

Summary

Information as an Economic Commodity

Arrow K.J.

The role of information as a commodity in economic system is studied. It is shown that the information can influence the economic models consequences as well as the behavior of economic agents. The role of information on the markets is studied, in particular, the influence of information on the crises. The problems of information acquisition are considered and mechanisms of economic decision making under asymmetry of information are discussed.

Key words: information; markets; equilibrium; prices; rationality.

Long-term Global and Russian Energy Outlook

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Russia is the largest exporter of energy resources and is dependent critically from the situation in the global energy market – the sale of energy resources provides Russia with up to 15% of GDP, around 30% of its consolidated budget, and nearly two thirds of the country's export earnings. Due to such high dependence from these factors, the matter of Russia's national security becomes the establishment of an integrated system of monitoring and forecasting trends in the global energy market, as well as the analysis of the role of national energy companies, which would provide the estimates of potential effects and risks that these companies and the country's economy might have or come across.

Global and Russian Energy Outlook until 2035 is a joint project of the Energy Research Institute of the Russian Academy of Sciences (ERI RAS) and the Russian Energy Agency (REA), which was made on their own initiative.

The novelty of the Outlook is that the forecasts for Russia's economic and energy development (the key task of the study) are composed in conjunction with the elaboration of the global forecasts. As for the global energy sector, the task expands to the evaluation of the world fuel markets in accordance with their product structure (oil, basic oil products, pipeline and liquefied natural gas, steam coal) in their territorial evolution.

The following non-trivial results based on the quantitative forecasts have been obtained:

- In the nearest years, the North America will shift to self-production of natural gas and follow suit with oil production, which would possibly entail its own oil price formation independent from the world fuel markets.

- Development of the global gas market based on the advanced growth of LNG trade, the development of the Eurasian pipeline network and the dominance of the «gas-gas» competition in the European market.

- By the end of the forecasting period for the first time during the contemporary history the main part of incremental global primary energy demand will be covered by non-organic energy resources.

For Russia there are high risks of deteriorating gas and partially oil export conditions with possible stagnation of the export revenues and, by 2035, a threefold reduction in the share of the energy sector in the GDP. As a result energy might lose the role of the Russian economic growth engine and efficient geopolitical mechanism.

Key words: long-term forecast; energy; energy markets; oil; gas; import; international trade; fuel and energy complex.

Dividend Investing Strategies in the Russian Stock Market: «Dogs of the Dow» and Portfolios Filtered by Fundamental Factors

Galperin M.A., Teplova T.V.

The article describes the basic principles of investment strategies on behavior anomalies of stocks with stable dividend payments and relatively low stock price. It displayed the theoretical developments of strategies of «Dow Dogs» to «value stocks», as well as the results of their empirical testing on various capital markets. We presented an overview of dividend payments carried by Russian issuers of common and preferred shares that are traded on the RTS and MICEX, and the results of hypotheses testing about the investment attractiveness of strategies for constructing portfolios based on stocks with a systematic payment of cash dividends in the Russian market. It systematized the results of investment strategies for dividend shares on foreign markets (strategies of investment funds, as well as empirical studies of the attractiveness of the strategy of «Dow Dogs») and by this it tested well-known strategies of constructing of portfolio by maximum dividend yield (top 10 and top 5), and also a proposed original strategy for the shares selection by the growth rate of dividends and the filter of profits. It showed that a portfolio constructed by dividend yield or by dividend growth rate in the Russian market can beat the market (stock index) by Sharpe and Sortino indexes, VaR measure, but it does not show statistically significant results of the parametric test (alpha coefficients). The introduction of the filter of the net profit growth rate significantly improves the performance of model portfolios, taking into account the criterion of «risk – total net return – investment horizon».

Key words: investment strategies based on stock market anomalies; dividend-paying stocks; «Dogs of the Dow» and «value stocks» strategies; selection filters for stocks.

The Comparative Advantages of Two Price Discrimination Schemes for Two Types of Consumers with Non-ordered Demands

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A monopolist can price-discriminate between two consumer groups with linear demands that can cross (violate the Spence-Mirrlees condition). We derive complete parametric taxonomy of the outcomes. Switching from simple uniform pricing to two-part tariff or package pricing «generally» decreases the monopolistic deadweight loss. Switching from two-part tariff to packages also «generally» decreases the loss. However, we specify a small parameters' region where both these conclusions fail. Additionally, we find parameters yielding discrimination benefits to «big» or to «small» consumers. Thereby, we show the demand-specific and pricing-scheme specific reasons for/against public restrictions on price discrimination.

Key words: price discrimination; screening; Spence-Mirrlees condition; two-part tariff.

Conflicts of Interest in the US Self-regulatory Organizations and Financial Market Inefficiency

Ilyin E.V.

The problem of conflicts between the financial industry professionals' business interests and the SROs' regulatory activities is studied in this paper. With the help of the elaborated methods the intensity of the US SROs conflicts of interest is revealed since 1991 till 2010 on the basis of the industry professionals' individual preferences with regard to financial market efficiency. We determined that the professionals gained the maximal accumulated portfolio value provided systematic deviation of the market from normality (efficiency). The professionals' goals of utility maximization did not match the SROs' goals of the due market regulation in accordance with the regulator and international organizations requirements. These methods and results could be used in decision making about the allocation of financial market regulatory powers between regulator and SRO.

Key words: self-regulation; market efficiency; conflicts of interest; industry professionals' preferences.