

MARKET REACTION AND INTRA INDUSTRY EFFECT CORPORATE GOVERNANCE PERCEPTION INDEX ANNOUNCEMENT

Nurul Hasanah Uswati Dewi and Luciana Spica Almilia
STIE Perbanas Surabaya-Indonesia

nuruldw@yahoo.com

Abstract

Corporate Governance Perception Index (CGPI) is the ranking of *corporate governance* performed by SWA magazine and *The Indonesian Institute for Corporate Government (IICG)* by virtue of 7 (seven) criteria. SWA magazine and IICG even plan to use this index as an indicator (*benchmark*) to which the investors will always refer. This study shall take the *event study* of *Corporate Governance Perception Index (CGPI)* announcement. By using *stock return* data announcement, this study examines the level of relevancy toward IICG announcement and stock trading transaction volume at both the company with top ten index and rival firms. This study also will examine intra industry effect of corporate governance index announcement.

We collected a sample of Indonesian listed firms that announced CGPI from September 2001 to January 2008. Total sample for this research 69 observed firm which includes top ten CGPI and 133 observed rival firms. This study shows that CGPI announcement at the company that belongs to CGPI top-ten is responded by the market as indicated by the presence of significant *abnormal return* and *trading volume activity* around the announcement date. The other finding shows that the CGPI announcement at the company that belongs to CGPI top-ten causes such a significant abnormal return at rival firm in the same industrial sub sector.

Key word: intra industry effect, contagion effect, competitive effect, abnormal return, trading volume activity

INTRODUCTION

A company was established in order to improve the value of company through the wealth improvement of owner and shareholders. But, on the other hand, the manager, as the organizer of company, has a different goal, especially in terms of individual achievement improvement and the compensation to be received accordingly. When the company manager takes shirk actions by ignoring the interest of investors, the company will lose their trust that the company will be able to return their investment. Therefore, it is necessary to obtain protection for each party who was concerned with the said company.

Corporate governance is a structure, process, culture and system to create a successful operational condition for an organization. *Forum for Corporate Governance in Indonesia* (FCGI) defines *corporate governance* as “a set of rules that establishes a relationship among shareholders, executives, creditors, government, employee, and the holder of other *internal* and *external* interests due to their rights and obligations”. The goal of *corporate governance* is to create an added value for the stakeholders. The mechanism of *corporate governance* that is good and ownership proportion and *board of directors*’ proportion that is relatively in balance will be able to create *good corporate governance*. Several benefits of applying *good corporate governance* are: to have the trust of either investors, business partners or creditors; be more linear due to clear job and authority description; a balanced power among the internal structures of company namely board of directors, commissioners, audit committee; more accountable and careful decision making for the sustainability of company (SWA magazine, 2004). By virtue of these benefits, there will be a great possibility that those shares of company registered with CGPI will be responded by the market since the company will have already shown an intention to be a reliable and open company by merely participating in a survey.

A company with *good corporate governance* has the following characteristics such as the ability to send faster, accurate and complete information. Information shall be considered as informative when it is able to switch the belief of decision makers. New information will form a new belief among investors. This new belief will change the price through the change of securities demand and supply. Several information available in the stock market, for example, shall include: business merger, acquisition/taking over, consolidation, stock split, stock dividend distribution, financial statement, and the issue been currently discussed today is *corporate governance perception index* (CGPI).

Corporate Governance Perception Index (CGPI) is the ranking of *corporate governance* performed by SWA magazine and *The Indonesian Institute for Corporate Government* (IICG) by virtue of 7 (seven) criteria namely (1) the commitment of corporation toward *corporate governance* which explains how far the corporation pays attention to the spirit of GCG, (2) RUPS (meeting of stockholder) holding and the treatment toward *minority shareholders* which shall include the punctuality of RUPS and right protection guarantee provided for the shareholders, especially the minority ones, (3)

Board of Commissioners, to have such a competent commissioners board and how optimal their role and responsibility in the holding of good corporate governance, (4) the structure of directors board, to have such a competent directors board and how the role and responsibility of directors board are in the holding of good corporate governance, (5) relationship with *stakeholder*, how the relationship and responsibility of company are to those parties associated with the company, (6) transparency and accountability which obligate the availability of open, punctual, clear, and comparable information, especially in terms of financial problem, company management and ownership, (7) the respond to the research of IICG, how serious the respondent is to participate in this research. SWA magazine and IICG even plan to use this index as an indicator (*benchmark*) to which the investors will always refer. The question was whether the presence of this CGPI was able to change the *beliefs* reflected through the change of price and volume of stock trading.

