Digital Tools For Finance: Final Project

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Overview

Price change for E.ON

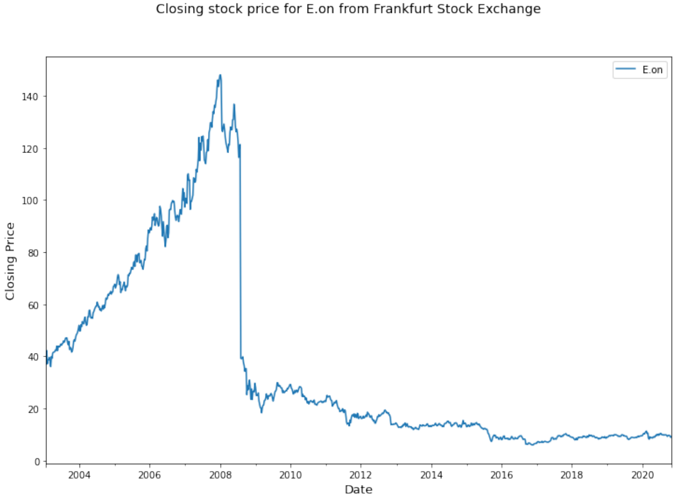

Figure: **Conversion of quarterly data into monthly**. Source: Own depiction based on Quandl data.

Some additional information

- The data was fetching from quandl.
- We used an API. The code can be found in the folder Python Code [Smith, 2012].

Announcement Days

Acquirer	Target	Announcement Date
AOT	Time Warner	January 10^{th}, 2000
AT&T	Bellsouth	March 6^{th}, 2006
Worldcom	MCI	November 10^{th}, 1997

Table: **Announcement days.** Source: Own depiction.

CAR's

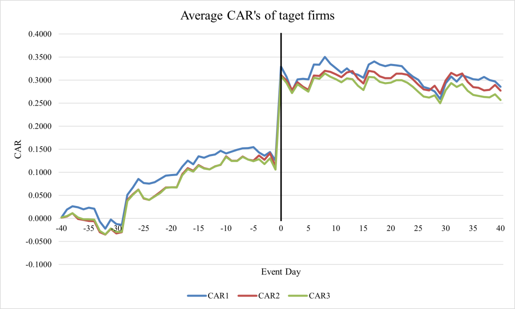

Figure: **Target Firms**. Source: Own depiction.

Information Leak

Example (Time Wartner)

The previous graph suggests that no information leaked at the time Warner Transaction.

Example (Bellsouth)

The previous graph suggests that some information leaked before the merger.

Information Leak

Time Warner

The graph in figure **??** suggests that no information leaked on the TimeWarner transaction. In fact, prior to the announcement date CARs of the company were stable. [Smith, 2012]

Bellsouth

Bellsouth and MCI, instead show that some information has been leaking prior to the announcement date, in particular if we look the MCI line.[Hofamnn, 2019]

MCI

Curabitur condimentum, enim sed venenatis rutrum, ipsum neque consectetur orci, sed blandit justo nisi ac lacus. [Smith, 2012]

Significance of the results

Concept

1. Compute the t-stat.
2. Compare with significance level.
3. Judge if the variable being different tha n 0 is statistically significant.[Hofamnn, 2019]

Lorem ipsum dolor sit amet, consectetur adipiscing elit. Sed volutpat ante purus, quis accumsan dolor.

Abnormal Returns

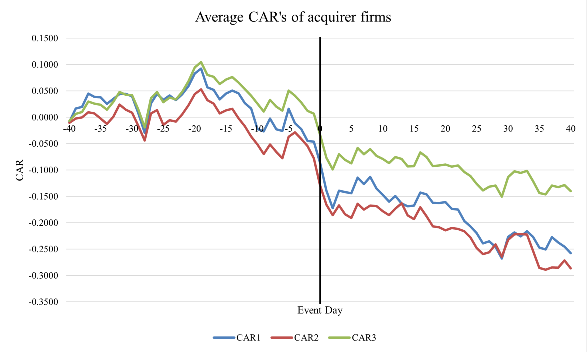

Figure: **Acquirer firms.** Source: Own depiction.

References

John Smith (2012)
Mergers in practice
The Journal of Finance 12(3), 45 – 678.

James Hofmann (2019)
Abnormal Returns in M&As
The Journal of Finance 12(3), 45 – 678.

Thank you for the attention!
Questions are welcome.