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The Stock Price Effect of Apple Keynotes

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Abstract : In this paper, we analyze the volatility of Apple's stock beginning January 3, 2005 up to October 9, 2014, then focus on a range from 30 days prior to each product announcement until 30 days after. Product announcements are filtered; announcements whose 60 day range is devoid of other events are separated. This filtration is chosen to isolate, and study, a potential cross-effect. Concerning Apple keynotes, there are two significant dates: the day the invitations to the event are received and the day of the event itself. As such, the statistical analysis is conducted for both invite-centered and event-centered time frames. A comparison to the VIX is made to determine if the trend is simply following the market or deviating. Regardless of the filtration, we find that there is a clear deviation from the market. Comparing these data sets, there are significantly different trends: isolated events have a constantly decreasing, erratic trend in volatility but an increasing, linear trend is observed for clustered events. According to the Efficient Market Hypothesis, we would expect a change when new information is publicly known and the results of this study support this claim.

Keywords : efficient market hypothesis, event study, volatility, VIX
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