

EDITORIAL

Financial Innovation: A Permanent Agenda in Finance

The Journal of Financial Innovation (JoFI), which is totally independent and completely free to anyone who is interested in reading it, has been establishing itself as one of the first periodicals dedicated to financial innovation, a subject that has been growing in importance in various spheres of interest, from academia to industry, including policy makers. Economic stability and growth are closely linked to financial innovation in its various formats, i.e. products, processes and financial institutions.

At the end of the 1980s the financial market in the United States and its institutions were facing changes that were seen as revolutionary at the time. In other words, at that particular moment in time we witnessed the rise of financial instruments and institutions that did not even exist at the end of the 1970s. As Mishkin (1990) points out, there is still an interest in understanding better the dynamic of the changes in financial systems and the proliferation of financial products. In this regard, the forces behind financial innovation are increasing in relevance. These include the conditions required for changes in the market, advances in technology, market (de)regulation, different types of crisis that are relevant to the market, new challenges facing banks, and other such matters.

While this agenda has been transformed in recent years, it has never failed to consider what was already being pointed to as relevant at the end of the 1980s. An example of this movement is the growing interest in new financial products that will help solve emerging problems, like climate change and the ever-accelerating aging of the population (Callaghan, 2015; Linnenluecke, Chen, Ling, Smith, & Zhu, 2016). The explicit and growing speed of the spread of new technologies has also hastened the emergence of innovation in the field of finance. Topics like the Internet of Things, Semantic Computing and Big Data Finance are motivating the reconstruction of financial tools that translate into new financial mechanisms that are in their maturing phase, like Equity Crowdfunding.

This issue of the Journal of Financial Innovation contains four hitherto unpublished articles, an Executive Insight and a book review. The first article, which comes from Greece, was written by Rompotis (2015), who analyzes

Exchange Traded Funds (ETFs) in the United Kingdom. The second new article, written by Costa & Cazassa (2015), deals with the dynamic of corporate real estate prices in Brazil's main financial center. The third article, by Felipe (2015), discusses value creation and crowdfunding in Brazil, while the fourth article, which was written by Bergmann, Oliveira, & Machado (2015), comprises an event study based on air accidents that have occurred around the world and their impact on the value of airlines. Ridolfo Neto & Russo (2015) collaborated and have submitted an Executive Insight that deals with the use of real options for capital budgeting in the oil industry. This edition ends with a book review from the UK talking about the banking system.

We have to register the special thanks of the Journal of Financial Innovation's editorial board to all those who collaborated with this journal, especially the authors and reviewers. We hope the readers of our Journal of Financial Innovation appreciate the work here presented and we would like to receive more and more works of good quality for publication. Finally, we must emphasize that we welcome sponsors, provided they are well-aware of our commitment to the generation and spread of knowledge. Enjoy your reading everybody!

Wesley Mendes-Da-Silva

Editor in Chief

Getulio Vargas Foundation Business School at São Paulo

Email: wesley.mendes@fgv.br

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