

1,236 69

Views | CrossRef citations to date | Altmetric

0

Original Articles

# The Behavior of Japanese Individual Investors During Bull and Bear Markets

Kenneth A. Kim & John R. Nofsinger

Pages 138-153 | Published online: 05 Dec 2007

🗨️ Cite this article   🔗 <https://doi.org/10.1080/15427560701545598>

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

🔗 Share

## We Care About Your Privacy

We and our 880 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. 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 Show Purposes link on the bottom of the webpage. 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:

Use precise geolocation data. Actively scan device

I Accept

Reject All

Show Purpose

Abstra

We stud

market (

whether

valuation

individu

inve

associat

existing

Q keyword

Acknowledgement

We thank an anonymous referee, Rob Bloomfield, Kee Chung, Rachel Croson, Akiyoshi Horiuchi, Maureen O'Hara, Sergei Sarkissian, Qinghai Wang, Martin Webber, Yishay Yafeh, seminar participants at George Washington University, Hong Kong Polytechnic University, SUNY-Buffalo, University of Tokyo, University of Wisconsin-Milwaukee, the Financial Management Association meeting, the Midwest Finance Association meeting, and the RFS Conference on Experimental and Behavioral Finance for comments and discussions on earlier drafts of this paper. The usual disclaimer applies.

## Notes

\*\*\*,

\*\*, and \* denote statistical significance at the 1, 5, and 10 percent levels, respectively.

\*\*\*,

\*\*, and

\* denote statistical significance at the 1, 5, and 10 percent levels, respectively.

\*\*\*,

\*\*, and

\* denote statistical significance at the 1, 5, and 10 percent levels, respectively.

\*\*\*,

\*\*, and

\* denote statistical significance at the 1, 5, and 10 percent levels, respectively.

\*\*\*,

\*\*, and

respectively.

<sup>1</sup> [Kim and](#) Bull and

bear ma



<sup>2</sup>We also conduct analyses using only firms whose fiscal year begin in April (69% of our firms fit this criteria), but the results remain the same.

<sup>3</sup>The model of [Daniel et al. \[2001\]](#) provides a possible explanation for our risk findings. Their model suggests that less confident investors will use systematic risk measures as a signal for expected return. When investors become overconfident, like during a bull market, they may focus less on relevant or statistically-oriented information such as systematic risk measures. This might explain why Japanese individuals hold risky stocks primarily during a bear market instead of a bull market. However, we admit that we are merely applying a behavioral explanation to a result ex post, which is easy to do.

<sup>4</sup>To report portfolio t-statistics we estimate the following equation by year:  $Level = \alpha + \delta \times Volatility$ . We use these annual estimates of  $\alpha$  and  $\delta$  during the 6 bull market years to compute t-statistics to test whether the coefficients are different from zero and report them in [brackets] in the top half of the table. As the bottom half of the table tests the difference between bull and bear market behavior, we conduct a difference in means test of the annual  $\alpha$  and  $\delta$  estimates between the 6 bull market observations and the 10 bear market estimates. The resulting t-statistics are reported in [brackets] in the bottom half of the table.

Relate



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

