THE TRADING BEHAVIOR OF INSTITUTIONS AND INDIVIDUALS IN CHINESE EQUITY MARKETS

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Lilian Ng[1], Fei Wu[2]

July 21, 2023

[1]Lubar School of Business, University of Wisconsin-Milwaukee
Now: Schulich School of Business, York University
[2]Massey University, Department of Finance, New Zealand
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Outline

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Why It is Important?

- The Chinese equity markets are dominated by individuals.
  - Compared to developed equity markets where a form of polarization between individual and institutional investors is evident.
  - 99.5% individuals, just 0.5% are institutional.
    (Chinese Securities Depository & Clearing Co. Ltd, 2002).
- Chinese markets were only established in the early 90s.
- Short-selling & margin trading are not allowed in China, like in Iran.

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