. pwcorr marketreturn dailymarketreturn excessreturmarket weightageaveragereturn liquiditycurrent liq

> uidityquick

| market~n dailym~n excess~t weight~n liquid~t liquid~k

-------------+------------------------------------------------------

marketreturn | 1.0000

dailymarke~n | 0.0720 1.0000

excessretu~t | -0.3183 0.7864 1.0000

weightagea~n | 0.4480 0.0218 -0.1240 1.0000

liquidityc~t | 0.0153 -0.0126 0.0106 0.1295 1.0000

liquidityq~k | 0.0139 -0.0132 0.0078 0.1281 0.9971 1.0000

. summarize

Variable | Obs Mean Std. Dev. Min Max

-------------+--------------------------------------------------------

country | 240 20.5 11.56752 1 40

marketreturn | 240 .1291667 .1035268 .014 .324

stockreturn | 240 4.256352 7.77179 -.3729613 60.52752

dailymarke~n | 240 19610.37 8161.577 7856.82 32842.43

averagemar~n | 240 19610.37 0 19610.37 19610.37

-------------+--------------------------------------------------------

roe | 60 14.632 28.38403 -97.17 80.05

rf | 240 6.797177 4.846675 .059148 11.9

excessretu~t | 240 -6.66801 4.812727 -11.879 .059852

excessretu~k | 240 -2.540825 7.693319 -11.63194 51.16751

weightagea~n | 240 .2806391 1.561522 -2.280924 2.140066

-------------+--------------------------------------------------------

liquidityc~t | 46 1.275435 1.480039 0 8.74

liquidityq~k | 46 1.175652 1.503079 0 8.73

year | 240 2013.5 1.711394 2011 2016

. xtreg marketreturn dailymarketreturn excessreturmarket weightageaveragereturn liquiditycurrent liqu

> idityquick

Random-effects GLS regression Number of obs = 46

Group variable: country Number of groups = 9

R-sq: within = 0.6029 Obs per group: min = 5

between = 0.0361 avg = 5.1

overall = 0.5969 max = 6

Wald chi2(5) = 59.24

corr(u\_i, X) = 0 (assumed) Prob > chi2 = 0.0000

----------------------------------------------------------------------------------------

marketreturn | Coef. Std. Err. z P>|z| [95% Conf. Interval]

-----------------------+----------------------------------------------------------------

dailymarketreturn | 5.03e-06 2.10e-06 2.40 0.016 9.25e-07 9.14e-06

excessreturmarket | -.0182238 .0032391 -5.63 0.000 -.0245722 -.0118754

weightageaveragereturn | .0193479 .0062121 3.11 0.002 .0071724 .0315233

liquiditycurrent | .0367168 .0911135 0.40 0.687 -.1418625 .215296

liquidityquick | -.0371624 .0896812 -0.41 0.679 -.2129344 .1386096

\_cons | -.0757072 .0631746 -1.20 0.231 -.1995271 .0481127

-----------------------+----------------------------------------------------------------

sigma\_u | 0

sigma\_e | .07494396

rho | 0 (fraction of variance due to u\_i)

----------------------------------------------------------------------------------------

. xtreg marketreturn dailymarketreturn excessreturmarket weightageaveragereturn liquiditycurrent liqu

> idityquick

Random-effects GLS regression Number of obs = 46

Group variable: country Number of groups = 9

R-sq: within = 0.6029 Obs per group: min = 5

between = 0.0361 avg = 5.1

overall = 0.5969 max = 6

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----------------------------------------------------------------------------------------

marketreturn | Coef. Std. Err. z P>|z| [95% Conf. Interval]

-----------------------+----------------------------------------------------------------

dailymarketreturn | 5.03e-06 2.10e-06 2.40 0.016 9.25e-07 9.14e-06

excessreturmarket | -.0182238 .0032391 -5.63 0.000 -.0245722 -.0118754

weightageaveragereturn | .0193479 .0062121 3.11 0.002 .0071724 .0315233

liquiditycurrent | .0367168 .0911135 0.40 0.687 -.1418625 .215296

liquidityquick | -.0371624 .0896812 -0.41 0.679 -.2129344 .1386096

\_cons | -.0757072 .0631746 -1.20 0.231 -.1995271 .0481127

-----------------------+----------------------------------------------------------------

sigma\_u | 0

sigma\_e | .07494396

rho | 0 (fraction of variance due to u\_i)

----------------------------------------------------------------------------------------

. xtreg marketreturn dailymarketreturn excessreturmarket weightageaveragereturn liquiditycurrent liqu

