

Connected Stocks via Business Groups: Evidence from an Emerging Market

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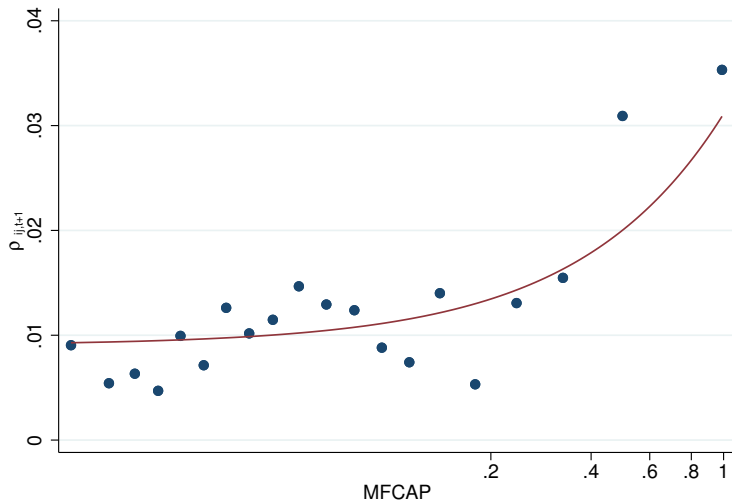
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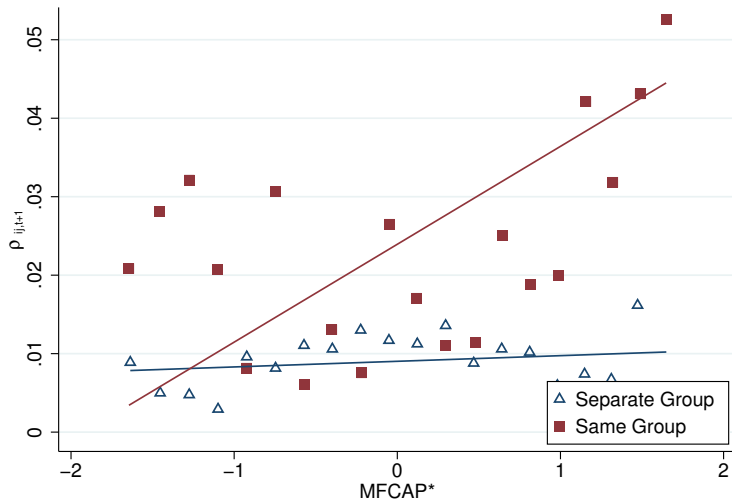
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Co-movement and common ownership



This figure shows the stock return comovement and common ownership.

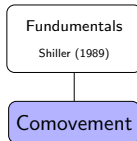
Co-movement and common ownership



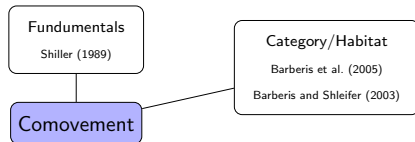
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Comovement