This study shall take the *event study* of *Governance Perception Index* (CGPI) announcement. By using stock *return* data announcement, this study examined the level of relevancy toward IICG announcement and stock trading transaction volume at both the company with top ten index and rival firms.

Slovin, Sushka and Bendeck (1991), Szewczyk (1992), Slovin, Sushka and Polencheck (1992), Song and Walkling (2000) and other studies suggest that the impact of firms announcement on the other firms with the same industry depends on the interaction of two effect the competitive effect and contagion effect. The competitive intra industry effect implies that the firms announcing should experience a positive/negative stock valuation impact at the expense of its industry rivals. This study also will be examined intra industry effect of corporate governance index announcement.

The improvement of *corporate governance* in this form of CGPI, we could suspect that the company which occupies the upper rank will be better that the company which occupies the lower rank, so that it is possible to have a different market reaction to top-ten companies and non top-ten companies of CGPI (rival firms). By viewing the aforementioned background, the researcher is interested to examine the Publication Market Reaction and Intra Industry Effect of *Corporate Governance Perception Index* at the Company Registered with Indonesia Stock Exchange.

LITERATUR REVIEW AND HYPOTHESIS DEVELOPMENT

Corporate Governance dan Corporate Performance

In line with those concepts form the background of *corporate governance* development, there are various definitions of *corporate governance*. *Corporate governance* is the governance system held by taking all factors those affect the institutional process into account, including those factors relevant to regulatory function. Those managers of company have such an effective role to *corporate governance* by taking the following actions: (a) to appropriately identify, evaluate and manage the risk and opportunity; (b) to follow-up the company's policy and to fully explain the goal of company; (c) to observe the ethical standards; and (d) to view the board of company as the "expert" which legal authority is recognized, while the management accountant can have the following roles: (a) to provide information about the evaluation of performance in the past and the future activity that is approved and planned; (b) to design and apply *internal control* system that serves as the guarantor board; (c) to guarantee that authority delegation is observed; and (d) to monitor and evaluate the costs and benefits of main activity.

The main principle of *corporate governance* only consists of 3 principles namely: (1) openness, (2) integrity, and (3) accountability, while OECD, states that there are five principles of corporate governance namely: (1) protection to the rights of shareholders; (2) fair treatment to the shareholders; (3) the role of *stakeholders* in the *corporate governance*; (4) openness and transparency; (5) the role of *board of directors* in the company.

Based on the said philosophical foundation, the concept of *corporate governance* is rapidly developed and further used as the ground of *corporate governance* theory development formulated to the models of *corporate governance*, such as *finance model* (*Agency theory*), *stakeholders model* (*Stakeholders theory*) or *political model* (*Stewardship theory*). In the *finance model*, the basic assumption that is used is that the manager will take an opportunistic act by taking a private advantage before meeting the interest of shareholders. This will cause the *agency cost* that must be managed through various mechanisms, such as incentive giving and regulations application. The *agency*

theory shall identify the potency of interest conflict among the parties in the company those affect the behavior of company in various different ways.

To have a good performance of *corporate governance*, the Indonesia government has issued several regulations, such as BAPEPAM (Badan Pengawas Pasar Modal/ government regulator for stock market) that issues Circular Letter No.SE-03/ PM/ 2000 that requires each public company in Indonesia to establish an Audit Committee of 3 members chaired by one independent commissioner and two external persons those are independent to the company and master and have accounting and finance background as well. Whereas for BUMN/ BUMD (Badan Usaha Milik Negara/ Badan Usaha Milik Daerah; government company), according to the Decree issued by State-Owned Enterprise Affairs Minister under Number: 117/M-MBU/2002 which states that: “Supervisory Commissioner/ Board must establish a committee that will work collectively and assist the Supervisory Commissioner/ Board in performing its duty that is to ensure the effectiveness of internal control system, effectiveness of external auditor and internal auditor duty performance”.

