1929 Herding

Xolani Sibande* Rangan Gupta† Riza Demirer‡

May 25, 2023

Keywords:
JEL Codes:

*Department of Economics, University of Pretoria, Pretoria, South Africa; Email: xolaniss@gmail.com.
†Corresponding Author. Department of Economics, University of Pretoria, Pretoria, South Africa; Email: rangan.gupta@up.ac.za.
‡Department of Economics and Finance, Southern Illinois University Edwardsville, Edwardsville, IL 62026-1102, USA

1 Introduction

2 Methodology

Sim and Zhou (2015)

3 Data

Table 1: Descriptives

Variables	Median	SD	Min	Max	IQR	Obs
			All industries			
CSAD	0.00	0.00	0.00	0.03	0.00	25,292
Market Return	0.08	1.08	-17.41	15.76	0.90	25,292
			Business services group			
CSAD	0.00	0.00	0.00	0.00	0.00	25,292
Market Return	0.12	1.24	-12.88	16.01	1.08	25,292
			Consumables group			
CSAD	0.00	0.00	0.00	0.00	0.00	25,292
Market Return	0.11	1.03	-13.05	21.52	0.82	25,292
			Durables group			
CSAD	0.00	0.00	0.00	0.00	0.00	25,292
Market Return	0.11	1.03	-13.05	21.52	0.82	25,292
			Health group			
CSAD	0.00	0.00	0.00	0.00	0.00	25,292
Market Return	0.10	1.21	-14.25	33.53	1.06	25,292
			Manufacturing group			
CSAD	0.00	0.00	0.00	0.01	0.00	25,292
Market Return	0.11	1.25	-15.86	20.71	0.96	25,292
			Mines group			
CSAD	0.00	0.00	0.00	0.01	0.00	25,292
Market Return	0.12	1.15	-14.56	20.35	0.88	25,292

4 Empirical Results

Table 2: General heding

	All industries	Consumables group	Durables group	Health group	Manufacturing group	Mines group	Business services group
γ_0	0.0013***	0.0001***	0.0002***	0.0002***	0.0000***	0.0002***	0.0003***
	(0.0000)	(0.0000)	(0.0000)	(0.0000)	(0.0000)	(0.0000)	(0.0000)
γ_1	0.0013***	0.0000***	0.0002***	0.0002***	0.0000***	0.0001***	0.0002***
	(0.0001)	(0.0000)	(0.0000)	(0.0000)	(0.0000)	(0.0000)	(0.0000)
γ_2	0.0000*	0.0000	0.0000	0.0000	0.0000***	0.0000*	0.0000
	(0.0000)	(0.0000)	(0.0000)	(0.0000)	(0.0000)	(0.0000)	(0.0000)
N	25292	25292	25292	25292	25292	25292	25292
R^2	0.613	0.250	0.276	0.276	0.333	0.365	0.318
$R^2 Adj$	0.613	0.250	0.276	0.276	0.333	0.365	0.318
Std.Errors	NeweyWest	NeweyWest	NeweyWest	NeweyWest	NeweyWest	NeweyWest	NeweyWest

Notes: The results flow from the $CSAD_t = \gamma_0 + \gamma_1|R_{m,t}| + \gamma_2 R^2_{m,t} + \epsilon_t$ equation as defined above.

+ p < 0.1, * p < 0.05, ** p < 0.01, *** p < 0.001

5 Conclusion

References

Sim, N. and Zhou, H. (2015). Oil prices, us stock return, and the dependence between their quantiles. *Journal of Banking & Finance*, 55:1–8.