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It is a common theme that the stock market processes information faster and, hence, ahead of the bond market. In this issue of *The Journal of Fixed Income*, we begin with an article by Hai Lin, Junbo Wang, and Chunchi Wu. They provide evidence that strongly suggests that liquidity risk is an important determinant of momentum spillover return, more so for high-yield than investment-grade bonds. A significant portion of the momentum spillover return represents investor compensation for bearing this risk.

In the next article, Robert Goldberg and Ehud Ronn demonstrate that the premium paid by corporate bond issuers is related to the level of the corporate bond spread, future volatility of swap spreads, unsystematic risk, its spread to the Treasury market, and maturity of the issue.

The recent financial crisis has regulator's concerned about the effectiveness of capital requirements for risk taking by banking entities. Enrique Batiz-Zuk, George Christodoulakis, and Ser-Huang Poon show that the non-Gaussian modeling of the common factor of the underlying asset return process provides a better characterization of data than its Gaussian counterpart. This result has a significant impact on Basel capital requirements.

Exchange-traded notes (ETNs) are designed as unsecured debt subject to the issuer's default risk. In the next article, Balazs Cserna, Ariel Levy, and Zvi Wiener derive firm-specific credit risk measures using real market data to construct model-implied risk-adjusted ETN prices. When based on real market ETN quotes, however, the authors find little evidence for credit risk pricing by market participants.

Finally, Douglas Cumming and Grant Fleming document the types of private debt investments made by fund managers. Returns to private debt investments depend on lender portfolio size and borrower risk characteristics. Furthermore, market and legal conditions are significantly related to private debt investment volumes and location.

We hope you enjoy this issue of *The Journal of Fixed Income*. Your continued support of JFI is greatly appreciated.

Stanley J. Kon
Editor