



The European Journal of Finance >

Volume 16, 2010 - [Issue 2](#)

901 | 19 | 8
Views | CrossRef citations to date | Altmetric

Original Articles

The Other January Effect: international evidence

Martin T. Bohl & Christian A. Salm

Pages 173-182 | Published online: 03 Jul 2009

Cite this article <https://doi.org/10.1080/13518470903037953>

Sample our
Area Studies
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

Share

Abstract

This paper investigates the predictive power of stock market returns in January for the subsequent 11 months' returns across 19 countries, thereby contributing to the literature on stock market seasonalities. Only 2 out of 19 countries' stock markets exhibit a robust Other January Effect. In the light of this evidence, we conclude that the Other January Effect is not an international phenomenon.

Keywords:

stock market efficiency

other January effect

stock market anomalies

Jel Classification :

G10

G11

G12

G14

Acknowledgements

The authors thank Farooq Akram, Malik Bensafta, Gernot Doppelhofer, Andrew Filardo, Eric Gerardin, Uwe Hassler, Neil Kellard, Erik Kole, Jörg Lingens, Judith Lischewski, Dieter Nautz, Paolo Pasquariello, Michael Schuppli, Pierre Siklos, Sarah Stölting, David Sondermann, Genaro Sucarrat, Mark Trede, Martin Uebele, Bernd Wilfling, Yangru Wu, two anonymous referees, and seminar participants at the Westfälische Wilhelms-University Münster, at the workshop on Fundamental and Non-Fundamental Asset Price Dynamics (Venstul) and at the 15th International Forecasting Financial Markets Conference (Aix-en-Provence). Martin T. Bohl is also grateful to the Alexander von Humboldt foundation for providing financial support.

Notes

The impact of outliers is also considered. In particular, we control for the large monthly declines of stock markets in October 1987 and in September 2001. Including an outlier dummy variable does not qualitatively affect the empirical results.

The lagged default spread, which is defined as the difference between the return on a portfolio of corporate bonds and on long-term government bonds, was also considered as a macroeconomic control variable. Since returns on corporate bonds are available for much shorter sample periods for most countries, this variable was omitted from our baseline regression in order to increase the sample length. The empirical findings additionally using the lagged default spread in the shorter sample periods do not affect our main conclusion.

To control for joint effects and comovements, contemporaneous US stock market returns are added to the set of control variables. The variable appears to be statistically significant for many countries but the empirical findings on the Other January Effect are unaffected.

In addition, we also run the general-to-specific procedure starting with all candidate variables without lagged dividend yield. The empirical results confirm the robustness of the main results.

In addition, we correct standard errors for heteroskedasticity and autocorrelation in the residuals using the method proposed by Newey and West [\(1987\)](#), with a maximum lag length of 6. The empirical results are robust concerning the number of lags.

Empirical results on the randomized-bootstrap inference are not reported but are available on request.

Since January returns are included into those regressions, we additionally control for the well-known January Effect. Detailed empirical results are available on request.

Detailed empirical results are available on request.

Related research

People also read

Recommended articles

Cited by
19

Information for

[Authors](#)

[R&D professionals](#)

[Editors](#)

[Librarians](#)

[Societies](#)

Opportunities

[Reprints and e-prints](#)

[Advertising solutions](#)

[Accelerated publication](#)

[Corporate access solutions](#)

Open access

[Overview](#)

[Open journals](#)

[Open Select](#)

[Dove Medical Press](#)

[F1000Research](#)

Help and information

[Help and contact](#)

[Newsroom](#)

[All journals](#)

[Books](#)

Keep up to date

Register to receive personalised research and resources by email



Sign me up



Copyright © 2026 Informa UK Limited [Privacy policy](#) [Cookies](#) [Terms & conditions](#)

[Accessibility](#)

 Taylor and Francis Group

Registered in England & Wales No. 01072954
5 Howick Place | London | SW1P 1WG