International Journal of Forecasting

Forecasting the value effect of seasoned equity offerings and stock split announcements: pandemic effects, and driving investment decisions
--Manuscript Draft--

Manuscript Number:	
Full Title:	Forecasting the value effect of seasoned equity offerings and stock split announcements: pandemic effects, and driving investment decisions
Short Title:	Forecasting the value effect of seasoned equity offerings and stock split announcements
Article Type:	Full Length Article
Keywords:	Finance; Seasoned Equity Offerings; Stock Splits; Forecasting; Trading
Corresponding Author:	Konstantinos Nikolopoulos Durham University UNITED KINGDOM
Corresponding Author Secondary Information:	
Corresponding Author's Institution:	Durham University
Corresponding Author's Secondary Institution:	
First Author:	Gianmarco Mendiola
First Author Secondary Information:	
Order of Authors:	Gianmarco Mendiola
	Konstantinos Nikolopoulos
Order of Authors Secondary Information:	
Abstract:	Scholars have extensively examined the effects of event studies in finance, such as that of unexpected corporate events and respective abnormal returns on the stock market. Nonetheless, there is still a research gap on the extent of the forecastability of this abnormal behaviour, especially when predictions may provide crucial information to both investors and issuers, and therefore drive effectively investment decisions. In this study we forecast the value effect of SEOs and Stock Splits, across developed and emerging economies. Data consist of historical information from the New York Stock Exchange (NYSE), Bombay Stock Exchange (BSE), National Stock Exchange of India (NSE) and Brazil Stock Exchange (B3) from 2010 to 2020. Linear regression (benchmark), random forests, gradient boosting machines, support vector regression and neural networks methods are empirically evaluated, with non-linear models performing better than the benchmark. A trading simulation is also incorporated to complement model outcomes and determine whether these predictions could be capitalised through effective decision making in the investment spectrum. Finally, the effects of the COVID-19 pandemic were also analysed for SEOs in the NYSE, and significant differences were discovered in March and April 2020.
Suggested Reviewers:	
Opposed Reviewers:	
Additional Information:	
Question	Response