

Is There a Month Effect on the Deposits Interest Rates? Evidence from the Greek Banking Industry during the Period 2003-13

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Abstract : This article introduces a new view on the month effect study. Applying a Markov Switching Regime model on data from the Greek Time Deposits (TDs) market for the time span January 2003 to October 2013, we examine if there is a month effect on the Greek banking industry. The empirical findings provide convincing evidence for a new kind of monthly anomaly. The explanation for the specific abnormality may be the upward deposits window dressing. Further research should be done in order to examine if the specific calendar effect exists in other countries or it is only a Greek phenomenon.

Keywords : calendar anomalies, banking crisis, month effect, Greek banking industry

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