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Competitive Intelligence in Descriptive Innovation on Indian Stock Market

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Abstract—Financial information reporting of dividend change describe presently newline of skewness towards syntactic* that is volume. Whilst volatility in stock market is semantic** spread of complimentary messages to stabilise market is to be innovated. Media communication competitive intelligence on dividend is heightened during this recession. Therefore, Dividend positive skewness and believability hypothesis is the frame work of this study.

The dimension of knowledge creation through media financial-communication is to ensure corporate health in the economic down turn. There is asymmetry in information received form 15 top dividend payout managers out of 100 companies studied. The gravity of asymmetry in communication could be partial as regard to 20% stable companies over last five years like Hero Moto Corporation, Cummins India and Andhra Bank. Otherwise 80% top dividend but unstable companies presently make to believe the positive skewness. However, our study shows that such unstable companies attract mainly foreign investors by way of higher volatility information and meta-message.

There is positive co-relationship between Dividend and Volatility in stock price as well as Dividend and Foreign Investment-FI in 2011-12 with respect to 15 top dividend payout companies. Whilst Net profit shows no relation to dividend payout, rather it is marginally negative i.e. -0.107. Again Foreign Investment and Net Profit have marginal but positive co-relation i.e. 0.131. Therefore, one can notice that Dividend payout information affect Foreign Investment and Volatility in Share Price directly. The cause and effect knowledge, like which one is first and important, is dichotomy and hence there is believable cumulative effect.

Karl Pearson Coefficient of Co-relation method with Statistical Package of Social Science–SPSS version 12 is used to analyses the secondary data. Knowledge creation through competitive intelligence as regards positive skewness of dividend information believability is verified syntactically as well as semantically. Together, dynamic context creativity of manager to skilfully describe the differences in meta-message is the need of the hour.

* Syntactic means analysis of information flow measured without regard to inherent meaning like quantitative.
** Semantic aspect of information focuses on conveyed meaning like qualitative or descriptive as per Shannon and Weaver (1949) in "Mathematical Theory of Communication, Urbana, University of Illinois Press.

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Information Content of Implied Volatility: A Sub-Period Analysis

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Abstract—In this paper information content of implied volatility is studied at various time periods. The main objective is to judge the predictive power of implied volatility in the pre and post crisis period, using at-the-money non-overlapping monthly implied volatilities of OPTIDX CNX Nifty index options. The period covered in this study starts from June, 2001 to April 2011. Ordinary Least Squares estimation shows that implied volatility is more biased in the pre-crisis period as the coefficient of implied volatility different from unity. It is also analyzed that implied volatility was unbiased estimate of the future realized return volatility in post crisis period; it was found that the coefficient of average implied volatility was one. An ARMA structure was analyzed for the assessment of times series property of realized and implied volatility and found that ARMA (1, 1) was the best fit for forecasting the future volatility. An extension of the AR model: Autoregressive Distributed Lag (ARDL) model was analyzed and found that ARDL (1, 1) was best suited for the forecasting of future realized return volatility. This study explains that for Indian derivative market, volatility estimates based on options are useful for the pricing of derivative instruments and portfolio risk management.

Keywords: Implied Volatility, Realized Volatility, Sub-Period, Distributed Lag