

# Data

May 6, 2025

1. Zero-dividend paying stocks

2. Other long-term assets

3. Long-term bond

## Zero-dividend paying stocks

# Measurement

## Dividend

- ▶ Firm is not paying dividend at month  $t$  if  $ret = retx$

## Two approaches for net repurchase

1.  $(shrout_{it-1}^* - shrout_{it}^*) * prc_{it}^*$  [Davydiuk et al., 2023]
  - ▶ Pros: entire coverage
  - ▶ Cons: reflect other changes like exercising of employee stock options
2. Change in common treasury stock (or stock purchases minus issuances) [Fama and French, 2001]
  - ▶ Cons 1: include both preferred and common stocks
  - ▶ Cons 2: coverage is not good ([Floyd et al., 2015] set repurchase to be zero if missing; not a good practice)

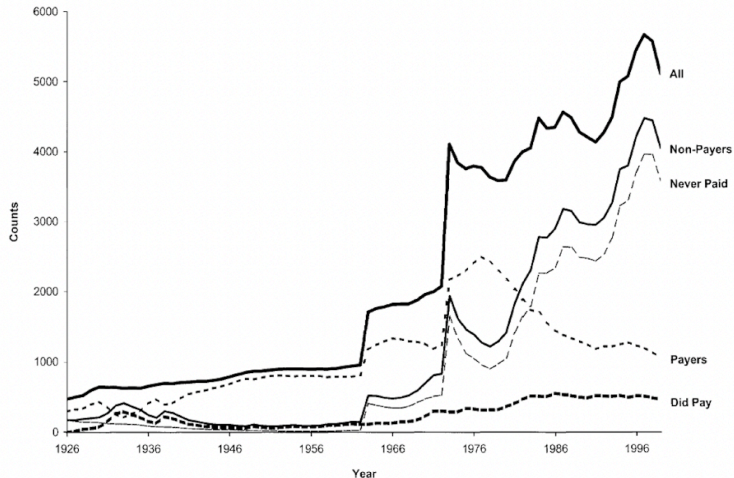
# Some standard data cleaning

- ▶ US common stocks listed on NYSE, AMEX and NASDAQ
- ▶ Exclude utilities (sic = 4900-4999) and financials (sic = 6000-6999)

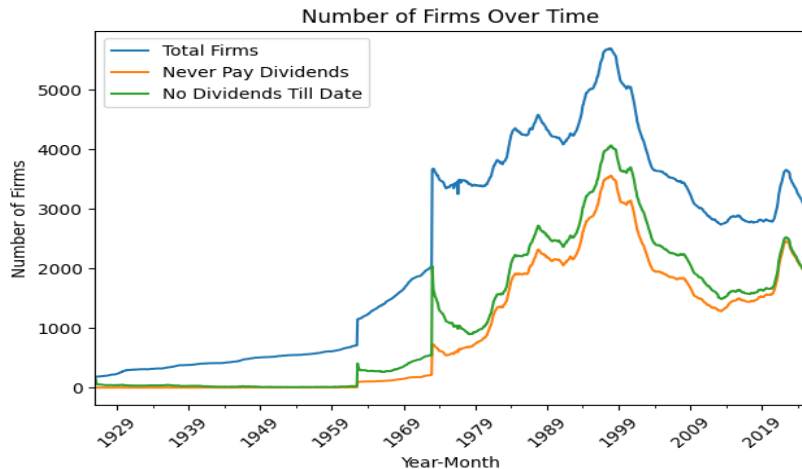
More to come:

- ▶ Winsorize... Drop nonpositive asset...

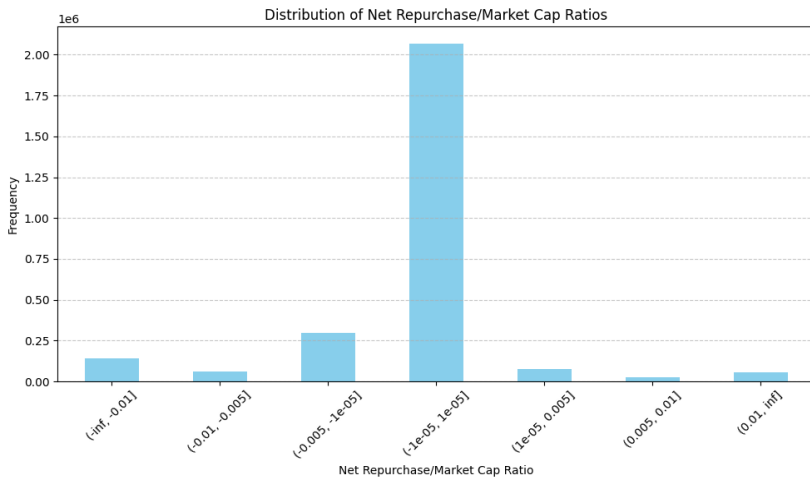
# [Fama and French, 2001]



