

Report Type

Mid Term Award Report

Full Name

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Faculty/Department

Judge Business School

Project Title

Individual Investors in the SME Micro Bond Market

Project Abstract

In this project, we propose investigating what are the determinants of the speed of information transmission.

Activities and Achievement

Our research question previously was how does local bias evolve over time. Unfortunately, that research question did not go anywhere of interest to economists. We have now changed to what we believe is a better research question: what are the determinants of the speed of information transmission. This has practical importance to both firms and investors. We address this question using an epidemiology model.

For firms, if investors are in a highly susceptible state (prone to infection), it makes sense to release bonds directly to investors. Otherwise if investors are not in a infective state, they might as well issue publicly traded bonds through intermediaries. So determining when investors transfer information fast is important in the issue decision of firms. So our dependent variable is the number (or amount = number x amount invested) of investors in a postcode by time. We compute the speed of change. Then we relate that to factors like macroeconomic variables, population density and other measures of closeness.

Dissemination

Once the first draft of the paper is released, we plan to send it out for comments. We believe this work ties in closely to the work of the Centre for Alternative Finance where both Bob and I are associated.

Outputs

Major Difficulties and Any Other Issues

It was much more difficult getting the data than we anticipated. Some of the organizations that had promised to give us data subsequently had no time. We have not been able to draw down the full amount of the funding we requested since the company would not sell the data to us either. We hope to find some alternative sources soon.

Web Links

None

Additional Information

Declaration

This award has not yet produced any relevant outputs, but details of any future publications will be submitted to the CERF database as soon as they become available.