Information Content of Firms Announcement

It is well documented that announcement of increases in corporate payouts are associated with significant stock price increases (e.g. Comment and Jarrel, 1991; Ikenberry, Lakonishok and Vermaelen, 1995; Erwin and Miller, 1998). These wealth effect are most often attributed to the signaling of new and positive information about the firms future earnings prospects. Erwin and Miller (1998) find that repurchasing firms experience a significantly positive stock price reaction. This study tries to examine the market reaction seen from the *abnormal return* of Corporate Governance Perception Index announcement at the company that belongs to top-ten. Based on the analysis and finding of aforementioned study, the hypothesis of this study shall be formulated as follows:

H1: CGPI announcement at the company that belongs to CGPI top-ten is responded by the market as indicated by the presence of significant *abnormal return* around the announcement date.

The information content of an announcement (event) does not only affect the price but also to the volume of stock trading. Beaver (1968) states that an announced report (event) has an information content when total traded stocks is bigger during the announcement of earnings compared to another event occurred during that year. Based on Beaver's intuition are of certain opinion that the content of information also exists logically when total traded stocks becomes smaller when an *event* occurs. This is due to a bad news. Bamber and Cheon (1995) that in stock investment at the stock market, stock trading volume is the action or trading of individual investor. The volume of share trading indicates total transacted security at the price level agreed by the seller and the buyer during the transaction period. The activity of stock trading in this study is measured by means of *Trading Volume Activity* (TVA). This study tries to examine the market reaction seen from the trading volume of *Corporate Governance Perception Index* announcement at the company that belongs to top-ten. Based on the analysis and finding of aforementioned study, the hypothesis of this study shall be formulated as follows:

H2: CGPI announcement at the company that belongs to CGPI top-ten is responded by the market as indicated by the presence of significant trading volume around the announcement date.

Intra Industry Effect

Intra industrial information transfer occurs when a company makes an announcement of information and the said information affects the stock price change of another company in the same industrial sector (Foster, 1986). Various studies about information transfer prove that an announcement of event by the reporting company will cause a change of another company's security price (*non reporter*) at the same industry. Foster (1981) uses interim profit and annual profit of 75 companies in the period of 1963–1978. The result of his study indicates that there is an improvement in the variability of security return at both the company that makes an announcement of profit and the company that does not announce any profit in the same industrial sector. The result of Foster's study was also consistent with the view that the stock market sees the

profit announcement to have information content not only for the company that makes an announcement of profit but also for other companies in the same industrial sector.

Several studies present evidence on the intra-industry effects of various events. Akhigbe, Borde and Whyte (2000) find that targets and rivals benefit from the merger announcement, but termination results in significant negative returns for targets and significant positive return for rivals. Chen, Ho and Shih (2007) find on average, rivals experience a significantly negative valuation effect (contagion effect) on corporate capital investment announcement. Firth (1996) find that there were some small positive information transfer from dividend changes announcement, and information transfer is found to affect earnings and earnings growth estimates of the other firms and this leads to revision in their stock price. Akhigbe, Madura and Newman (2006) find a significant mean industry stock price response from analyst stock revisions announcement, which is consistent with a contagion effect. Akhigbe and Madura (2001) find positive and significant intra-industry effect in response to the announcement of insurance company mergers, which supports the signaling hypothesis. Some research, show the different results about intra industry effect of firms announcement. Howe and Shen (1998) indicate that the stock price of industry competitors do not react to dividend initiations.

Another study relevant to inter-industrial effect due to the announcement of *stock repurchase* is performed by Hertzler (1991). By using 134 *stock repurchase* announcements, Hertzler does not find any evidence about the relationship between the rise of stock price of company that performs *stock repurchase* and its competitor in the same industry. Lang and Stulz (1992) can prove that the same announcement can cause a different reaction to those rival firms. Various foregoing studies make a problem out of whether the stock price reaction incurred on this inter-industrial information transfer is an inter-company *contagion* effect or *competitive* effect. When the reaction of rival firm stock price is at the same direction with the reaction of *reported* Company, it means that the *contagion* effect is occurring, but when the reaction is not at the same direction then the *competitive* effect is occurring.

Laux, Starks and Yoon (1998) states that the *contagion* effect shall occur when the reaction incurred at another company (*rival firms*) is similar to the reaction of *reported* Company. For example, the study of Lang and Stulz (1992) found that the stock price of

company generally has a bad reaction toward the announcement of another company bankruptcy that constitutes the *contagion* effect. Most studies find that the *contagion* effect is more predominant than the *competitive* effect.

