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**Global Financial Markets**

**Stock Markets and Currency Unions**

**American, Asian-Pacific, and European and Currency Union Convergence and Capital Market Integration**

***With Review of Foreign Corporate Involvement in the Americas***

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Kevin Sleem is an accountant with Sleem Financial Services. He started his PhD studies at the University of North Florida, and then transferred to Florida Atlantic University, where he left after 1 year after completing his dissertation to pursue business. Recently, Mr. Sleem has taken engineering classes and electrician classes at Fayetteville Technical Community College, where he took classes such as Chinese and Russian. Mr. Sleem enjoys learning new languages, and wants to work at a power plant next and shovel coal into the furnace. Universal healthcare in the United States is something that we should work towards. His datasets for Global Financial Markets, Stock Markets and Currency Unions, are presented on his website, [www.sarlington.com](http://www.sarlington.com), under Foreign Stock Markets.

**Publication overview**

***Scope, originality and likely impact***

This manuscript is about global financial markets, and particularly stock exchanges and currency unions. Searches were undertaken for foreign firms listed on international stock exchanges since inception, which is an important topic for society because the home market needs to be careful letting a foreign entity have access to their capital. However, for an international stock exchange, like New York or Hong Kong, there may be benefits to letting foreign firms with little presence list on the debt or equity markets, as this could cement that exchange’s status as an international capital market. The gap this manuscript intends to fill in the existing literature is that there are not many general reader books on global financial markets. Most of the books on this subject are academic textbooks, in the area of international finance, and thus this book will offer an opportunity to be a book with both general reader chapters with the theory and academic focused chapters with the experiment. One of the aims of this book is to create a Government Listing Guide which helps governments around the world better understand which foreign governments are listed on their home stock exchanges, listed in Appendix I. Both foreign governments and foreign corporations have increased their international listings since cross-listing began in earnest in the 1990s.

Global financial markets, stock exchanges and currency unions, is a topic that appeals to both the general public and academics. This is a mundane topic that is easy to understand, and important for all people to have a basic understanding of. The stock market is a tangible entity that people follow everyday on the news, and many people in the general public even trade stocks themselves through companies on the internet. Having a better understanding of today’s financial markets and the government’s role in the financial markets will help the individual investor to understand the intricacies of the stock market better, and make better investing decisions. The government can also benefit from reading this manuscript, by giving the government more knowledge about foreign firms operating on their stock markets, and the composition of firms on their stock market. Currency unions is another important topic touched on in this manuscript, with unit-root causality tests run on the economic specific characteristics of the American economies to analyse monetary union possibilities. Currently, the Euro is the primary currency union on the planet, although Canada and the U.S. could possibly benefit from a North American currency union, with Mexico and Brazil also offering similar economy characteristics that could eventually one day lead to an American Currency Union. Both time series and cross-sectional analyses are performed on the stock market and economy characteristics of the countries in the three primary regions.

As for the impact I hope this book will have on policy, practice, and thinking, is that primarily I want citizens and governments to rethink which foreign entities they are listing on their stock exchanges. I also flesh out the general process and theory of modern cross-listing on stock exchanges, with chapters on Today’s Financial Markets, The Transition to Intereconomy Trade, and The Government’s Role in the Financial Markets. I hope that individuals will gain a better understanding of the processes which lead to cross-listing, such as the emergence of the computerised trading system, and use this knowledge to form their foreign policy on stock exchanges. What is novel about these impacts is that people don’t inherently think about foreign firms cross-listing. Bankers primarily think about listing fees, and may not have the interest of the country as a whole at heart when they allow a foreign firm to have access to the capital markets. I see the longevity of this book to arise in part because this is an experiment and data which can be conducted and extracted from data that the World Federation of Exchanges maintains. This could be a permanent database if stock exchanges are willing to self report data on foreign entities to the World Federation of Exchanges.

**Summary**

This manuscript is an experiment on foreign firms and foreign governments cross-listed on international stock exchanges. The book begins with a discussion of Today’s Financial Markets, including sections on Regulation and Supervision, Welfare Benefits, and Contagion Issues. We need strong regulation and supervision to manage foreign currency exchanges and tax payments in the international economy, and we also need to understand the specific welfare benefits, such as growth and mobility, and contagion issues, such as identifying the centre of the episode. In the Transition to Intereconomy Trade I discuss the impact of computers, and how economies evolve from barter to fiat currency to electronic processing. As for the Government’s Role in the Financial Markets, there needs to be a balance between regulation, intervention, and personal needs. Then region specific experiments are performed on the three primary world regions: Americas, Asia-Pacific, and Europe-Africa.

**Unique selling points**

List three main selling points of the work that highlight, for example, what is unique about the project, the arguments it makes or the research it draws on.

