

Investment under Uncertainty - Asian Evidence [★]

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Abstract

The idea of uncertainty about the right tail was proposed by Segal, Shaliastovich, and Yaron (2015).

I show that positive semivariances of returns leads to higher investmentment.

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1 Introduction

The idea of uncertainty about the right tail was proposed by Segal et al. (2015). I show that positive semi-variances of returns increases real economic growth. Moreover, the right tail of IST realized volatility induces a similar effect. Segal (2019) shows similar results for the US. I find similar evidence in China. This is in contrast to Bloom (2009) showing that uncertainty lowers investment.

References

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- Segal, G., Shaliastovich, I., Yaron, A., 2015. Good and bad uncertainty: Macroeconomic and financial market implications. *Journal of Financial Economics* 117, 369–397.