TABLE 2

Regression Analysis: Daily Stock Market Excess Returns

Table 2 presents the results of OLS regressions of daily stock market excess returns on an announcement-day dummy variable and various other controls. Ann. day is a dummy variable equaling 1 if day t is an announcement day, and 0 otherwise. Market excess returns (MKTRF) are computed as the difference between the CRSP value-weighted market return and the risk-free rate (expressed in basis points). Monday–Thursday are dummy variables for the corresponding days of the week. t-statistics are calculated using Newey-West (1987) standard errors (with 5 lags) and are given in square brackets. The numbers in bold are of special interest.

	Panel A. All Obs.			*Panel B. Excl. Outliers (<1 percentile or >99 percentile)*		
Variable	1	2	3	1	2	3
Intercept	1.133 [1.24]	−0.064 [−0.07]	3.448 [2.00]	1.324 [1.71]	0.647 [0.83]	4.670 [3.11]
Ann. day	**10.291** **[3.55]**	**10.439** **[3.61]**	**7.093** **[2.69]**	**10.38** **[4.18]**	**10.653** **[4.34]**	**8.462** **[3.41]**
$MKTRF_{t-1}$		0.081 [4.91]	0.081 [4.93]		0.094 [8.75]	0.094 [8.74]
$(MKTRF_{t-1})^2$		0.0001 [1.61]	0.0001 [1.59]		0.0000 [0.47]	0.0000 [0.45]
Monday			−13.605 [−5.05]			−11.228 [−5.31]
Tuesday			−2.611 [−1.06]			−5.662 [−2.71]
Wednesday			2.151 [0.89]			1.129 [0.56]
Thursday			−2.558 [−1.07]			−3.519 [−1.71]
N	13,091	13,090	13,090	12,827	12,826	12,826
R^2 (%)	0.1	0.9	1.2	0.2	1.4	1.7