1. Adds to the academic literature by expanding on a previous study, Regulation and Bonding: The Sarbanes-Oxley Act and the Flow of International Listings, By: Suraj Srinivasan and Joseph Piotroski. My experiment adds the world regions, and also examines foreign corporate involvement in the Americas. In their paper, which my experiment expanded on, so it is publishable, just so far only to SSRN, they analyzed foreign listings on the LSE and NYSE.
2. In doing this research, I saw how many Chinese firms are listed on the NYSE and Nasdaq. And many of these companies have a moderate preference in America, although I am sure that they do perform some business in the U.S. A fair question for the NYSE and Nasdaq, is whether to deny firms listing if they do not have a physical presence in America, or whether New York wants instead to be seen as the global financial capital, and offer global listings to companies without a strong presence in America.
3. In North America, many Fortune 500 companies are listed on the Mexican Stock Exchange, but Canada has fewer and cross-lists many mining and energy companies in Toronto and New York. In the Caribbean, the Cayman Isles caters primarily to debt offerings, while Bermuda caters primarily to equity offerings. There is a large reinsurance corporation presence in the Cayman Isles and Bermuda.

**Keywords**

-global and integrated financial markets, stock exchanges, currency unions, foreign firms cross-listed, foreign governments cross-listed

**Research context and background information**

This book began as a doctoral thesis at UNF and FAU. I left FAU to pursue business, as debt was piling up, and had the Americas section critiqued by the Review of Finance while I was in Myrtle Beach. The Review of Finance provided helpful advice. Since I was not submitting for a doctoral thesis, I left the manuscript in 2010, and returned to it after Fall Semester 2024, after completing classes at FTCC. I am motivated to publish this book now because I now have 5 books in my pipeline that I want to publish in the next 10 years, on topics such as monetary policy, health insurance, capacity markets, salt batteries and silicon-perovskite tandem photovoltaic cells, and free speech and graduate student unions on college campuses. It is based on a paper I found on the Sarbanes Oxley Act while researching at FAU. The primary research was carried out from 2008 to 2010, in Boca Raton and Myrtle Beach. I used Linux to run Stata for the regressions. What has inspired me about this topic is I wanted to gain more research skills and experience before possibly moving to an accounting job in the Cayman Isles, a jurisdiction near to the U.S. east coast. I liked it because it was a massive data collection, and I have learned that in writing a thesis, or book, it is beneficial to conduct a massive experiment which can carry the theoretical underpinnings of the book. I think this is an interesting topic, foreign cross-listings, which has appeal to both the general public and for government policy. The impetus to write it came from my first semester at FAU, where we had to prepare a dissertation proposal for finals, and I presented, and received positive feedback. I want to publish a book because book publishing is easier for me than journal publishing. I submitted 4 papers from this book to academic journals, but had no luck. I see now that I needed to rewrite some of the book, and I think that it is now readable. I want to publish with a university press as opposed to self publishing on my website.

**Market**

The intended market for my book is both general public and academic. The book is structured so the introduction and first three chapters are written based on theory, and then the final three chapters on the three world regions encompass the experiments, which is better suited for academics. However, even in the experiments, many of the tables are easy to read for the layperson, and simply list foreign firms and foreign governments on international stock markets, something the general public can also appreciate. Secondary markets include government, such as the SEC, Securities Exchange Commission in the U.S. This book can be used by government officials to make policy decisions on cross-listing of foreign firms.

The international market for my book should be robust. I have written chapters on the three world regions, including on foreign companies listed on their stock exchanges. Any country with a stock market can benefit from reading my book.

As for networks, I am applying for electrical engineering PhD programmes in America over the next 10 years. I have finished prerequisites at FTCC, and hope to complete online electrical engineering classed with NDSU over the next 5 years in Fayetteville. Then I will apply to NC State and UNLV for graduate classes. I hope to publish 5 books in the next 10 years. I also hope to present my book at an academic conference, such as the ASSA Economic Conference.

**Competing titles**

1. ***Handbook of Key Global Financial Markets, Institutions, and Infrastructure, Gerard Caprio, 2012, Elsevier.*** This book details the history of financial markets from Roman times and describes the global architecture. My book conversely discusses financial markets primarily in the 21st century, with an emphasis on the government’s role in the financial markets. I give a detailed explanation of the transition to intereconomy trade, which is part of the evolution of financial markets. My book focuses chapters on the three regions.
2. ***Global Financial Markets, Ian Giddy, 1994, Houghton Mifflin.*** Giddy describes his book as a guide to the workings of the world's currency, money and capital, commodities and derivatives markets. I focus on stock exchanges and currency unions. This text explores foreign exchange options theory and trading, equity markets, commodity markets, swap financing techniques, and financial innovations in international corporate financing such as hybrid Eurobonds. Its hands-on approach features end-of-chapter conceptual questions and extended applications with data drawn from real corporate and banking situations.
3. ***How the Global Financial Markets Really Work, Alexander Davidson, 2009, Kogan Page.*** This book examines contagion issues and welfare benefits of integrated trade, as do I, though he uses the 2008 subprime mortgage crisis in the U.S. as an example. He also covers international markets, though from a developed and emerging point of view, whereas I use a regional perspective.