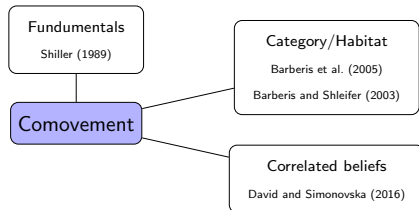
Related Literature



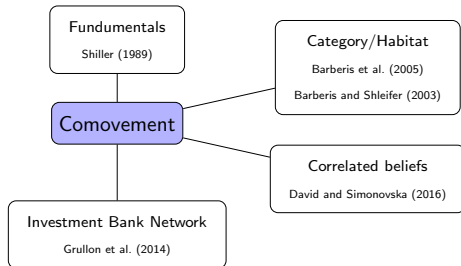
Related Literature



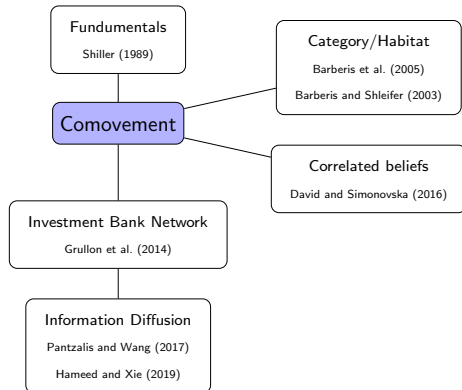
Related Literature



Related Literature

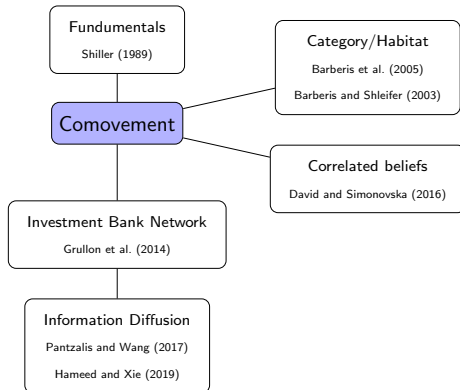


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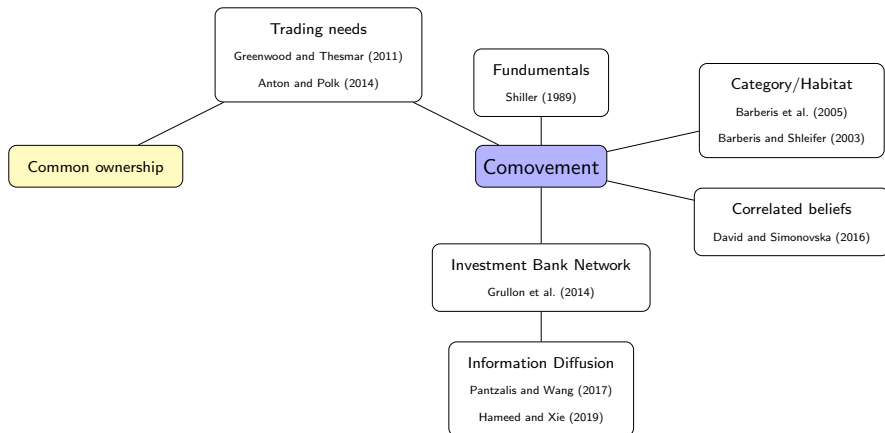


Related Literature

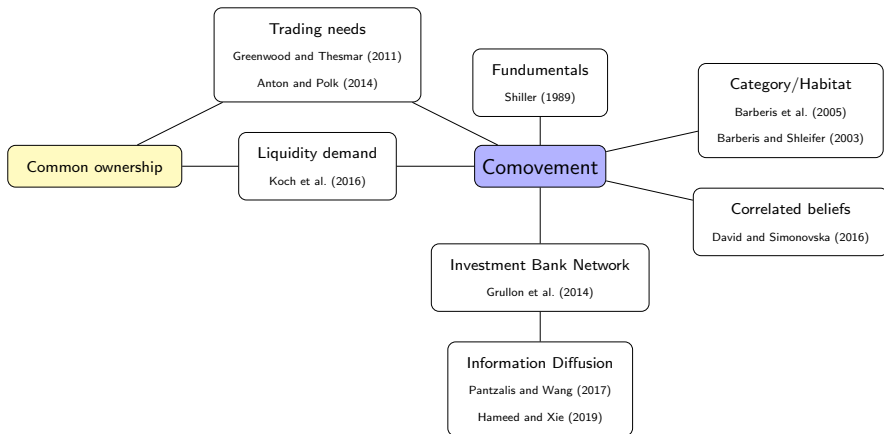
Common ownership



Related Literature



Related Literature



Model Estimation

Normalized Rank-Transformed

	Dependent Variable: Future Pairs's Comovement					
	(1)	(2)	(3)	(4)	(5)	(6)
MFCAP*	0.00600*** (8.10)	0.00328*** (4.87)			0.00104 (1.68)	0.000929 (1.53)
SameGroup			0.0358*** (9.99)	0.0254*** (8.45)	0.0242*** (8.21)	0.0219*** (7.02)
SameIndustry		0.0267*** (7.39)		0.0216*** (6.81)	0.0212*** (6.72)	0.0215*** (6.80)
SameBM		0.0224*** (6.41)		0.0213*** (6.09)	0.0214*** (6.16)	0.0199*** (5.77)
SameSize		0.0123** (3.24)		0.0143*** (3.85)	0.0138*** (3.71)	0.0254*** (5.56)
CrossOwnership		0.0600*** (5.50)		0.0300* (2.36)	0.0316* (2.48)	0.0377** (2.93)
Constant	0.0142*** (12.80)	0.0204*** (8.91)	0.0103*** (9.42)	0.0187*** (7.99)	0.0188*** (8.04)	0.0280*** (9.43)
PairType Control	No	No	No	No	No	Yes
Observations	389591	389591	389591	389591	389591	389591

Model Estimation

Normalized Rank-Transformed

Dependent Variable: Future Pairs's Comovement				
	(1)	(2)	(3)	(4)
MFCAP*	0.00915*** (6.64)	-0.000114 (-0.18)	-0.000161 (-0.26)	0.000309 (0.63)
SameGroup			0.0100** (2.97)	0.00749 (1.99)
MFCAP* \times SameGroup			0.0123*** (10.04)	0.0118*** (9.69)
Sub-sample	SameGroup	Others	All	All
Business Group FE	No	No	No	Yes
Observations	47076	342515	389591	389591

t statistics in parentheses

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

References I

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