Brief Summary of Published Research

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Alexandridis G., Kavussanos M., Kim C., Tsouknidis D.A., Visvikis I., 2018. A Survey of Shipping Finance Research: Setting the Future Research Agenda, Transportation Research Part E: Logistics and Transportation Review 115, 164-212.

Abstract

Financing shipping related investment projects has always been a focal area of debate and research within the international maritime industry since access to funding can determine the competitiveness of a capital-intensive business as well as its success or failure under adverse market conditions. This paper provides, for the first time, a comprehensive and structured survey of all published research in the area of shipping finance and investment. The review spans approximately four decades (1979-2018) of empirical evidence, including 162 studies published in 48 scholarly journals, complemented with select books and book chapters. The study provides a bibliometric analysis and comprehensive synthesis of existing research offering an invaluable source of information for both the academic community and business practice, shaping the future research agenda in shipping finance and investment.

Lambertides N., Savva C. and Tsouknidis D.A., 2017. The effects of oil price shocks on U.S. stock order flow imbalances and stock returns, Journal of International Money and Finance 74, 137-146.

Abstract

This paper investigates for the first time the effects of oil price shocks on stock order flow imbalances leading to changes in stock returns. Through the estimation of a structural VAR model, positive demand-related oil price shocks are able to explain almost 36% of the observed variation in the daily average stock order flow imbalances measured by the buy/sell trades ratio; which consequently lead to a negative rather than positive stock returns reaction. In contrast, oil supply shocks exhibit a negative and marginally significant effect on stock order flow imbalances. Our aggregate analysis suggests that positive shocks on stock order flow imbalances are negatively related to stock returns. These effects are stronger for oil-related sectors when compared with the rest of the equities sectors.

Magkonis G. and Tsouknidis D.A., 2017. Dynamic spillover effects across petroleum spot and futures volatilities, trading volume and open interest, International Review of Financial Analysis 52, 104-118.

Abstract

This paper examines the existence of dynamic (time-varying) spillover effects across petroleum based commodities and among spot-futures volatilities, trading volume and open interest. In order to investigate dynamic spillovers and distinguish them between total and net, realized volatilities of spot-futures markets are used as inputs to estimate a VAR model following Diebold and Yilmaz (2009, 2012, 2014, 2015). Results reveal the existence of large and time-varying spillovers among the spot-futures volatilities of petroleum-based commodities when examined individually and pairwise. Furthermore, speculative pressures as reflected by futures trading volume and hedging pressures as reflected by open interest are shown to transmit large and persistent spillovers to the spot-futures volatilities of crude oil commodity and heating oil-gasoline commodities, respectively.

Tsouknidis D.A., 2016. Dynamic volatility spillovers across shipping freight markets, Transportation Research Part E: Logistics and Transportation Review 91, 90-111.

Abstract

This paper examines the existence of dynamic volatility spillovers within and between the dry-bulk and tanker freight markets by employing the multivariate DCC-GARCH model and the volatility spillover index developed by Diebold and Yilmaz (2012, 2009). This methodology is invariant to ordering the variables when estimating a VAR model and allows for the disaggregation of volatility spillovers in total, directional, net and net pairwise. Results reveal the existence of large time-varying volatility spillovers across shipping freight markets, which are more intense during and after the global financial crisis.

Kavussanos M.G. and Tsouknidis D.A., 2016. Default risk drivers in shipping bank loans, Transportation Research Part E: Logistics and Transportation Review 94, 71-94

Abstract

This paper proposes a credit scoring model for the empirical assessment of default risk drivers of shipping bank loans. A unique dataset, consisting of the credit portfolio of a shiplending bank is used to estimate a logit model with two-way clustered adjusted standard errors, ensuring robust inferences. Industry specific variables, captured through current and expected conditions in the extremely volatile global shipping freight markets, the risk appetite of borrowers–the shipowners – expressed through the chartering policy they follow – and a pricing variable, are shown for the first time to be the important factors explaining default probabilities of bank loans.

Alizadeh A., Kappou K., Tsouknidis D.A. and Visvikis I., 2015. Liquidity effects and FFA returns in the international shipping derivatives market, Transportation Research Part E: Logistics and Transportation Review 76, 58-75.

Abstract

The study examines the impact of liquidity risk on freight derivatives returns. The Amihud liquidity ratio and bid–ask spreads are utilized to assess the existence of liquidity risk in the freight derivatives market. Other macroeconomic variables are used to control for market risk. Results indicate that liquidity risk is priced and both liquidity measures have a significant role in determining freight derivatives returns. Consistent with expectations, both liquidity measures are found to have positive and significant effects on the returns of freight derivatives. The results have important implications for modeling freight derivatives, and consequently, for trading and risk management purposes.

Kavussanos, M.G., Tsouknidis, D.A., 2014. The determinants of credit spreads changes in global shipping bonds, Transportation Research Part E: Logistics and Transportation Review 70, 55-75.

Abstract

This paper investigates whether bond, issuer, industry and macro-specific variables account for the observed variation of credit spreads' changes of global shipping bond issues before and after the onset of the subprime financial crisis. Results show that conclusions as to the significant variables of spreads depend significantly on whether two-way cluster adjusted standard errors are utilized, thus rendering results in the extant literature ambiguous. The main determinants of global cargo-carrying companies' shipping bond spreads are found in this paper to be: the liquidity of the bond issue, the stock market's volatility, the bond market's cyclicality, freight earnings and the credit rating of the bond issue.