**Choice of publisher**

I am submitting this manuscript to one publisher at a time. The first journal I submitted to was the Review of Finance, a European journal. This manuscript is spelled with British English. This would not be an instance of publishing a dissertation, because I never submitted the final copy to FAU. I originally submitted in 2010 when I was homeless, and there were mistakes, which I have since corrected. I think the book is readable now. The Americas chapter was critiqued by the Review of Finance, and they made many helpful suggestions, and the rest of the chapters were submitted to journals, but not accepted.

**Manuscript information**

***Word count, illustrations, additional features***

This manuscript is 100,000 words, with 100 tables, all of which were produced by the author.

**Copyright and third-party material**

This would be the first publication of any material in the book.

**Schedule**

The book is complete.

**Referees**

1. Jeff Madura, FAU PhD Advisor
2. Richard Hudson, Fayetteville Congressman
3. Palm Beach Prosecutor, said he read my paper and it was good

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**American, Asian-Pacific, and European and Currency Union Convergence and Capital Market Integration**

***With Review of Foreign Corporate Involvement in the Americas***

by Kevin Sleem

*submitted in accordance with the requirements for the degree of Doctor of Philosophy*

*in the subject of Economics*

*for: International Financial Markets and Currency Unions*

Date Submitted: April, 2010

**Table of Contents**

1. **Introduction**

In the introduction, I discuss the impetus for the book and results.

1. **Financial Market Theory in the 21st Century**
2. *Today's Financial Markets*

Financial markets naturally evolve toward becoming increasingly integrated globally. Global financial markets naturally evolve towards regulation, welfare benefits, and contagion. The essential purpose of the global economy is to make goods cheaper. As for efficiency, the argument goes that the more money that crosses borders, the more efficient allocation of resources there is. Today’s financial markets see a mix of capitalism and communism.

1. *Evolution of Financial Markets*

We must define the being of and indicators of integrated financial markets. Financial markets have evolved from physical commodity markets and exchange fairs, to the computerised system that we use today to settle payments. For developing countries, an integrated financial market integration should accelerate the development of burgeoning financial markets, and allow companies and governments from developing nations to access credit and security markets in more stable countries. Indicators include: (1) general information technology advances (2) more efficient clearing and settlement processes (3) interest rate convergence (4) extent of home bias (5) the use of a common currency.

1. *Regulation and Supervision*

There must be streamlined regulation and supervision of global financial markets to ensure fair play for all participants. Offshore financial centres have an integral role to play here in regulation and supervision, as they can implement tax policies resulting in reduced taxes for the company engaging in intereconomy trade. The FOREX market for currency exchange is an important element of the international economy.

1. *Welfare Benefits*

Some of the general welfare benefits of international trade include: economy-wide growth, improved economic and legal policies, innovations, lower transaction costs, increased goods’ mobility, risk diversification, higher savings and investment rates, and financial equality in interest rates and prices. Individual investors and corporations also see benefits from international trade through lower corporate financing rates, and higher company stock returns and profits.

1. *Contagion Issues*

The contagion life cycle consists of the beginning trade-off decision, personal preferences, and ending macro and micro results. To diagnose contagion, you must first identify the centre of the episode, and then gauge the diversity and depth of the system. Treatment for contagion consists of effective regulation and supervision, and massive intervention.

1. **Transition to InterEconomy Trade**

Economies evolve from barter economies to fiat currency and computerised systems. Computers have revolutionised the world economy, and allow transactions to be processed in real time. We now have mechanisms for converting currency online, as well as computerised balance of payments mechanisms for countries and governments to settle capital accounts with their trading partners.

1. **Government's Role in the Financial Markets**

Due to the sometimes inherent instability of global financial markets, economic decision making oftentimes needs consistent and persistent change to keep with the pace of change. Interest rate caps and a profit allocation scheme, two instruments we already see in place today, could become more important, or at least better utilised, as our financial markets continue to grow. Two main issues emerge when the role of a government in the financial markets is discussed: (1) How much regulation and then intervention, or total oversight, does the government need to perform to ensure efficient operations of the economy at large? (2) How involved should the government itself be in utilising the financial markets to maintain their business operations?

