

Influence of the Financial Crisis on the Month and the Trading Month Effects: Evidence from the Athens Stock Exchange

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Abstract : The aim of this study is to examine the month and the trading month effect under changing financial trends. We choose the Greek stock market to implement our assumption because there are clear and long term periods of financial growth and recession. Daily financial data from Athens Exchange General Index for the period 2002-2012 are considered. The paper employs several linear and non-linear models, although the TGARCH asymmetry model best fits in this sample and for this reason we mainly present the TGARCH results. Empirical results show that changing economic and financial conditions influences the calendar effects. Especially, the trading month effect totally changes in each fortnight according to the financial trend. On the other hand, in Greece the January effect exists during the growth periods, although it does not exist when the financial trend changes. The findings are helpful to anybody who invest and deals with the Greek stock market. Moreover, they may pave the way for an alternative calendar anomalies research approach, so it may be useful to investors who take into account these anomalies when they draw their investment strategy.

Keywords : month effect, trading month effect, economic cycles, crisis

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