

253 | 9 | 0
Views | CrossRef citations to date | Altmetric

Original Articles

The liquidity effects of revisions to the CAC40 stock index


Andros Gregoriou

Pages 333-341 | Published online: 13 Jan 2011

Cite this article <https://doi.org/10.1080/09603107.2010.530216>

Sample our
Economics, Finance,
Business & Industry Journals

>> **Sign in here** to start your access
to the latest two volumes for 14 days



Full Article Figures & data References Citations Metrics

Reprints & Permissions **Read this article**

We Care About Your Privacy

We and our 854 partners store and access personal data, like browsing data or unique identifiers, on your device. Selecting "I Accept" enables tracking technologies to support the purposes shown under "we and our partners process data to provide," whereas selecting "Reject All" or withdrawing your consent will disable them. If trackers are disabled, some content and ads you see may not be as relevant to you. You can resurface this menu to change your choices or withdraw consent at any time by clicking the ["privacy preferences"] link on the bottom of the webpage [or the floating icon on the bottom-left of the webpage, if applicable]. Your choices will have effect within our Website. For more details, refer to our Privacy Policy. [Here](#)

We and our partners process data to provide:

.....

I Accept

Reject All

Show Purpose



the time
n the
action) in the
ading as
of
xplanation.
ing in stocks

icle >

Notes

¹ Atkins and Dyl ([1997](#)) report a similar relationship for the New York Stock Exchange (NYSE) and the National Association of Securities Dealers Automated Quotations (NASDAQ).

² We could also include the number of analysts as an additional explanatory variable in Equation [1](#). This variable has not been included in Equation [1](#) because analysts' forecasts are only available on a monthly frequency, whereas all other explanatory variables are available on a daily basis. The small number of observations on the number of analysts' forecasts may result in large jumps in the data causing inaccurate results for this variable.

³ We perform a Hausman ([1978](#)) test for the hypothesis that the explanatory variables are strictly exogenous. In our empirical estimates, the Hausman ([1978](#)) test rejects the null hypothesis at all conventional significance levels. This leads to the conclusion that we have to tackle the econometric issue of endogeneity for our explanatory variables. The result of the Hausman ([1978](#)) test is not reported by the authors but is available upon request.

⁴ The serial correlation test on the GMM is undertaken on the first difference of the residuals due to the transformations involved.

⁵ We re-estimated the model with the GMM using 1, 2, 3, and 4 lags of the endogenous variables. The results are available upon request.

⁶ It can be argued that the variables are jointly determined in the context of the GMM estimation. In the context of our business, we estimate the model to obtain quantitative results. The results are not reported here.

⁷ Two further variables are included in the bid-ask spread in the regression. First, following the literature, we include the costs of trading. Second, we include the costs of transactions in stock prices such as the bid-ask spread. The results are available upon request.



use of the Huang and Stoll ([1997](#)) spread decomposition model. The results do not change and are available upon request. One possible limitation of this study is that there are various other spread decomposition models that were not considered such as the Glosten and Harris ([1988](#)), George et al. ([1991](#)) and the Lin et al. ([1995](#)) model. However, as pointed out by Van Ness et al. ([2001](#)), all spread decomposition models yield very similar results.

Related research

People also read

Recommended articles

Cited by
9

[Information costs and liquidity effects from changes in the FTSE 100 list >](#)

Andros Gregoriou et al.
The European Journal of Finance
Published online: 16 Aug 2006



Information for

- Authors
- R&D professionals
- Editors
- Librarians
- Societies

Opportunities

- Reprints and e-prints
- Advertising solutions
- Accelerated publication
- Corporate access solutions

Keep up to date

Register to receive personalised research and resources by email

 Sign me up

- 
- 
- 
- 
- 

Open access

- Overview
- Open journals
- Open Select
- Dove Medical Press
- F1000Research

Help and information

- Help and contact
- Newsroom
- All journals
- Books

Copyright

Accessib

Registered
5 Howick Pl

or & Francis Group
orma business