1. **Americas**

The results show that the assumptions most would commonly have about American exchanges and their companies are correct, although there are minor discrepancies between regression samples. For example, larger companies prefer USA exchanges and energy companies prefer Canadian exchanges, and there has been a decrease of foreign companies listing on USA exchanges since the passage of the Sarbanes-Oxley Act in 2002. The economies of the USA, Canada, and Mexico are highly integrated with each other, and Brazil shows similarities as well. As for finance markets, there is less integration, though the NYSE, Nasdaq, TSX, and BOVESPA show the most similarities. There are several questions, however. Brazil is the largest stock exchange and economy south of Mexico in the western hemisphere. That said, they have only nine total foreign companies listed from all regions of the world; which is rather surprising considering the large amount of foreign enterprises that conduct business in Brazil. Canada, similarly, has 0 fortune 500 USA companies listed. The question then arises ‘Why would this be?’ This is a rather ambiguous question, because only the Brazilian or Canadian exchanges could answer this question truthfully, however, there is a reasonable hypothesis that can be suggested. That is, that the unrestrained influx of private companies onto the home exchange is not helpful to the home country. Some persons in the home country prosper, such as the investment banks who procure the transaction, though the overall welfare of the home country is decidedly hurt, and thus Brazil and Canada may be protecting their economies better than others.

1. **Asia-Pacific**

After reviewing the results and developing an understanding of the characteristics of the Asian-Pacific markets today, it seems that while these countries may act distant in a political sense from each other, they are actually all quite integrated with each other. The political issues, of course, usually take precedence over everything else, though it definitely seems as if these countries have a lot of similarities and thus integration prospects. The Asian-Pacific markets are integrated with the American markets, though whether this is affecting their prospects for continued growth at home is difficult to say. As far as union possibilities in the Asia-Pacific region, Japan would be the first economy to consider, as they are the second largest in the world. Japan, however, has traditionally maintained relatively closed doors, much like the rest of the Asia-Pacific region. As such, currency union convergence and stock market integration may be more likely to occur in the Oceania region, likely something between Australia and New Zealand, if something were to merge. As for the Asian countries, although China and India have long maintained close doors themselves, perhaps these two countries, as their population begins to catch up with their economic progress, may take the lead in pushing some sort of currency unions and merged stock markets.

1. **Europe**

Nasdaq has branched out into several markets in Europe and the Middle East. They currently regulate the Nasdaq OMX, Nasdaq Baltic, and Nasdaq Dubai. This is a great example, as is the NYSE EuroNext, of integration of stock exchanges. There is also a Nasdaq OMX First North which is the growth exchange for the Nasdaq OMX, which serves Denmark, Finland, Sweden, and Iceland. Norway still maintains their own stock exchange, the Oslo Bors. The Nordic exchange has 26 foreign countries, all of which are from Norway. This is a conglomeration between Denmark, Sweden, Finland, and Iceland. However, only Finland uses the Euro for currency from this group. Denmark, Iceland, Sweden, and Norway all use a form of the Krone for their currencies. As such, there is clearly a trend emerging here, with possibilities for Norway to merge their Oslo Bors with the Nordic exchange, as well as for the countries to adopt a common Krone, or to adopt the Euro. A similar trend has developed in Western Europe, though the countries first adopted a common currency, then some banded together stock exchanges, opposite to the Nordic countries not adopting a common currency, yet banding together their stock exchanges. In terms of the NYSE EuroNext, which is comprised of France, Belgium, the Netherlands, and Portugal, the primary benefit is most likely name recognition and security for foreign issuers, as they see the established American names and they feel better about the capital access they will receive from the EuroNext and Nordic exchanges. It is also very likely that the resources of the NYSE and Nasdaq helped to speed up an integration process between these countries. This is also seen in the Nasdaq's work in the Balkans, through the Nasdaq Balkan exchange. An issue that might arise as to how the EuroNext and Nordic exchanges would fit into a merger of sorts between the NYSE and Nasdaq. Would there be business issues that render their relationships with the American exchanges null, and what help are they really providing to the European exchanges anyways. Most likely, the European branches would continue, though affiliated through a corporate name rather than via a city name, just as Paris and Brussels still have their own exchanges within the EuroNext system.

1. **Appendices**
2. **References**
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**I. Introduction**

This doctoral thesis developed in several stages. The author began by reviewing papers discussing both monetary economics and the impact of the Sarbanes-Oxley Act on corporations utilising the financial markets. Due to the University of North Florida not having a research programme in economics, the author then continued his studies with the financial support of Florida Atlantic University. In addition to thanking his parents, the author would also like to thank the universities which provided much appreciated technical guidance on the structure of the academic community. The academic journal *Review of Finance* performed the technical review of the dissertation. The author would again like to thank everyone who helped him complete this PhD in the subject of: *International Financial Markets and Currency Unions.* The official copies are archived with *Sleem Financial Services*.