Whereas the *competitive* effect was the effect of competition between the *non-reported* companies (rival firms) in the same industry and *reported* companies due to the distribution of wealth from the *reported* company. If the said announcement provides information about the change of demand then such information were positive for another company in the same industry. The *non-reported* companies shall have the distribution of wealth from the *reported* companies through the improvement of market share or vice versa (Lang and Stulz, 1992).

Erwin and Miller (1998) find that the competitive intra-industry information transfer associated with open market share repurchases dominates any contagion effects and is statistically and economically significant. By virtue of the aforementioned analysis and finding, the hypothesis of this study is formulated as follows:

H3: The CGPI announcement at the company that belongs to CGPI top-ten causes such a significant abnormal return at rival firms in the same industrial sub sector.

RESEARCH METHOD

Population, Sample and Sampling Technique

The sample of this study was the company which willing to participate in the survey of Corporate Governance Perception Index (CGPI) performed by SWA magazine and IICG (*The Indonesian Institute for Corporate Governance*) during 2001-2007. We collected a sample of Indonesian listed firms that announced CGPI from September 2001 to January 2008. The data collecting technique employed in this study is *purposive sampling* method namely sampling technique that uses certain consideration and limit, so that the selected sample is relevant to the aim of study. By virtue of the subject of study, the writer shall establish the following sample selection criteria to be studied:

1. Those sample companies are categorized in 2 namely the companies those belong to CGPI top-ten and companies did not follow valuation of Corporate Governance Perception Index. The CGPI ton ten and rival firms were companies those are willing

to participate in the survey of *Corporate Governance Perception Index* of 2001 – 2007 performed by SWA magazine and IICG.

2. The company does not make another announcement/policy issuance such as *stock split, stock dividend, right issue* or other company announcements as well (*corporate action*).

Data and Data Collecting Method

The type of data collected by the writer in this study is secondary data in the form of:

- a. The list of companies those are willing to participate in the survey of *Corporate Governance Perception Index* (CGPI) of 2001 – 2007.
- b. The list of companies those are include top ten and non top ten/ non follow *Governance Perception Index* (CGPI) of 2001 – 2007.
- c. CGPI of 2001 – 2007 publication date data that is used as the *event date* to the study to be performed.
- d. *Abnormal return* data of daily stock acquired from *Indonesian Security Market Directory* (ISMD).
- e. Total sheets of share data those are traded and circulated from *Indonesian Security Market Directory* (ISMD).
- f. Data of company specific announcement (*corporate action*) performed by the company.

The employed data collecting method by virtue of documentary technique was data collecting method performed by taking a note of data from the available reports, notes, and archives at several sources such as Indonesia Stock Exchange, SWA magazine, internet, and other relevant sources to the required data.

Variable Operational Definition

1. Abnormal Return is the difference between the actual return and expected return. Abnormal return is used to see the stock price during window event daily around the date of event. The abnormal return is formulated as follows:

$$AR_{it} = R_{it} - E [R_{it}]$$

Where:

AR_{it} = *abnormal return* for security i at period t

R_{it} = *actual return* for security i at period t

$E [R_{it}]$ = *expected return* for security i at period t

2. Stock trading volume is measured by virtue of daily stock trading volume by means of Trading Volume Activity (TVA) during window event namely from t-3 to t+6. The trading volume activity is formulated as follows:

$$TVA_{it} = \frac{\sum \text{trading share volume at period } t}{\sum \text{outs tan ding share volume at period } t}$$

3. *Corporate Governance Perception Index* is *corporate governance* ranking index available in SWA magazine. The researcher categorizes the companies into 2 categories namely CGPI top-ten companies and non top-ten companies.

Data Analysis Technique

Those stages prior to data analysis in this study are:

1. To identify the date of CGPI announcement. In order to facilitate the discussion then the date of CGPI announcement shall be identified as the zero day (t=0)
2. To determine the window event of market reaction measurement to the announcement of CGPI. The employed window event is from t-3 to t+6.
3. To calculate *Trading Volume Activity (TVA)*.
4. To test the hypothesis. Hypotheses 1, 2 and 3 are examined by means of *one sample t-test* tester.

RESULT

Information Content of Firms Announcement

Table 1 presents the average abnormal return for the top ten announcing IICG firms. The three day before IICG announcement, top ten industries tend to react significantly negative (significant level at the 0.01 level) and at the time of IICG announcement significantly positive.