> idityquick,fe

Fixed-effects (within) regression Number of obs = 46

Group variable: country Number of groups = 9

R-sq: within = 0.6127 Obs per group: min = 5

between = 0.0785 avg = 5.1

overall = 0.5510 max = 6

F(5,32) = 10.12

corr(u\_i, Xb) = -0.2742 Prob > F = 0.0000

----------------------------------------------------------------------------------------

marketreturn | Coef. Std. Err. t P>|t| [95% Conf. Interval]

-----------------------+----------------------------------------------------------------

dailymarketreturn | 4.59e-06 2.35e-06 1.96 0.059 -1.88e-07 9.37e-06

excessreturmarket | -.0178406 .0035828 -4.98 0.000 -.0251385 -.0105427

weightageaveragereturn | .0210736 .0070199 3.00 0.005 .0067745 .0353727

liquiditycurrent | .0571314 .2614389 0.22 0.828 -.4754023 .589665

liquidityquick | -.0725459 .2607603 -0.28 0.783 -.6036972 .4586054

\_cons | -.0489972 .081681 -0.60 0.553 -.2153759 .1173814

-----------------------+----------------------------------------------------------------

sigma\_u | .0277178

sigma\_e | .07494396

rho | .12032758 (fraction of variance due to u\_i)

----------------------------------------------------------------------------------------

F test that all u\_i=0: F(8, 32) = 0.18 Prob > F = 0.9914

. xtreg marketreturn dailymarketreturn excessreturmarket weightageaveragereturn liquiditycurrent liqu

> idityquick,re

Random-effects GLS regression Number of obs = 46

Group variable: country Number of groups = 9

R-sq: within = 0.6029 Obs per group: min = 5

between = 0.0361 avg = 5.1

overall = 0.5969 max = 6

Wald chi2(5) = 59.24

corr(u\_i, X) = 0 (assumed) Prob > chi2 = 0.0000

----------------------------------------------------------------------------------------

marketreturn | Coef. Std. Err. z P>|z| [95% Conf. Interval]

-----------------------+----------------------------------------------------------------

dailymarketreturn | 5.03e-06 2.10e-06 2.40 0.016 9.25e-07 9.14e-06

excessreturmarket | -.0182238 .0032391 -5.63 0.000 -.0245722 -.0118754

weightageaveragereturn | .0193479 .0062121 3.11 0.002 .0071724 .0315233

liquiditycurrent | .0367168 .0911135 0.40 0.687 -.1418625 .215296

liquidityquick | -.0371624 .0896812 -0.41 0.679 -.2129344 .1386096

\_cons | -.0757072 .0631746 -1.20 0.231 -.1995271 .0481127

-----------------------+----------------------------------------------------------------

sigma\_u | 0

sigma\_e | .07494396

rho | 0 (fraction of variance due to u\_i)

----------------------------------------------------------------------------------------

. estimate store fixed

. estimate store random

. hausman fixed rendom

estimation result rendom not found

r(111);

. hausman fixed random

Note: the rank of the differenced variance matrix (0) does not equal the number of coefficients being

tested (5); be sure this is what you expect, or there may be problems computing the test.

Examine the output of your estimators for anything unexpected and possibly consider scaling

your variables so that the coefficients are on a similar scale.

---- Coefficients ----

| (b) (B) (b-B) sqrt(diag(V\_b-V\_B))

| fixed random Difference S.E.

-------------+----------------------------------------------------------------

dailymarke~n | 5.03e-06 5.03e-06 0 0

excessretu~t | -.0182238 -.0182238 0 0

weightagea~n | .0193479 .0193479 0 0

liquidityc~t | .0367168 .0367168 0 0

liquidityq~k | -.0371624 -.0371624 0 0

------------------------------------------------------------------------------

b = consistent under Ho and Ha; obtained from xtreg

B = inconsistent under Ha, efficient under Ho; obtained from xtreg

Test: Ho: difference in coefficients not systematic

chi2(0) = (b-B)'[(V\_b-V\_B)^(-1)](b-B)

= 0.00

Prob>chi2 = .

(V\_b-V\_B is not positive definite)

. save "C:\Users\Nausal PC\Documents\data run.dta"

file C:\Users\Nausal PC\Documents\data run.dta saved

. save "C:\Users\Nausal PC\Documents\data run.dta", replace

file C:\Users\Nausal PC\Documents\data run.dta saved

. save "C:\Users\Nausal PC\Documents\data run.dta", replace

file C:\Users\Nausal PC\Documents\data run.dta saved

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