Sarbanes-Oxley appealed to the author because of his interests in both accounting and stock markets, and monetary economics because of its importance as a foundation subject. The author then read an interesting paper, "Regulation and Bonding: The Sarbanes-Oxley Act and the Flow of International Listings," by Joseph Piotroski and Suraj Srinivasan, which provided the impetus for this thesis. In their paper, the behaviour of cross-listed corporations onto U.S. and U.K. exchanges is analysed in regard to the effect of the Sarbanes-Oxley Act. This meant that the foreign corporations listing onto U.S. and U.K. exchanges before and after SOX were collected and examined for analysis. As such, this author then hypothesised that a thorough analysis of the same type focusing on just the American markets could be a legitimate contribution to the economics literature.

A thorough and intense data collection then ensued of the same foreign corporations listed on the NYSE and Nasdaq as those used in Piotroski and Srinivasan's study. Next, the data collection was extended to the other American markets, namely: Bermuda, Brazil, Canada, and Mexico. The current listings were easy to obtain directly from the stock exchange websites, though for the delisted foreign corporations the SEC website proved helpful, as did proprietary data obtained from the Toronto and Bermuda Stock Exchanges. Delisted foreign corporations from the Mexican or Brazilian Stock Exchanges were not able to be obtained, though there have been only three total foreign delistings from the Brazilian Stock Exchange, and 57 from the Mexican Stock Exchange. This includes all foreign corporations from inception on these markets, though there perhaps may be a few prior to 1990 that were not obtained. Nevertheless, as discussed in the proceeding chapters, analysis of the data suggests that cross-listing activity did not begin in earnest until the late 1980s, and so, this data set can be considered rather complete for an analysis of foreign corporations listing onto American exchanges since their inception, or since cross-listing began in earnest.

As discussed in the next chapters, two of the primary ways to analyse financial integration is through (i) cross sectional analysis of foreign influences and (ii) time series analysis of segment specific characteristics to identify unit roots and significant variables. The primary data collection satisfied the first issue, and the second issue then was addressed. In an effort to include a time series aspect to the analysis, the stock market specific data was collected for each stock exchange in order to identify trends. Then, it was determined that a more thorough analysis would include economy specific characteristics, which can be used to proxy for currency union possibilities. Thus, the dissertation now took on the character of a thorough analysis of *International Financial Markets and Currency Unions*.

After completing the Americas study, the analysis then turned to that of general financial market theory, and on that of the role of the Offshore Market and the Forex market in the international financial markets, in conjunction with analysis of general monetary economics. As the author continued to read and analyse the data, however, it was determined that complete analyses could also be obtained on that of the influence of European and Asian-Pacific corporations in the Americas. Thus, it was determined that an appropriate dissertation could be completed which combined analyses of the finance market and currency union integration prospects of the three primary world regions, in special regard to the effect of foreign corporate involvement in the Americas.

As the author was reviewing the international stock exchanges, several thoughts arose. One, was that analysis of foreign corporations operating on these exchanges could be productive. Two, was that analysis of the foreign governments on all the international stock exchanges could be productive. As such, both of these collections have an important caveat. That is, the government collections and the analysis of foreign corporations on the European and Asian-Pacific stock exchanges are only representative of the corporations currently listed at the time. Four important qualifications are relevant in regard to these two issues: (i) the government listings are typically for debt, which usually are listed longer, and thus the government activity is likely quite representative of a sustained pattern of activity (ii) the German stock exchange was simply difficult to understand, and there may be more foreign companies on the Frankfurt stock exchange than is reported herein, although, according to the data on the World Federation of Exchanges, the data herein should be quite close to accurate (iii) the Japanese exchange provides a copy of all foreign participants from inception, which made it quite easy to quickly identify foreign corporations on the Tokyo Stock Exchange, as well as to see a trend from one of the major international stock exchanges with regard to cross-listing behaviour over time (iv) the list of foreign corporations on the European and Asian-Pacific exchanges only represent currently listed firms, and the purpose is to offer guidance as to what the typical composition of foreign corporations on those exchanges may be (v) the Luxembourg, Swiss, German, and British markets together serve the vast majority of the entire world's government financing needs. As such, the final section to be determined was that of a theoretical for government in the financial markets.

***Outline***

This thesis is prepared to offer an analysis of the three primary world regions in primary regard to the concentration of foreign corporations cross-listed on American exchanges since their inception. Several theoretical chapters precede the three primary empirical and theoretical analyses of the major world regions, being: the Americas, Asia-Pacific, and Europe. There are two primary differences in the regional studies, (i) the discussion of the theoretical rationales that define the respective regions' distinguishing financial markets and economic characteristics, and (ii) the empirical methods utilised. The region specific theoretical constructs are distinct to each region, and are intended to specify the specific financial characteristics of the respective region which may contribute to the state of their currency union integration and capital market convergence. The relevance of foreign cross-listed corporations in the Americas to these region's currency union integration and capital market convergence is then empirically analysed, in conjunction with data regarding their economy and stock exchange specific characteristics.