Table 1
Average Abnormal Return for top ten IICG Firm

Day	N	AR	z-stat (t)	Sig. (2-tailed)
-3	69	-.0142142029	-1.718	.090
-2	69	-.0026714493	-1.383	.171
-1	69	-.0087968116	-2.619	.011
0	69	.0063091304	2.521	.014
+ 1	69	.0030020290	1.701	.093
+ 2	69	.0038089855	1.552	.125
+ 3	69	-.0000455072	-.018	.985
+ 4	69	.0013350725	.570	.571
+ 5	69	-.0044950725	-1.258	.213
+ 6	69	.0041946377	1.656	.102

This findings shows that investor react the top ten IICG announcement, because it increase their wealth. These wealth effects are most often attributed to the signaling of new and positive information about the firms future earnings prospects. These result consistent with previous evidence (e.g. Comment and Jarrel, 1991; Ikenberry, Lakonishok and Vermaelen, 1995; Erwin and Miller, 1998). The result show that hypothesis one is accepted, it means that CGPI announcement at the company that belongs to CGPI top-ten is responded by the market as indicated by the presence of significant *abnormal return* around the announcement date.

Table 2
Average Trading Volume Activity for top ten IICG Company

Day	N	TVA	z-stat (t)	Sig. (2-tailed)
-3	69	.0036101925	2.771	.007
-2	69	.0028735394	4.384	.000
-1	69	.0025370716	4.313	.000
0	69	.0023936664	3.405	.001
+ 1	69	.0028523674	3.413	.001
+ 2	68	.0023756749	4.427	.000
+ 3	69	.0025441329	4.513	.000
+ 4	69	.0025791359	4.088	.000
+ 5	69	.0020743430	4.697	.000
+ 6	69	.0025856983	4.332	.000

Table 2 shows the Trading Volume Activity (TVA) for the top ten announcing IICG firms. All of event days IICG announcement, top ten industries tend to react significantly. Three day before announcement shows that trading volume activity was higher than the other day. Beaver (1968) states that an announced report (event) has an information content when total traded stocks is bigger during the announcement of earnings compared to another event occurred during that year. Based on Beaver's intuition are of certain opinion that the content of information also exists logically when total traded stocks becomes smaller when an *event* occurs. The result consistent with Beaver (1968) statement, but trading stock is higher at three day before announcement. These result also consistent with Bamber and Cheon (1995). This study shows that hypothesis two is accepted, it means that CGPI announcement at the company that belongs to CGPI top-ten is responded by the market as indicated by the presence of significant trading volume activity around the announcement date.

Intra Industry Effect

The results thus far demonstrate that rivals' abnormal return reaction tend to exhibit net contagion effect of IICG announcement except in three day before announcement and the day after announcement. There are several reasons to believe that such contagion effect, if substantial, might lead rivals to enact abnormal return revisions in the same direction as those of the announcing firm. A related reason is that net contagion effect indicated shift in industry prospect which could lead to a shift in rivals to get abnormal returns. That is, there may be decreased or increased industry return overall, leading to a general trend by other firms toward increased or decreased abnormal return.

Table 3
Average Abnormal Return non top-ten IICG Firm (Rival Firm)

Day	N	AR	z-stat (t)	Sig. (2-tailed)
-3	133	-.0048572180	-1.610	.110
-2	133	-.0071190226	-2.207	.029
-1	133	-.0086991729	-1.795	.075
0	133	.0066580451	2.134	.035
+ 1	133	.0028912782	.699	.486
+ 2	133	.0010190977	.244	.808
+ 3	133	-.0003471429	-.105	.916
+ 4	133	.0072869925	1.530	.128
+ 5	133	-.0051923308	-.931	.354
+ 6	133	.0046030075	1.625	.107

This study was consistent with prior evidences (e.g. Chen, Ho and Shih, 2007; Akhigbe, Madura and Newman, 2006) and not consistent with Howe and Shen (1998). This study shows that hypothesis three is accepted, it means that the CGPI announcement at the company that belongs to CGPI top-ten causes such a significant abnormal return at Non-reporter Company in the same industrial sub sector.

