

JOURNAL OF TRADING

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To open our Spring issue we have Kissell and Tannenbaum's review of the last trading year. They highlight many of the major market events and discusses the effects on transaction costs. They then present a cost index which can be used as a means to gauge the changing trading environment and microstructure conditions. The recent market turbulence caused fast acting regulatory intervention which resulted in global restrictions on the short-sale of securities. Flatley identifies trends and changes in market microstructure in the time period immediately preceding and during the ban. Gurliacci, Jeria and Sofianos examine how the market turmoil of late 2008 affected trading costs in general and algorithmic trading performance.

In Fall 1988 *The Journal of Portfolio Management* published an article by Robert Schwartz entitled "A Proposal to Stabilize Stock Prices." The article has tremendous relevance in the current markets so we are reprinting it with an introduction from Schwartz.

Brown, Crocker, and Vaiciunas examine the idea that maximizing the return on investment in trading technology and process requires that a company invests similar amounts in the 'soft' aspect of their firm, their culture. Next, Burzynski discusses the increased popularity of cross-asset trading and how firms can create an infrastructure capable of handling trading across different asset classes. Foley examines the impact changes in benchmark composition can have on tracking error and options for calculating optimal single-stock strategies for transitioning stocks into and out of a portfolio.

Next, Dash, and Liu analyze the effect of additions to the S&P 500 on publicly-traded options of the added company. Then we have Benrud's model where trading platforms compete with the fee charged for trading and the price accuracy of trades. We conclude the issue with Sparrow's discussion of traders' decisions to trade block trades versus spreading orders over the day during times of high volatility.

As always, we welcome your submissions. Please encourage those you know who have good papers or have made good presentations on trading related subjects to submit them to us. Submission guidelines are included in this issue. We value your comments and suggestions so please email us at journals@investmentresearch.org.

Brian Bruce
Editor-in-Chief

Publisher's Note:

Institutional Investor, the Publisher of The Journal of Trading, wants to extend a special thanks to Goldman Sachs for its continued support of The Journal of Trading. Institutional Investor is also very pleased to welcome UBS as a Sponsor to The Journal of Trading. Please note that neither Goldman Sachs nor UBS have influence on the editorial content found in The Journal of Trading. Representatives from any firm are encouraged to submit an article to our independent Editor, Brian R. Bruce, for review and prospective acceptance into the publication. All editorial submissions, acceptance, and revisions are the sole decision of Mr. Bruce. The editorial submission guidelines are found on the last page of the publication. Thank you, and I hope you enjoy this and future issues of The Journal of Trading.

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