

What Influences New Zealand Stock Returns?

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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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