

DO FUNDS FOLLOW THE HERD? EVIDENCE FROM IRAN

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Outline

- 1 Introduction
- 2 Data
- 3 Methodology
 - Stage 1
- 4 Summary Statistics
- 5 Results

Motivation

The Question

Conculsion

Related Litretature

Litretature Review

Data

- ① TSE Stocks' Retruns, *Daily*
- ② TSE Overall Index Returns (Market Return), *Daily*
- ③ CBI Risk-Free Rate, *Monthly*
- ④ All Codal News (Letters), *Secondly*
 - Both before 1389 (1382 - 1389) and after 1389
- ⑤ TSE Individual-Institutional Trade, *Daily*
- ⑥ TSE Stocks' Nominal Prices, *Daily*
- ⑦ TSE Stocks' Market Capitalization, *Daily*

Second Stage Results: Main Result

	Institutions		Individuals	
	Buy	Sell	Buy	Sell
R(-1)	-1.84*** (0.02)	1.75*** (0.02)	0.55*** (0.01)	-0.55*** (0.01)
R(-2, -5)	0.05*** (0.01)	-0.08*** (0.01)	-0.01* (0.00)	-0.00 (0.00)
R(-6, -27)	0.05*** (0.00)	-0.05*** (0.00)	-0.03*** (0.00)	0.02*** (0.00)
R(-28, -119)	0.01*** (0.00)	-0.01*** (0.00)	-0.01*** (0.00)	0.00*** (0.00)
N. of Unique Firms	742	742	742	742
R^2	0.9%	0.9%	0.5%	0.4%
NObs	1,133,473	1,133,473	1,133,473	1,133,473

Second Stage Results: Main Result by Firm Size

	Institutions			
	Large Stocks		Small Stocks	
	Buy	Sell	Buy	Sell
R(-1)	-3.22*** (0.04)	3.14*** (0.04)	-0.70*** (0.03)	0.66*** (0.03)
R(-2, -5)	0.17*** (0.02)	-0.19*** (0.02)	-0.05*** (0.01)	0.02* (0.01)
R(-6, -27)	0.06*** (0.01)	-0.06*** (0.01)	0.02*** (0.01)	0.00 (0.00)
R(-28, -119)	-0.00 (0.00)	-0.00 (0.00)	0.00 (0.00)	-0.00 (0.00)
N. of Unique Firms	646	646	411	411
R^2	2.2%	2.1%	0.2%	0.2%
NObs	390,655	390,655	256,712	256,712