

Abhandlungen / Original Papers

Makroökonomische Nachrichten und die Reaktion des 15-Sekunden-DAX: Eine Ereignisstudie zur Wirkung der ZEW-Konjunkturprognose

Announcement of Business Cycle Forecasts and the Reaction of the German Stock Market

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Event study, announcement effect, high-frequency data, intraday data.

Summary

We study the response of the German stock market index DAX to the announcement of macroeconomic business cycle forecasts. Returns are computed using high-frequency data observed for 15-second intervals. Publications of macroeconomic US indicators at 2:30 p.m. (CET) have temporary and opening of the New York Stock Exchange at 3:30 p.m. (CET) have permanent effects on the volatility of the German DAX. Moreover, the intraday volatility of the DAX index has a U-shaped form, which has also been identified for other international stock markets. Major reactions of both returns and volatility occur within the first 15 to 60 seconds after the announcement, revealing a high efficiency of the German capital market. Unanticipated shocks cause asymmetric stock market returns: "good" news lead to more pronounced reactions than "bad" news. Moreover, there is evidence of mean reversion and calm-before-the-storm effects. Finally, serial correlation of returns is found to be a potentially spurious result of non-anticipated announcements of macroeconomic news.