**Section II.** Financial Market Theory in the 21st Century, offers a theoretical expose on issues and aspects of financial markets in the 21st century. The theoretical constructs presented in this section are incorporated as appropriate into the three regional studies. In today's markets, there are issues regarding regulation and supervision, welfare benefits, and contagion consequences from integrated financial markets.

**Section III.** Transition to InterEconomy Trade, suggests how the economy evolves to the point of integrated intereconomy trade. The impact of computers is also touched on in this section.

**Section IV.** Government's Role in the Financial Markets, discusses matters relating to the ideal role of the government in the financial markets. As such, interest rate caps and a profit allocation scheme are options which may help stabilise the financial markets. An empirical analysis on the foreign activity of the governments in the financial markets is also presented.

Each empirical study begins with an introduction discussing the outline and goals of the specific paper, which is followed with the offering of the theoretical assumptions relevant to that region's economic nature and reputation, which is the first major difference amongst the studies. Four theoretical sections are presented within the three regional studies which analyse (i) cross-listing rationale, (ii) stock market solitariness theory, (iii) currency union integration rationale, and (iv) capital market convergence theory. The hallmark of the Americas region is their reputation as the favoured corporate cross-listing market in the world, and so the theoretical assumptions of the cross-listing rationale are presented in the Americas section. The Asian-Pacific region is known for their traditionally closed-door economic policies, and as such the premises for stock market solitariness is explored in the Asia-Pacific segment. Europe has customarily advocated integration in their markets and cultures more so than other regions, and thus the theories of currency union integration and capital market convergence are examined in the Europe chapter. The Americas section also presents a short expose on the relationship between debt and equity in the finance markets.

After the different theoretical assumptions are presented which pertain to each region's financial markets, then a brief synopsis of the current state of each region's capital markets is offered. Next, the relevant hypothetical assumptions and empirical analyses for each region are presented, and then a concise summary and introspection for future possibilities is discussed with consideration of the political pressures which invariably dominate the economic integration processes. The second difference between the studies is the treatment of the variables used for the empirical analyses. The Americas region has more variables for both the cross-sectional and time series tests, with 28 for the cross-sectional and 42 for the time series, with the economy-specific and stock exchange-specific portions each having 21 indicators. For the Asia-Pacific and Europe regions, nine of the region-specific variables are dropped from the cross-sectional analysis for a total of 19, and five variables are dropped from the economy-specific time series analysis, bringing the total time series factors for these two regions to 37.

Detailed analyses of the descriptive statistics and of the ARCH results included in the appendices was not performed for all regions, though was so for the Americas. This is for three reasons: (i) due to the amount of data used, extensive analysis of each individual data term might cloud the primary results and intent of the study; (ii) there is little original contribution to be obtained from these results; (iii) for the purposes of this study, intent analysis of the descriptive statistics and ARCH results would not be economical, as there is a generous amount of original data and results already presented; (iv) for example, there are many more countries analysed in the Europe and Asia-Pacific sections, which would make for an exhausting addition to the papers, which are already thorough enough as it is.

The American region is arguably one of the three primary regions in the world, the other two being Europe and Asia-Pacific. As such, the first part of the thesis focused completely on the American markets. As the analysis proceeded, it was identified that the vast majority of the foreign corporations listing onto the American markets could be separated into these three distinct groups as well, again being: Americas, Asia-Pacific, and Europe.

***The Regions***

**Section V.** The Americas region study provides a contribution to the analysis of foreign cross-listing behaviour in general, and on the state of the integration of the American region's capital markets and economies in specific; while also examining the market preferences of U.S. firms in the Americas and around the world in the context of their integration within the Americas; as well as analysing the role of the growth and integration of the Mexican stock exchange into the American financial markets in regard to the 2008 credit crisis and in general. A logistic regression model is developed which takes into consideration exchange, firm, geographic, and industrial regressors in order to determine whether firms prefer listing on the New York Stock Exchange as compared to the Toronto Stock Exchange. Logistic regressions are also run on foreign corporations operating in Bermuda, Mexico and Brazil. Unit-root causality tests are run on the economic specific characteristics of the American economies to analyse monetary union possibilities.

