Tips for Finding Literature
IRR Q&A
Live Session

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I. Understanding Context
II. Literature Survey Approaches
III. Research Process
IV. Q&A
I. Strategies for searching academic papers
   • Snowball search
   • Keyword search

II. Read up on the foundations in a textbook
   • Look for key words or terminologies specific to the topic
   • Identify key themes
   • Browse bibliography or reference list

III. Read ‘seed’ academic papers
   • Highly influential papers in the field
   • Systematic literature survey papers
   • Meta-analysis papers
Literature Identification Strategies

Snowball search

- Original reference: A
  - References to A
    - B
    - C
      - References to B and C
        - D
        - E
        - F
          - References to D, E, and F
            - G

Keyword search

- Expand search
- Too few leads
- Starting point
- Too many leads
- Restrict search
Algorithmic Trading: Winning Strategies and Their Rationale

Ernest P. Chan

INDEX

WILEY TRADING SERIES

BIBLIOGRAPHY


Influential Papers in Asset Pricing

The Journal of Finance

Vol. XLIX  September 1964  No. 3

CAPITAL ASSET PRICES: A THEORY OF MARKET EQUILIBRIUM UNDER CONDITIONS OF RISK

WILLIAM F. SHARPE

I. INTRODUCTION

One of the problems which has plagued those attempting to predict the behavior of capital markets is the absence of a body of positive microeconomic theory dealing with conditions of risk. Although many useful insights can be obtained from the traditional models of investment under conditions of certainty, the pervasive influence of risk in financial transactions has forced those working in this area to adopt models of price behavior which are little more than assertions. A typical classroom explanation of the determination of capital asset prices, for example, usually begins with a careful and relatively rigorous description of the process through which individual preferences and physical relationships interact to determine an equilibrium pure interest rate. This is generally followed by the assertion that somehow a market risk-premium is also determined, with the prices of assets adjusting accordingly to account for differences in their risk.

A useful representation of the view of the capital market implied in such discussions is illustrated in Figure 1. In equilibrium, capital asset prices have adjusted so that the investor, if he follows rational procedures (primarily diversification), is able to attain any desired point along a capital market line. He may obtain a higher expected rate of return on his holdings only by incurring additional risk. In effect, the market presents him with two prices: the price of time, or the pure interest rate (shown by the intersection of the line with the horizontal axis) and the price of risk, the additional expected return per unit of risk borne (the reciprocal of the slope of the line).

Capital asset prices: A theory of market equilibrium under conditions of risk

W. Sharpe - The journal of finance. 1964 - Wiley Online Library

ONE OF THE PROBLEMS which has plagued those attempting to predict the behavior of capital markets is the absence of a body of positive microeconomic theory dealing with ...
News, volatility and jumps: the case of natural gas futures

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We investigate the impact of news sentiment on the price dynamics of natural gas futures. We propose a Local News Sentiment Level model, based on the Local Level model of Durbin and Koopman (Time Series Analysis by State Space Methods, 2001), to construct a running series of news sentiment from irregularly observed news items’ sentiments. We construct several return and variation measures to proxy for the fine dynamics of the natural gas futures prices. We employ event studies, Granger causality tests and several state-of-the-art volatility models to assess the effect of news on the returns, price jumps and the volatility. We find significant relationships between news sentiment and the dynamic characteristics of natural gas futures prices. Our findings are, among others, that the arrival of news in non-trading periods causes overnight returns, that news sentiment is more negative and that news sentiment is more sensitive to negative than to positive jumps. In addition to that we find strong evidence that news sentiment severely Granger causes price jumps and conclude that market participants trade futures as some function of aggregated news. We augment volatility models with news sentiment variables and conduct an out-of-sample volatility forecasting study. The first class of models is the generalized autoregressive conditional heteroskedasticity models, the second class is the high frequency-based volatility models of Shephard and Shephard [J. Appl. Econ., 2010, 25(6), 907–933]. We adapt both models to account for asymmetric volatility, leverage and time to maturity effects. By augmenting all models with news sentiment variables, we find that including news sentiment in volatility models significantly improves volatility forecasts.

Keywords: News sentiment; Natural gas futures; State space modelling; Kalman filter; Realized variance; Bipower variation; Event study; Granger causality; GARCH; HEAVY; Volatility forecasting

References


Peer-reviewed journal databases: Web of Science, Scopus, Elsevier/Science Direct

Journal database/archive: More focused on how they approach the topic
Literature Searching Cycle

- Boolean operators
- Truncation and Wildcards
- Other search strategies
- Evaluate results
- Rethink keywords and terms searched
- Identify other databases to search
- Create alerts
- Library catalogue
- Journal databases
- Google Scholar
- Keyword
- Synonyms
- Different spelling

Identify main concepts

Select databases to search

Search resources

Review and refine results
**Boolean Operators**

*Boolean* search terms or operators can greatly help to refine your search.

<table>
<thead>
<tr>
<th>AND</th>
<th>OR</th>
<th>NOT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Each result contains all search terms.</td>
<td>Each result contains at least one search term.</td>
<td>Results do not contain the specified terms.</td>
</tr>
</tbody>
</table>

The search “finance” and “sentiment” finds items that contain *both* finance and sentiment.

The search “finance” or “sentiment” finds items that contain *either* finance or items that contain sentiment.

The search “finance” not “sentiment” finds items that contain finance but do not contain sentiment.
### Truncation and Wildcards Symbols

**Truncation**
symbols are used to replace the ending of a word to find all forms of that word.

**Wildcard symbols**
will help to find variations of a word.

**Common symbols**
? ! # *

<table>
<thead>
<tr>
<th>Truncation</th>
<th>Wildcards</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expands the search to locate all words beginning with the same root</td>
<td>Used in the middle of a word to match usually known variants of a term</td>
</tr>
<tr>
<td>The symbol stands in the place of any number of characters to the right</td>
<td>Substitutes a symbol in place of one letter in a word</td>
</tr>
</tbody>
</table>

**Example:**

- **root word** “finance”
  - `Financ*` = finance, financial, financing…

- **Example:**
  - `Lab?or` = Labor, Labour
  - `Wom?n` = Women, Woman
Symbols are database specific.

Note: it is advisable to refer to the search guidelines specific to the database being utilised.
Research Process

1. Define the research problem, aim and objectives
2. Literature Review
3. Formulate the research questions
4. Develop the research conceptual model
5. Identify the research methodology
6. Data collection
7. Data analysis and model testing
8. Findings discussion
9. Research recommendations, implications and conclusion
Thank you!