< Anomalies: A Mean-Reverting Walk Down Wall Street

# **Anomalies: A Mean-Reverting Walk Down Wall Street**

Werner F. M. De Bondt

Richard H. Thaler

JOURNAL OF ECONOMIC PERSPECTIVES VOL. 3, NO. 1, WINTER 1989 (pp. 189-202)

Download Full Text PDF (Complimentary)

**Article Information** 

Comments (0)

#### **Abstract**

Stock prices do appear to be somewhat predictable. In particular, if one takes a long-term perspective (3-7 years) or examines individual securities that have experienced extreme price movements, then stock returns display significant negative serial correlation, in other words, prices are mean reverting. This column reviews some of this evidence.

### **Citation**

De Bondt, Werner F. M., and Richard H. Thaler. 1989. "Anomalies: A Mean-Reverting Walk Down Wall Street." *Journal of Economic Perspectives*, 3 (1): 189-202.

DOI: 10.1257/jep.3.1.189

#### This website uses cookies.

By clicking the "Accept" button or continuing to browse our site, you agree to first-party and session-only cookies being stored on your device to enhance site navigation and analyze site performance and traffic. For more information on our use of cookies, please see our Privacy Policy.

## Find us on Facebook and X (formerly Twitter).



Copyright 2024 American Economic Association. All rights reserved.

Terms of Use & Privacy Policy

#### This website uses cookies.

By clicking the "Accept" button or continuing to browse our site, you agree to first-party and session-only cookies being stored on your device to enhance site navigation and analyze site performance and traffic. For more information on our use of cookies, please see our Privacy Policy.