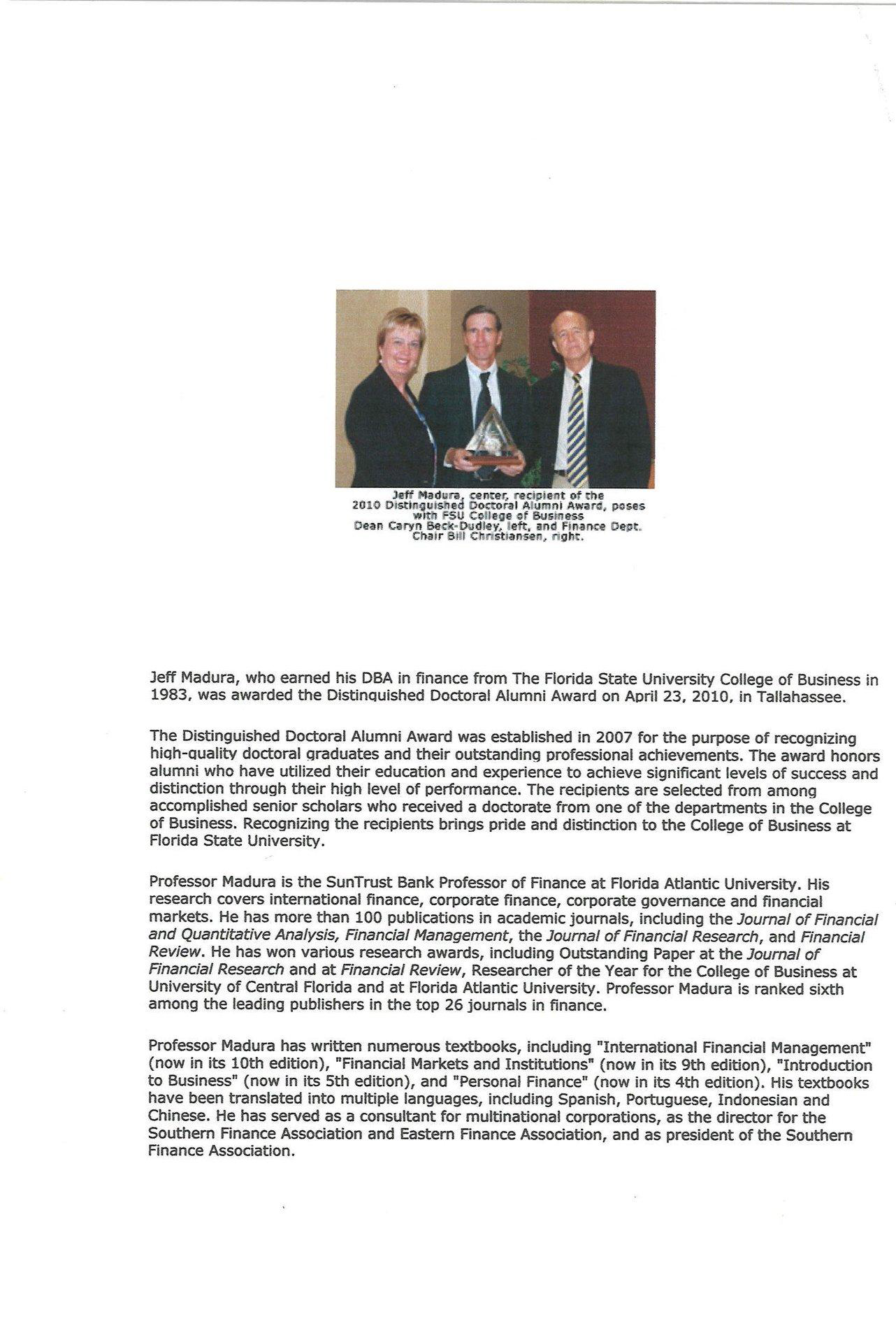
**Section VI.** The Asia-Pacific region analysis considers three primary hypotheses. Do certain Asian-Pacific countries exhibit more preference for the Americas than others, and if so, which American markets do their corporations prefer? How do these countries' preferences differ according to region and cultural heritage? Has there been a change in Asian-Pacific involvement in the Americas since the SOX act? If so, what is the behaviour of the different regions and cultures, and what of the countries that could be integrated into common stock markets or a common currency? Is there a discernible time series trend, in terms of unit roots and significant variables, in the stock markets and economies of the Asian-Pacific countries? If so, do these trends correlate to region, and do they mirror the affiliations we see today in their political and cultural heritages?

**Section VII.** The Europe region discussion analyses three primary hypotheses. Do certain European countries exhibit more preference for the Americas than others, and if so, which American markets do their corporations prefer? How do these countries’ preferences differ according to region, and according to whether or not they are in the Euro-Zone, Euro-Next, or Nordic, and what of the other countries that could join one of these three groups? Has there been a change in European involvement in the Americas since the introduction of the Euro? If so, what is the behaviour of the Euro-Zone countries, and what of the other countries that are either integrated into common stock markets, or could be integrated into common stock markets or a common currency? Is there a discernible time series trend, in terms of unit roots and significant variables, in the stock markets and economies of the European countries? If so, do these trends correlate to region, and do they mirror the affiliations we see today in the Euro-Zone, Euro-Next, and Nordic exchanges.

