

PREFACE	5
CHAPTER 1. ORTHODOXY IN MODERN FINANCE	12
1.1 Modern Finance Backbone	12
1.2 Rationality, Efficiency and Social Behaviour	17
1.3 Efficient Markets, Information and Biases	20
1.4 Financial Analyst's portrait	28
1.5 Conclusions	32
CHAPTER 2. ANALYSTS' RELUCTANCE IN CONVEYING BAD NEWS	37
2.1 Basics	38
2.2 Conflicts of interests or Behavioral Issues?	39
2.2.1 Conflict of interests	39
2.3 Texts' Analysis	42
2.4 Behavioral issues	47
CHAPTER 3. ANALYSTS' RECOMMENDATIONS: INVESTMENT VALUE, MARKET REACTION AND CONFLICTS OF INTEREST	61
3.1 Introduction	61
3.2 Survey of the literature	63
3.2.1 The market following changes in analysts' recommendations	63
3.2.2 The value of Analysts' Research	67
3.3 Rating systems	69
3.3 Methodologies	70
3.4.1 Event study methodology	70
3.4.2 Portfolios Construction Methodology	70
3.5 Empirical Evidences on Analysts in Italy	73
3.5.1 Analysts and Market Efficiency in Italy	73
3.5.2 Value of Analysts' Recommendations in Italy	80
3.6 Analysts' potential conflicts of interest	84
3.7 Conclusions	88
CHAPTER 4. ANALYSTS' RELUCTANCE IN CONVEYING BAD NEWS	94
4.1 Introduction	94
4.2 Literature review	96
4.3 Methodology and sample description	98
4.4 The three IPO anomalies in the Tiscali case	99
4.5 Empirical evidences	101
4.5.1 Content analysis of the research reports	101
4.7 Event study analysis	106
4.8 Facebook and the others	107
4.9 Conclusion	109