

Skewness in International Markets

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Abstract

In the US, stocks exhibit positive skewness, while the market a negative skewness. I use data from the UK to show that a similar pattern arises internationally. However, there is significant heterogeneity in firm level skewness. Firms producing consumption goods tend to have more negative skewness, compared to upstream firms.

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1 Introduction

In the US, stocks exhibit positive skewness, while the market a negative skewness. I use data from the UK to show that a similar pattern arises internationally. However, there is significant heterogeneity in firm level skewness. Firms producing consumption goods tend to have more negative skewness, compared to upstream firms.

This paper relates to a vast number of papers showing that (1) skewness is time varying in both the right and the left tails; and (2) the sign of the skewness depends on the sector of interest: see Gofman, Segal, and Wu, 2020; Boguth and Kuehn, 2013; Segal, 2019; Shaliastovich, 2015; Gilchrist, Sim, and Zakrajšek, 2014, among many others.

[more to come!]

2 Conclusion

Firms producing consumption goods tend to have more negative skewness; Upstream firms tend to have positive skewness in sample.

References

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