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# Day-of-the-week effect on the return and conditional variance of the H-shares index in Hong Kong

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G12

G14

G15

## Notes

<sup>1</sup>The H-shares index (Hang Seng China Enterprises index) was launched in 1994 in order to measure the performance of H-shares. The details of the H shares and the H-shares index are described on the website of the Hang Seng Indexes Co. Ltd. ([www.hsi.com.hk](http://www.hsi.com.hk)).

<sup>2</sup>While the conditional variance is modelled as an Exponential General Autoregressive Conditional Heteroskedasticity (EGARCH) specification, Model 1 is known as an EGARCH-M model. Similarly, Clare et al. ([1998](#)) and Kiymaz and Berument ([2003](#)) applied the GARCH-M model to the investigation of the day-of-the-week effect in some stock markets.

<sup>3</sup>The Shanghai Composite Index is listed on the Shanghai Stock Exchange.

<sup>4</sup>Our results are in contrast to those of Lee et al. (1999) who found that the day-of-the-week effect in Hong Kong stock market is significant. See Lee et al. ([1999](#)).

<sup>5</sup>See the

<sup>6</sup>Likewise, there is a significant day-of-the-week effect in stock markets in Hong Kong and China (Wong et al., 2003).

<sup>7</sup>Effective from 1st January 2008, HSBC has introduced a new fee structure for its clients. For example, the Hong Kong and Shanghai Banking Corporation (HSBC) charges



its clients 0.25% ([www.hsbc.com.hk](http://www.hsbc.com.hk)). Effective 1 October 2010, the transaction levy is reduced from 0.004% to 0.003%. The details of transaction costs can be found in Transaction costs, Hong Kong Exchanges and Clearing Ltd. ([www.hkex.com.hk](http://www.hkex.com.hk)).

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