SPRINGER NATURE Link

Log in

The Halloween Effect and Japanese Equity Prices: Myth or Exploitable Anomaly

Published: 17 August 2005

Volume 10, pages 319–334 (2003) Cite this article



Asia-Pacific Financial Markets

Edwin D. Maberly [1] & Raylene M. Pierce [2]

435 Accesses 22 Citations Explore all metrics →

Abstract

Bouman and Jacobsen (*American Economic Review* **92**(5), 1618–1635, 2002) examine monthly stock returns for major world stock markets and conclude that returns are significantly lower during the May–October periods versus the November–April periods in 36 of 37 markets examined. They argue that, in general, the Halloween strategy outperforms the buy and hold strategy thereby casting doubt on the validity of the efficient market paradigm. More recently, Maberly and Pierce (*Econ Journal Watch* **1**(1), 29–46, 2004) re-examine the evidence for U.S. equity prices and conclude that Bouman and Jacobsen's results are not robust to alternative model specifications. Extending prior research, this paper examines the robustness of the Halloween strategy to alternative model specifications for Japanese equity prices. The Halloween effect is concentrated in the period prior to the introduction of Nikkei 225 index futures in September 1986. After the internationalization of Japanese financial markets in the mid-1980s, the Halloween effect disappears.

This is a preview of subscription content, log in via an institution to check access.

Access this article

Log in via an institution

Subscribe and save

Springer+ from €37.37 /Month

- Starting from 10 chapters or articles per month
- Access and download chapters and articles from more than 300k books and 2,500 journals
- Cancel anytime

View plans

Buy Now

Buy article PDF 39,95 €

Price includes VAT (Poland)

Instant access to the full article PDF.

Institutional subscriptions

Explore related subjects

Discover the latest articles, books and news in related subjects, suggested using machine learning.

Asian Economics | Cultural Economics | Economic Psychology | Experimental Economics | Market Psychology | Financial Economics | Financial Market Dynamics and Investor Behavior

References

Arnott, R. D. (2003) What risk matters? A call for papers!, *Financial Analysts Journal* **59**(3), 6–7.

Bouman, S. and Jacobsen, B. (2002) The Halloween indicator, “sell in May and go away“: Another puzzle, *American Economic Review* **92**(5), 1618–1635.

Brown, S., Goetzmann, W., Hiraki, T., Shiraishi, N. and Watanabe, M. (2002) Investor sentiment in Japanese and U.S. daily mutual fund flows, *Social Sciences Research Network*.

Fama, E. F. (1998) Market efficiency, long-term return, and behavioral finance, *Journal of Financial Economics* **49**(3), 238–306.

Haugen, R. A. and Lakonishok, J. (1988) *The Incredible January Effect: The Stock Market’s Unsolved Mystery*, Dow-Jones Irwin, Homewood, IL.

Maberly, E. D. and Pierce, R. (2004) Stock market efficiency withstands another challenge: Solving the “sell in May/buy after Halloween“ puzzle, *Econ Journal Watch* **1**(1), 29–46.

Malkiel, B. G. (2000) Are markets efficient?, *The Wall Street Journal*, December 28, 2000.

The WG&L Handbook of International Finance. (1995) South-Western Publishing Company, Cincinnati, OH.

Author information

Authors and Affiliations

University of Canterbury, Private Bag 4800, Christchurch, New Zealand, 8020

Edwin D. Maberly (Professor of Finance)

Lincoln University, PO Box 84, Canterbury, New Zealand

Raylene M. Pierce (Senior Lecturer in Finance)

Corresponding author

Correspondence to Edwin D. Maberly.

Additional information

JEL classification: G14, G15

Rights and permissions

Reprints and permissions

About this article

Cite this article

Maberly, E.D., Pierce, R.M. The Halloween Effect and Japanese Equity Prices: Myth or Exploitable Anomaly. *Asia-Pacific Finan Markets* **10**, 319–334 (2003). https://doi.org/10.1007/s10690-005-4240-0

Published
17 August 2005

Issue date
December 2003

DOI
https://doi.org/10.1007/s10690-005-4240-0

Keywords

bull versus bear markets | efficient markets | money flows | Japanese stock market | market anomalies | trading rules

Search

Search by keyword or author

Navigation

Find a journal

Publish with us

Track your research