# Zero-dividend paying firms



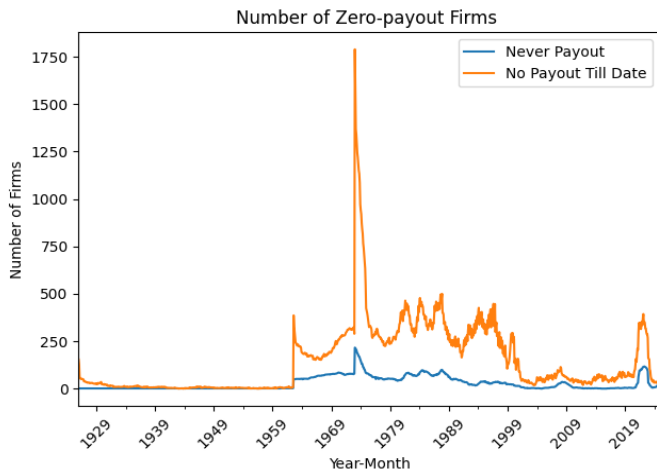
# Histogram of monthly net repurchase/market cap ratio





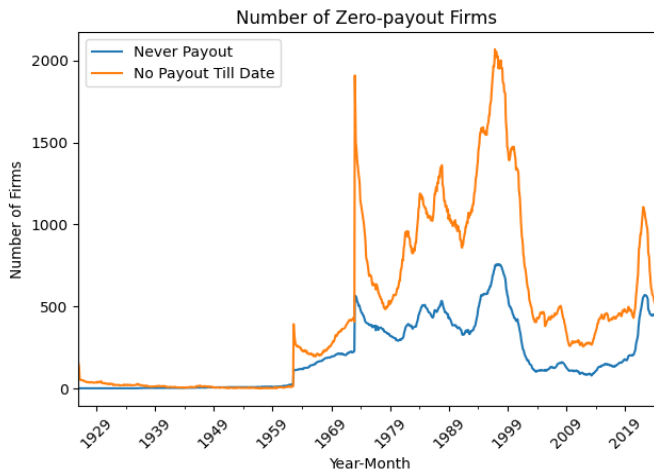
# Zero-payout firm

- If we define no payout =  $1\{\text{dividend}=0\} * 1\{\text{net repurchase}=0\}$



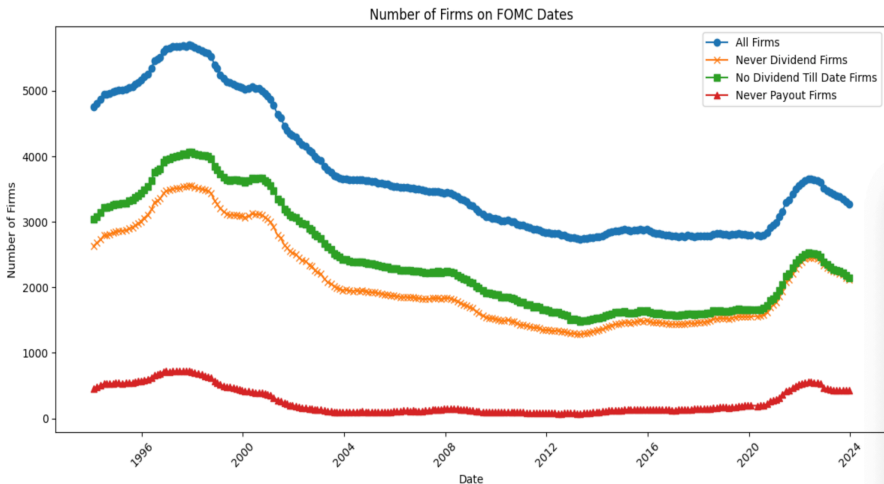
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## Other long-term assets

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## Long-term futures on commodities

- ▶ Assume price of commodities is cointegrated with consumption
- ▶ Price of the claim on a commodities in the distant future can be backed out by the futures price discounted by duration-matched risk-free rate
- ▶ Daily data on Bloomberg: 1. Gold and Silver have five years; 2. Crude oil has five years after 2007; 3. Sadly, equity only have 1-3 years

## Long-term claim on SP500 backed out by dividend futures

- ▶ SP500 - Price(sum of the first few years dividend futures)

# Long-term bond

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## High-frequency

- ▶ 2-year, **5-year, 10-year, 30-year**, measured from Treasury note and bond futures
- ▶ Treasury futures settle every quarter based on spot price of a notional Treasury security at expiration
- ▶ Convert price change around announcements into a yield change using the duration of the notional security
- ▶ Source: [Bauer and Swanson, 2023]

## Daily-frequency

1. Yield curve fitted by ML [Filipović et al., 2025]
2. Alternatively, standard GSW

# References I



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