



CHINESE NEW YEAR EFFECT ON GLOBAL STOCK MARKETS

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TABLE OF CONTENTS

	PAGES
TITLE PAGE	i
DECLARATION OF WORK	ii
TABLE OF CONTENTS	iii
ACKNOWLEDGEMENT	vii
LIST OF TABLE	vii
LIST OF ABBREVIATION	ix
ABSTRACT	x
CHAPTER 1 INTRODUCTIONS	1
1.1 Introductions	1
1.2 Problem Statement	4
1.3 Research Objectives	6
1.4 Significant of study	7
1.4 Scope of studies	9
1.5 Limitations of study	10
1.7 Chapter Summary	12
CHAPTER 2 LITERATURE	
2.0 Literature Review	13
2.1 Theoretical perspective	13
2.1.1 Holiday Seasonality Hypothesis	14
2.1.2. Chinese New Year	16

2.1.3 Religious Celebrate Chinese New Year	17
2.1.4 Culture in Celebrating Chinese New Year	21
2.2 Empirical Evidences on Chinese New Year	27
2.2.1 Modern Finance Perspective	28
2.2.2 Behavioral Finance Perspective	29
2.3 Conceptual Framework	39
2.4 Conclusion and Research Gap	40
2.5 Appendix Literature Review Summary Table	42

CHAPTER 3 DATA AND METHODOLOGY

3.1 Introduction	45
3.2 Data Description	46
3.3 Data Collection	47
3.3 Panel Data Analysis	50
3.3.1 Random Effect and fixed Effect	51
3.3 Measurement of Variables	51
3.4 Empirical Model	52
3.5 Research Design	55
3.6 Software	56
3.7 estimation Procedure	57

CHAPTER 4 DATA ANALYSIS

4.1 Introduction	59
4.2 Diagnostic Data	59

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ABSTRACT

This paper examines the Chinese New Year Effect on Global Stock Markets that consists of 88 countries from 5 different continent which are America, European, Africa, Middle East and Asia/Pacific. The time frame for the analysis is from year 2000 to 2017 with weekly data observations. A simple autoregression model is used to examine the the effect of chinese new year . In this study The model is tested using panel regression methods on different Sub-Samples which is tested by Geographic, Culture and Region. Based on geographical basis using 5 difference continents, the Chinese New Year effect are significantly pronounced in Asia/Pacific and European countries. The heterogeneity of Chinese New Year effect is examined in the context of different culture and different religion. In the cultural analysis, the findings provide support to the fact that collectivist society are effected more Chinese New Year effect. Taking into account religion context the Chinese New Year effect is more influenced stock market in the country where chinese population is higher. This research not only highlights new emerging insights on the heterogenist effect of Chinese New Year around the world but also practical implications to investors, fund managers, and regulators on how to capatilzed and manage chinese new year effect in the global equity market.

Keywords: Chinese New Year, Stock Market, Continents