AF6305 Individual Project

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1 Data

- Database access
- Stock price
- Delisting adjustment for monthly return
- Why no adjustment for daily return
- Dealing with NA values in return
- Average N of monthly stocks is 4000; But average N of daily stocks is only 400. Why?

Table 1: Beta Summary Statistics

var	mean	sd	skew	kurtosis	min	5%	25%	median	75%	95%	max	n
1m	0.82	1.71	-0.17	77.66	-22.67	-1.49	0.10	0.80	1.53	3.18	23.38	4842
3m	0.83	0.93	-0.36	32.45	-9.78	-0.51	0.35	0.83	1.31	2.24	9.96	4784
6m	0.84	0.70	-0.19	18.48	-5.67	-0.21	0.44	0.84	1.24	1.95	6.39	4705
12m	0.85	0.57	-0.01	8.97	-3.24	-0.03	0.49	0.86	1.20	1.78	4.46	4540
24m	0.87	0.50	0.06	4.53	-1.67	0.07	0.54	0.87	1.18	1.68	3.48	4223

Table 2: Beta Correlation Matrix

	1m	3m	6m	12m	24m
1m	1.00	0.53	0.40	0.32	0.27
3m	0.53	1.00	0.75	0.61	0.52
6m	0.40	0.75	1.00	0.81	0.70
12m	0.32	0.61	0.81	1.00	0.87
24m	0.27	0.52	0.70	0.87	1.00

Table 3: Beta Persistence

lag	cor_1m	cor_3m	cor_6m	cor_12m	cor_24m
1	0.14	-	-	-	-
3	0.12	0.31	-	-	-
6	0.12	0.29	0.45	-	-
12	0.10	0.26	0.4	0.56	-
24	0.09	0.24	0.36	0.5	0.64
36	0.10	0.24	0.36	0.48	0.59
48	0.10	0.23	0.33	0.45	0.55
60	0.09	0.21	0.31	0.41	0.51
120	0.07	0.17	0.26	0.34	0.41