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Changing Risk Exposures of Cross-listed Firms and Market Integration

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Research Highlights

- Risk exposures of cross-listed companies tend to increase in their host markets
- This standard finding depends upon stable home and U.S. markets correlation
- I test for whether the increase is risk-exposures is due to market integration
- Most of the companies' breaks arise from changes in their home market betas
- The others tend to have breaks significantly after cross-listing
- These results challenge the standard interpretations of changing firm risk exposures

Abstract