CONCLUDING REMARK

Corporate Governance Perception Index (CGPI) is the ranking of *corporate governance* performed by SWA magazine and IICG by virtue of 7 (seven) criteria. SWA magazine and CGPI even plan to use this index as an indicator (*benchmark*) to which the investors will always refer. This study shall take the *event study* of *CGPI*. By using stock *return* data announcement, this study examine the level of relevancy toward CGPI announcement and stock trading transaction volume at both the company with top ten index and rival firms. Our paper contributes to the literature by testing the intra-industry effect of CGPI announcement.

We collect a sample of Indonesian listed firms that announced CGPI from September 2001 to January 2008. Total sample for this research 69 observed firm which includes top ten CGPI and 133 observed rivals firms. The study shows that CGPI announcement at the company that belongs to CGPI top-ten is responded by the market as indicated by the presence of significant *abnormal return* and *trading volume activity* around the announcement date. The other finding shows that the CGPI announcement at

the company that belongs to CGPI top-ten causes such a significant abnormal return at rival firm in the same industrial sub sector.

References

- Akhigbe, A., Stephen F. Borde, and A. M. Whyte, 2000, The Source of Gains to Targets and Their Industry Rivals: Evidence Based on Terminated Merger Proposals, *Financial Management*, pp. 101 – 118.
- Akhigbe, A. and Jeff Madura, 2001, Intra-Industry Signals Resulting From Insurance Company Mergers, *The Journal of Risk and Insurance Vol. 68 No. 3*, pp. 489 – 506.
- Akhigbe, A, Jeff Madura and M. Newman, Industry Effect of Analyst Stock Revision, *The Journal of Financial Research Vol. 29 No. 2*, pp. 181 -198.
- Bamber, L. Smith and Y.S. Cheon, 1995, Differential Price And Volume Reactions To Accounting Earnings Announcement, *The Accounting Review. Vol.70 No.3*, pp. 417-441.
- Chen, Sheng Syan, Lan-Chih Ho and Yi-Cheng Shih, 2007, Intra-Industry Effect of Corporate Capital Investment Annoucement, *Financial Management*, pp. 125 - 145
- Comment R. and G. A. Jarrel, 1991, The Relative Signaling Power of Dutch Auction and Fixed Price Self-tender Offers and Open Market Share Repurchases, *Journal of Finance 46*, pp. 1243 -1271.
- Erwin, Gayle R. and James M. Miller, 1998, The Intra-Industry Effect of Open Market Share Repurejases: Contagion or Competitive?, *The Journal of Financial Research Vol. XXI No. 4*, pp. 389 – 406.
- Firth, M., 1996, Dividend Changes, Abnormal Returns, and Intra-Industry Firm Valuations, *Journal of Financial and Quantitative Analysis Vol. 31 No. 2*, pp 189 – 211.
- Foster, 1986, *Financial Statement Analysis*, Second Edition, Prentice Hall International.
- Hertzel, Michael G., 1991, “The Effect of Stock Repurchases on Rival Firms”, *The Journal of Finance*, Vol. XLVI, No. 2, June, pp. 707-716.
- Howe, John. S., and Yang-pin Shen, 1998, Information Associated with Dividentf Initiations: Firm-Specific or Industry Wide? *Financial Management Vol. 27 No. 3*, pp 17 – 26.
- Ikenberry, D. L. J., Lakonishok and T. Vermaelen, 1995, Market Underreaction to Open Market Share Repurchases, *Journal of Financial Economics 39*, pp. 181 – 208.
- Lang, Harry H. P., and Rene M. Stulz, 1992, Contagion and Competitive Intra-Industry Effect of Bancruptcy Announcements, *Journal of Financial Economics*, Vol. 32, pp. 45-60.

- Slovin, M.B., Sushka and Y. Bendeck, 1991, The Intra-Industry Effect of Going Private Transaction, *Journal of Financial Economics Vol. 46 No. 4*, pp 1537 – 1549.
- Slovin, M.B., Sushka and J. A. Polenchek, 1992, Informational Externalities of Seasoned Equity Issues, *Journal of Financial Economics Vol. 32 No. 1*, pp 87 – 101.
- Song, M. H. and R.A. Walkling, 2000, Abnormal Return to Rivals of Acquisition Targets: A Test of the Acquisition Probability Hypothesis, *Journal of Financial Economics Vol. 55 No. 2*, pp 143 – 171.
- Szewezyk, S., 1992, The Intra-Industry Transfer of Information Inferred from Announcement of Corporate Security Offerings, *Journal of Finance Vol. 47 No. 5*, pp 1935 – 1945.