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EDITORIAL

Ten years' on, Portugal is finally showing signs of having recovered from the disastrous consequences of the 2008 Financial Crisis. This first Issue of 2017 presents three papers, all of which examine the effects of the Crisis in Portugal.

The first paper, entitled "Markowitz Efficient Frontier and Capital Market Line: Evidence from the Portuguese Stock Market", by Teresa Garcia and Daniel Borrego, estimates the efficient frontier and the capital market line, using listed stocks of the Portuguese capital market from the PSI20 index, considering two different periods - before and after the 2008 financial crisis. The results show the impact of the 2008 financial crisis on the global minimum variance portfolio, and on the market portfolio.

The second paper, entitled "Capital Structure of Exporter SMEs during the Financial Crisis: Evidence from Portugal", is by Inês Lisboa. It identifies the most important determinants to explain the capital structure of exporter SMEs during the financial crisis, and then analyses important determinants for explaining firms' capital structure. The findings are consistent with the hierarchy of funds proposed by the Pecking Order Theory, and to a lesser degree, the Trade-off Theory.

The third and last paper, on "Corporate Tax Avoidance and Ex Ante Equity Cost of Capital in Europe", is by Matilde Pulido and Victor Barros. It studies the longstanding relationship between corporate tax avoidance and ex ante equity cost of capital in Europe, taking into consideration country specific characteristics. It provides evidence that as low tax avoidance firms engage in greater tax avoidance, the ex ante equity cost of capital decreases, and proves that the contrary is also true. In Portugal, similar to other European countries, the benefits for firms engaged in lower tax avoidance are greater from 2008 onwards, during the period of the Financial Crisis.

I hope that you enjoy reading this issue.

Luís Mota de Castro
Joint Editor-in-Chief