

Editorial



Welcome to the September 2024 edition of Artha! This peer-reviewed e-journal, published by the Finance Research and Trading Laboratory at IIM Calcutta, continues its mission of presenting thought-provoking articles from both academia and industry experts. Focusing primarily on Accounting, Finance, and Governance, Artha aims to deepen understanding of the latest developments in these ever-evolving fields.

We sincerely thank our readers for their continued support. The rising number of article submissions underscores the success journey of our publication. In this edition, we are excited to present six articles spanning various topics in Accounting, Finance, and Governance. We hope you find them both insightful and engaging.

In the first article, *“Spread Trading in the Energy Sector,”* the author discusses opportunities for traders to profit by exploiting price differences in commodity derivatives. The article delves into different types of spreads, including crack and frac spreads, providing insights into profitable hedging and arbitrage opportunities in volatile energy markets.

The second article, *“The Shifting Dynamics of Global Real Estate Investment: A Focus on India,”* examines the evolving dynamics of global real estate investment, with a strong emphasis on the challenges within Asia. Factors such as rapid urbanization, technological advancements, and a rising middle class have fuelled the growth of India’s real estate market, positioning the country as a prime destination for both residential and commercial investments, attracting global attention.

In the third article, *“The Power of Due Diligence: Transforming Transactions into Triumphs,”* the author highlights the importance of due diligence in ensuring successful business transactions, from mergers and acquisitions to public offerings, and in identifying hidden risks. The piece underscores that in today’s changing global business environment, due diligence is crucial for transforming transactions into triumphs by safeguarding the interests of all parties involved.

The fourth article, *“A Suburban Perspective on MSME Loans in India: Bridging the Gap in Lending with Private Sector Banks,”* examines the challenges faced by MSMEs in accessing capital for their businesses. Through a survey of MSMEs across various regions, the article highlights gaps in awareness, accessibility, and the potential for private banks to bridge this lending divide, emphasizing the significance of MSME financing for India’s “Viksit Bharat 2047” vision.

The next article, *“Understanding Yen Carry Trade and Its Impact on Global Markets,”* explains the Yen Carry Trade, a financial strategy where investors borrow yen at low-interest rates and invest in higher-yielding foreign assets to profit from the rate differential. This article explores how the strategy drives capital flows, impacts currency movements, and influences global markets. However, it also carries risks, particularly during market stress, as rapid unwinding can cause volatility. The author emphasizes that understanding its dynamics is crucial for both investors and policymakers.

The final article, *“Unconventional Financial Analytics,”* highlights the transformative impact of unconventional financial analytics on how organizations manage finances. Moving beyond traditional methods, this article explores how advanced techniques like machine learning and statistical models are helping businesses detect fraud, predict performance, and manage risks more effectively. As data-driven decision-making becomes a cornerstone of modern finance, unconventional analytics is driving competitive advantage and strategic success.

We hope you enjoy reading the diverse articles in this issue and extend our heartfelt thanks to the authors for their valuable contributions. We warmly encourage you to consider Artha as a platform for sharing your own work. Please send your submissions and feedback to artha@iimcal.ac.in. We look forward to your continued support and active participation in the future.

Vivek Rajvanshi

Chief Editor