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The quiet period has something to say

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Abstract

Recent s ... ing the Global S ... d New York Stock Ex ... gs are more reliable ... excess returns f ... around the expiratio ... r the impact of an ... to 1 year after ... overage can indeed p ... ddition, we find that ... l in the Global S

Keywor...

JEL Clas...

Notes

[1] See Lin and McNichols (1998), Michaely and Womack (1999), Iskoz (2003), Cliff and Denis (2004), Bradley et al. (2007), Cliff (2007), Bradley et al. (2008) and Kadan et al. (2009).

[2] Henry Blodgett, an equity analyst at Merrill Lynch at the time, was voted the top Internet/eCommerce analyst by Institutional Investor in 2000. See http://www.institutionalinvestor.com/Article.aspx?ArticleID=1028212.

[3] See Bradley et al. (2003, 2004, 2008).

[4] Negative ratings cannot be examined in this study since the sample only contains three negative ratings.

[5] Michaely and Womack (1999) only consider the lead underwriter as affiliated and not managing underwriters for this study.

[6] While the quiet period prohibits American firms from making statements regarding future profitability, some countries permit earnings forecasts in the firm's prospectus. See Firth (1998) and Hartnett (2010).

[7] The sa

[8] Whene … its of the sample f … d on a three-digit SIC

[9] Followi … month.

[10] Th … ther things, prohibite … support sell-side

[11] Cliff (… in a similar manner.

[12] These … at the number of positive ratings, not the total number of ratings as suggested by Bradley

et al. (2003), is positively related to short-term returns.

[13] The 10 investment banks named in the Global Settlement were Bear, Sterns & Co. Inc., Credit Suisse First Boston LLC, Goldman, Sachs & Co., Lehman Brothers Inc., J.P. Morgan Securities Inc. Merrill Lynch, Pierce, Fenner & Smith, Inc., Morgan Stanley & Co. Inc., Citigroup Global Markets Inc., UBS Warburg LLC and US Bancorp Piper Jaffray Inc. See http://www.sec.gov/news/press/2003-54.htm.

[14] For brevity, the results are summarized in this section, but complete results including omitted tables are available upon request.

[15] Consistent with this assumption and previous studies, 71% of the firms in the sample are listed on the Nasdaq.

[16] Boni (2005) documents the long-run relation between analyst coverage and firm performance following NYSE Rule 472, NASD Rule 2711 and the Global Settlement, but we examine a larger sample period and include all 12 of the firms listed in the Global Settlement.