

What Influences New Zealand Stock Returns?

Rui Ma
La Trobe Business School, La Trobe University
Australia
m.ma@latrobe.edu.au

Ben R. Marshall*
Massey Business School, Massey University
New Zealand
b.marshall@massey.ac.nz

Nhut H. Nguyen
Department of Finance, Auckland University of Technology
New Zealand
nhut.nguyen@aut.ac.nz

Nuttawat Visaltanachoti
Massey Business School, Massey University
New Zealand
n.visaltanachoti@massey.ac.nz

Abstract

We estimate the effect of different events on New Zealand stock returns. Our results indicate that New Zealand Central Bank interest rate (OCR) announcements, U.S. Federal Open Market Committee (FOMC) interest rate announcements, and company earnings announcements have the most important impact. Macroeconomic announcements including CPI, GDP, and unemployment, play a lesser role, as do technical factors. These results hold across all stocks and are also prevalent in cohorts of small and large, value and growth, and low- and high-leverage stocks.

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Corresponding author: Ben Marshall, School of Economics and Finance, Massey Business School, Massey University, Private Bag 11-222, Palmerston North, New Zealand. Tel.: 646 951 7033, E-mail: b.marshall@massey.ac.nz