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The Credit Rating Announcement Effect in Japan

82 Pages

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Michael Mollemans (https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=341093)

Macquarie University - Department of Economics

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Abstract

This is the first study that compares the ratings change announcement effect between American ratings agencies (S&P and Moody's) and Japanese ratings agencies (R&I and JCR). Our study shows significant abnormal return responses following rating change announcements by S&P and JCR, but not from Moody's and R&I. Secondly, we provide a new multivariate regression model that quantifies the impact that key variables have on the strength of the ratings change announcement effect. Finally, we review and critique a variety of alternative explanatory variables that have been discussed in the financial literature.

Keywords: Credit Rating, Japan, Event Study**JEL Classification:** G10, G12, G14, G20[Suggested Citation](#) >[Show Contact Information](#) >[Download This Paper \(Delivery.cfm/SSRN_ID466261_code330673.pdf?abstractid=466261&mirid=1\)](#)[Open PDF in Browser \(Delivery.cfm/SSRN_ID466261_code330673.pdf?abstractid=466261&mirid=1&type=2\)](#)

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