

### INFORMATION FOR AUTHORS

Manuscripts submitted for the symposium will receive an initial screening; those deemed to have a reasonable chance of acceptance will enjoy an accelerated review process, with a final decision guaranteed by the second round of submission.

Manuscripts that are not considered for the symposium's accelerated review process (e.g., due to fit) will be considered as regular JFQA submissions, unless the author requests otherwise at the time of initial submission.

A collection of related papers has the potential to attract additional readers and enhance citations. The symposium will be anchored by a survey article authored by Hank Bessembinder (Arizona State University), Chester Spatt (Carnegie Mellon University), and Kumar Venkataraman (Southern Methodist University) that integrates the existing literature and lays out directions for future research.

Symposium submissions should be made through the JFQA Web site (<https://www.editorialmanager.com/jfqa>). Simply indicate in the cover letter your interest in having the paper considered for the symposium, and whether you would like the paper to be considered as a regular JFQA submission if it is not deemed to be a good fit for the symposium.

