

Accepted Manuscript

Fire-Sale Acquisitions and Intra-Industry Contagion

Seungjoon Oh



PII: S0929-1199(17)30620-X  
DOI: [doi:10.1016/j.jcorpfin.2018.04.001](https://doi.org/10.1016/j.jcorpfin.2018.04.001)  
Reference: CORFIN 1363  
To appear in: *Journal of Corporate Finance*  
Received date: 24 October 2017  
Revised date: 11 March 2018  
Accepted date: 3 April 2018

Please cite this article as: Seungjoon Oh , Fire-Sale Acquisitions and Intra-Industry Contagion. The address for the corresponding author was captured as affiliation for all authors. Please check if appropriate. Corfin(2018), doi:[10.1016/j.jcorpfin.2018.04.001](https://doi.org/10.1016/j.jcorpfin.2018.04.001)

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.

# Fire-Sale Acquisitions and Intra-Industry Contagion

Seungjoon Oh\*

Peking University HSBC Business School

March 11, 2018

## Abstract

This paper presents empirical evidence on the combined effects of target firm distress and industry-level illiquidity on acquisition outcomes and industry-specific contagion. When the target industry is in distress, I find that the fire-sale effects cause distressed targets to be sold to industry outsiders at discounts and acquirers to gain higher return by exploiting targets weakened bargaining power. These findings are stronger for targets with high industry asset-specificity in capital, labor and technology. I also find that target rivals earn negative abnormal stock return due to negative information from fire-sale acquisitions.

**Keywords:** Fire-sale, Mergers and acquisition, Financial distress, Asset-specificity, Contagion

**JEL Classification:** G30, G34, C70

---

\*Seungjoon Oh is from the HSBC Business School, Peking University (sjoonoh@phbs.pku.edu.cn). This paper is based on a chapter of my dissertation at the University of Michigan. I thank Amy Dittmar, Amiyatosh Purnanandam, Nejat Seyhun, Jagadeesh Sivadasan, Jeffrey Smith, Kenneth Ahern, Sugato Bhattacharyya, John Bizjak, Ing-haw Cheng, Itay Goldstein, E.Han Kim, M.P. Narayanan, Isacco Piccioni, Uday Rajan, Martin Schmalz, Cindy Soo, Denis Sosyura, Seung-gyu Sim, Yongxiang Wang, and seminar participants at the American Finance Association, the China International Conference in Finance, the North American Summer Meetings of the Econometric Society, the Columbia-Tsinghua Conference on International Economics, the University of Michigan Finance, the Tsinghua University PBC School of Finance, Sogang University and the 2013 Financial Management Association PhD Doctoral Consortium and Annual meetings for helpful comments. All errors are my own.

متن کامل مقاله

دریافت فوری ←

**ISI**Articles

مرجع مقالات تخصصی ایران

- ✓ 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