Original Article

Market States and Initial Returns: Evidence from Taiwanese IPOs

Jen-Sin Lee, Chin-Tai Kuo & Pi-Hsia Yen

66 Cite this article   ↗ https://doi.org/10.2753/REE1540-496X470201

📖 References   66 Citations   📊 Metrics   🖨 Reprints & Permissions

Read this article   ◀ Share

Abstract

This paper investigates the different affecting patterns of the determinants of initial returns under different market states for Taiwanese IPOs. Contrary to the prior literature, this paper estimates the sample separated from different market states, including bullish, bearish, and range-bound markets, and finds that the affecting patterns of the determinants of initial returns indeed exhibit some significant differences under different market states. For instance, the stronger the auditor reputation effect, the lower are the initial returns under a range-bound market, and the market momentum effect is stronger under a bullish market. In addition, the risk perception effect is stronger under a bearish market. These findings show that the empirical result of dividing market states will provide more insights and a greater variety of information as investors make decisions.

Keywords:

Related research ⓘ

People also read

Recommended articles

Cited by
18