

SUMMARIES

Krzysztof Brania, Henryk Gurgul: **The impact of estimation methods and data frequency on the results of long memory assessment** ■ *Managerial Economics* 2015, vol. 16, no. 1

JEL Classification: G15, C32, C58

Keywords: *stock returns, volatility, trading volume, Hurst exponents, long memory*

The main goal of this paper is to examine the effects of selected methods of estimation (the Geweke and Porter-Hudak, modified Geweke and Porter-Hudak, Whittle, R/S Rescaled Range Statistic, aggregated variance, aggregated absolute value, and Peng's variance of residuals methods) and data frequency on properties of Hurst exponents for stock returns, volatility, and trading volumes of 43 companies and eight stock market indices. The calculations have been performed for a time series of log-returns, squared log-returns, and log-volume (based on hourly and daily data) by nine methods. Descriptive statistics and distribution laws of Hurst exponents depend on the method of estimation and, to some extent, on data frequency (daily and hourly). While by and large in log-returns no long memory has been detected, some estimation methods confirm the existence of long memory in squared log-returns. All of the applied estimation methods show long memory in log-volume data.

Henryk Gurgul, Łukasz Lach: **Key sectors after a decade of transition. Evidence from Poland** ■ *Managerial Economics* 2015, vol. 16, no. 1

JEL Classification: C53, D57, O30, Q40

Keywords: *Poland, input-output matrices, transition, key sector identification*

This paper is one of the first studies dedicated to the extensive examination of the dynamics of key sectors in Poland in the period of transition. The research was based on the maximum entropy decomposition of the Leontief inverse applied to the highly-disaggregated input-output tables covering the period of 2000–2005. The results allow formulating the list of sectors, which, more or less, have preserved the status of the key sectors in Poland. In turn, some sectors (especially the financial-intermediation- and food-and-agriculture-related ones) have significantly derailed, while services-related sectors (including the transport, tourism, and trade services) have clearly gained in importance. These facts, together with rising importance of certain manufacturing sectors, may suggest that Poland has largely managed to avoid the most negative consequences of the process of de-industrialization, which has been taking place in CEE from the beginning of transition.

Milena Suliga: Can the publication of annual financial reports become an opportunity for insider trading? ■ Managerial Economics 2015, vol. 16, no. 1

JEL Classification: G14

Keywords: *market abuse detection, insider trading, event study, GARCH process*

Illegal insider trading is a problem that involves most of financial markets. Unusual abnormal returns as well as increased trading volumes observed ahead of price sensitive information can be signals of this type of market abuse behavior. In this paper, I study the occurrence of insider trading on the Warsaw Stock Exchange. I verify if publications of annual financial reports of WIG issuers can be preceded by this phenomenon. The study includes reports from the period between 1 January, 2010, and 29 May, 2014. In order to define abnormal returns, I suit the GARCH process to daily returns and use event-study analysis. Potential insider trading behaviors are found with the use of two-day cumulative abnormal returns in a first step and with the use of daily abnormal returns afterwards. The publications that are marked with potential informed price movements are analyzed for the presence of extremely high abnormal trading volumes, which can be additional signals of market abuse.

Stanisław Urbański: The impact of speculation on the pricing of companies listed on the Warsaw Stock Exchange in light of the ICAPM ■ Managerial Economics 2015, vol. 16, no. 1

JEL Classification: G11, G12

Keywords: *stock pricing, Fama and French model, speculative stocks, return changes*

Research carried out over recent years shows that speculative stock are the reason for inconsistent pricing of stock with the classic CAPM. The present work is an attempt to explain the impact of speculative stock on pricing in light of the ICAPM. The study is conducted using stocks quoted on the Warsaw Stock Exchange (WSE) in 1995–2012. The systematic risk and risk prices components are simulated by two chosen multifactor applications, with different procedures of portfolio construction. The investigated stocks are classified into quantile portfolios according to established procedures. It has been assumed that both speculative stocks and improper algorithm for the test portfolios sorting contribute to inconsistent stock pricing in light of the ICAPM. As a result, tests are carried out in three modes. All WSE stocks are analyzed in mode 1. In modes 2 and 3 speculative stocks are excluded from the study. The analysis indicate that the results are in line with the extended conjectures.