## Accepted Manuscript

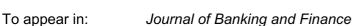
National Elections and Tail Risk: International Evidence

Qingyuan Li, Si Li, Li Xu

 PII:
 S0378-4266(17)30283-2

 DOI:
 10.1016/j.jbankfin.2017.11.013

 Reference:
 JBF 5258



Received date:3 February 2017Revised date:12 October 2017Accepted date:18 November 2017

Please cite this article as: Qingyuan Li, Si Li, Li Xu, National Elections and Tail Risk: International Evidence, *Journal of Banking and Finance* (2017), doi: 10.1016/j.jbankfin.2017.11.013

This is a PDF file of an unedited manuscript that has been accepted for publication. As a service to our customers we are providing this early version of the manuscript. The manuscript will undergo copyediting, typesetting, and review of the resulting proof before it is published in its final form. Please note that during the production process errors may be discovered which could affect the content, and all legal disclaimers that apply to the journal pertain.



## **National Elections and Tail Risk: International Evidence**

Qingyuan Li<sup>\*</sup> Wuhan University

Si Li Wilfrid Laurier University

Li Xu Washington State University

November 18, 2017

## Abstract

We investigate stock tail risk around national elections worldwide over the period of 1982-2012. We find that firm stock is less likely to crash during the election years, and is more likely to crash during the post-election period. This inter-temporal pattern is consistent with the suppression of negative information when there is heightened political uncertainty around elections and with the subsequent release of adverse news when the uncertainty is reduced. Further analysis shows that the impact of political uncertainty on tail risk is stronger in countries with poorer investor protection, fewer electoral checks and balances, more uncertain election outcomes and pro-business incumbent governments, in industries which are more politically sensitive, and in firms with larger information asymmetry.

<sup>\*</sup> Qingyuan Li (<u>qyli@whu.edu.cn</u>), School of Economics and Management, Wuhan University, Luojia Hill, Wuchang District, Wuhan, Hubei 430072, China, Tel: 86-27-68753054; Si Li (<u>sli@wlu.ca</u>), Financial Services Research Centre, Lazaridis School of Business and Economics, Wilfrid Laurier University, Waterloo, Ontario N2L 3C5, Canada, Tel: 1-519-884-0710 ext. 2395; Li Xu (<u>li.xu3@wsu.edu</u>), College of Business, Washington State University, Vancouver, WA 98665, Tel: 1-360-546-9656. We thank an anonymous referee, Philip Dybvig, Mark Loewenstein, and seminar and conference participants at Washington State University, IFABS 2015 Corporate Finance Conference, Southwestern University of Finance and Economics, and Shanghai Jiao Tong University for helpful comments. Qingyuan Li acknowledges financial support from the School of Economics and Management at Wuhan University and the Ministry of Education of China (NECT-12-0432). Si Li acknowledges financial support from the Social Sciences and Humanities Research Council of Canada. Li Xu acknowledges financial support from the Summer Research Grant from the School of Business at Washington State University.

## دريافت فورى 🛶 متن كامل مقاله

- امکان دانلود نسخه تمام متن مقالات انگلیسی
   امکان دانلود نسخه ترجمه شده مقالات
   پذیرش سفارش ترجمه تخصصی
   امکان جستجو در آرشیو جامعی از صدها موضوع و هزاران مقاله
   امکان دانلود رایگان ۲ صفحه اول هر مقاله
   امکان پرداخت اینترنتی با کلیه کارت های عضو شتاب
   دانلود فوری مقاله پس از پرداخت آنلاین
   پشتیبانی کامل خرید با بهره مندی از سیستم هوشمند رهگیری سفارشات
- ISIArticles مرجع مقالات تخصصی ایران