The purpose of this thesis is to contribute to the literature on cross-listing in general, and on currency union and finance market integration in relation to the cross-listing activity in the Americas. As far as general integration thoughts, it is likely that Europe is the most integrated world region, followed by the Americas and then Asia-Pacific. The empirical results are also similar across regions in terms of listing preferences in the Americas. For example, since SOX firms have preferred other American exchanges over the USA, and within the USA the NYSE over the Nasdaq. Corporations with high levels of assets, sales, and income prefer the USA exchanges, and the NYSE in particular. Within the Americas, the USA and Canada have the most similar economies, while Mexico has similarities with both North and South America, though is becoming more integrated with the North American economies. Canada, however, is not as integrated with the USA as it may seem. As far as American stock markets go, the USA, Canadian, and Brazilian stock markets are the most integrated, while the Mexican and Bermudian have less in common with the major American markets.

**Use of Artificial Intelligence**

Gemini AI notes have been saved and posted to [www.sarlington.com](http://www.sarlington.com). A few sections in the first chapter, Financial Markets in the 21st Century, were edited with the use of AI. Page 17, Financial Equality, interest rates and prices in financial integration. Page 17, Higher Savings and Investment Rates, The globalisation of financial markets has led to changes in patterns of saving and investment across the world. Page 18, Individual Investors, opportunities for individual investors in economic integration. Page 18, Corporate Financing, corporate financing and market integration. Page 21, Regulation and Supervision and Massive Intervention, intervention to control financial contagion.





March 15, 2019

Mr. Kevin Sleem

3528 Turnberry Cir

Fayetteville, NC 28303-4664

Dear Mr. Sleem:

Thank you for contacting me regarding H.R. 227, the *Multinational Species Conservation Funds Reauthorization Act* . We completely agree on the need to protect and preserve our wildlife populations, particularly our endangered species. This is why I have supported numerous bills to protect our environment to ensure these species have thriving habitats.

As someone who loves and appreciates animals, I understand the importance of taking care of our most vulnerable wildlife. Additionally, as a lifelong outdoorsman who grew up right here in North Carolina, I know that caring for the environment is our duty and we must preserve our lands now and for future ge nerations. I believe it is extremely important to be good stewards of the environment and I am committed to fighting for the responsible management of our wildlife.

As you may know, H.R. 227 was introduced in the 115 th Congress by Representative Don Young (R-AK) on January 3, 2017. While this legislation has not been reintroduced in the 116th Congress, please know I will keep your thoughts in mind should I have the opportunity to consider this or similar legislation this Congress.

Again, thank you for taking the time to share your views. Your opinions are important, so please continue to write, call, or email me with any concerns you may have in the future. For more information on issues impacting North Carolinians, please visit our website at [http://hudson.house.gov](http://hudson.house.gov/) and sign up for our weekly newsletter.

Sincerely,



Richard Hudson

Member of Congress

**Kevin Sleem**

707 Greenland, Fayetteville, NC 28305 sleemkevin@gmail.com 910-850-7147

**Mission Statement:**

To work as a junior accountant and learn more about taxes while I complete my experience requirement for CPA licensure. I recently completed an electrician and engineering degree at FTCC, and want to work as an accountant for a few years and pay down some bills and then get experience working in a power plant.

**Education**

1. UNC Chapel Hill, 2005, Bachelor’s Degree in Economics and Psychology
2. University of North Florida, 2008, UNF, MBA Degree in Accounting and Finance
3. Finance PhD Program, 2009, FAU, Florida Atlantic University, Thesis Only
4. Post University Online, 2021-2023 Master’s of Accountancy
5. FTCC, 2022-2025, Associate’s Degree in Electrical Engineering

**Licenses**

1. CMA, Certified Management Accountant, #1137313
2. CIA, Certified Internal Auditor, #1376691
3. CPA, awaiting 1 year experience requirement
4. NC Insurance License, Health Life Medicare, Passed Exams

**Work Experience**

1. Southwestern Book Sales, Door to Door Sales, Summer 2003, Minnesota
2. US Navy, 2005-2007, first job out of college, Mayport, Jacksonville, Florida
3. Georgia Pacific Paper Company, 2007, Accounts Payable
4. Ponte Vedra Lodge and Club, 2007-2008, Nite Auditor, Jacksonville Florida
5. Florida Atlantic University, 2008-2009, Teaching Assistant
6. Sleem Financial Services, 2009-2020, Tax Preparation
7. Durham Bulls, concessions, 2022

**Works Published, SSRN**

1. Finance PhD Thesis, Stock Market Integration and Currency Union Convergence in the Americas, Europe-Africa, and Asia-Pacific Regions, with Special Review of Market Listing Preferences Favoured in the Americas
2. Continuous Refinement, A Theoretical Role for Government in the Financial Markets
3. Analysis of the Asia~Pacific Region’s Corporate Presence in the Americas in Context to the Congruence of their Stock Markets and Economies
4. Finance Market and Currency Union Integration in the Americas, in Regard to Foreign Corporate Activity on the American Stock Markets
5. European Corporate Involvement in the Americas’ Impact on Capital Market and Currency Union Integration in Europe