Accepted Manuscript

Risk perception in financial markets: On the flip side

Stelios Bekiros, Mouna Jlassi, Kamel Naoui, Gazi S. Uddin

PII: S1057-5219(18)30174-1
Reference: FINANA 1202

Received date: 3 June 2017
Revised date: 3 March 2018
Accepted date: 14 March 2018

Please cite this article as: Stelios Bekiros, Mouna Jlassi, Kamel Naoui, Gazi S. Uddin, Risk perception in financial markets: On the flip side. The address for the corresponding author was captured as affiliation for all authors. Please check if appropriate. Finana(2017), doi:10.1016/j.irfa.2018.03.005

This is a PDF file of an unedited manuscript that has been accepted for publication. As a service to our customers we are providing this early version of the manuscript. The manuscript will undergo copyediting, typesetting, and review of the resulting proof before it is published in its final form. Please note that during the production process errors may be discovered which could affect the content, and all legal disclaimers that apply to the journal pertain.
RISK PERCEPTION IN FINANCIAL MARKETS: ON THE FLIP SIDE

STELIOS BEKIROS a *  MOUJA JELASSI b †  KAMEL NAOUI c ‡  GAZI S. UDDIN d §

a Athens University of Economics and Business (AUEB), Athens, Greece
b Tilburg University, Tilburg, The Netherlands
c University of Manouba, Manouba, Tunisia
d Linköping University, Linköping, Sweden

ABSTRACT

We propose an alternative approach to capture the asymmetric risk-return relationship in financial markets using affective cognitive analysis. Implied volatility is employed as a robust gauge of risk perception. Markets exhibit a dramatic increase in fear sentiment when extreme upper-quantile losses hit investors while conditional positive returns fuel exuberance. However, an inverse response is observed in Asian markets due to normative societal phenomena, such as herding. A cognitive paradigm provides with a better interpretation of contagion than classical leverage-feedback theories as risk perception evolves dynamically over time. Overall, the fear of losses is not the flip side of gains’ exuberance.

JEL classification: G1; G14; G15; C5

Keywords: fear gauge; affective reaction; herding; implied volatility; behavioral bias
دریافت فوری
متن کامل مقاله

امکان دانلود نسخه تمام متن مقالات انگلیسی
امکان دانلود نسخه ترجمه شده مقالات
پذیرش سفارش ترجمه تخصصی
امکان جستجو در آرشیو جامعی از صدها موضوع و هزاران مقاله
امکان دانلود رایگان ۲ صفحه اول هر مقاله
امکان پرداخت اینترنتی با کلیه کارت های عضو شتاب
دانلود فوری مقاله پس از پرداخت آنلاین
پشتیبانی کامل خرید با بهره مندی از سیستم هوشمند رهگیری سفارشات