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t o t o , o t t , to t o- o t

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ABSTRACT

t t t fi t o t o t to t o- o t o t fi o 1999 to 2007. t o fi t to t o- o t tt o fi o t t o . œ fi - to , fi o t t , o - to , t t o fi o , o to fl t tot tt . o o , t o o fi t t to o t o t o o o- o t fi tt o t o t y. 2014 . . t .

1. Introduction

o , fi t o to t o o o , o t y t .[1] t t t o to t y t o o t to t y ot o o t o (o , t y t o, 2012). t t t t to t o o o t t , o t o t t o (o o o t , 1999; o , 2005; y , 2006; t ., 2010), o t o

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[1] o t , o o o t (1999) y (2006) o t ; tt o (2001) o ; o o (2006) o .

tt :// . o .o /10.1016/ . fi .2014.08.002
0927-538 / 2014 . . t .

y t y (o o t , 1999; o , 2004; o , 2005; oy, 2005), to t t o (t , 2001; o t ., 2003, 2004).[2]
d: o tot t o o o t o t o t t o to t . o t , o (2010) fi o to ott o o - t o t o o to , o ć (2005) o t t o o o o to o t t . t o , o t . (2008) o t fi o t t t t o o , o (2009) t t t t to o fi t y o y o t o t o o t fi . t to t o t o t y t t t o o- o t o to t o t fi , ot t t t o to y y o o t . t t o o t t t tt t o t t o o to t t t o to o t , t ot t o ot o o o , t t o o t (y , 2006).

t t t o o t , o o . o- o t tt o to t t t (o t y , 2006) o t t t t o o- o t o o o t .

fi t o t t fi , oft , t o y , o , o o o t o o t , t t o o o- o t o to t . t o oft t y tot o o t ot y y (2006), t t o y o t t t o t . t t t t t to tt tt o o- o t fl y to y t o t t . t to t to y t tot t o o fi t t. y y t t t t, y o t o t o to . o o t o t , t t y o o t t o o to . o o o , o o t o o t , t o fi , o t o o- o t o to t t t t t o yto o o t t o t- o t o t . o o o t o to o t o o -o to , t o o- o t o .

fi o o t t fi o t o t t o o fi , t t o o o- o t o to t . t fi t , o to t, tt yt o t o o o- o t . o t t t t t t t o ot t y t t, tt o o o t t o , o o fi , o fl t o . y, fi t o t t o t t o ty- yt o t o to t o o- o t .

y,t t o o fi t t to o t t tt fi - o t o ty o o- o t . o t t t t t to t o yto o t o t t. tt o t o o o t t fi t o o t o ,t o o- o t .

o y y t t o o o t o o t t t , t o o t yto o t o t t tot t t t y :

t,t t t t o o t ,t o ' t o o t y, t t t fi t o tot t o , t to o o t , . o o- o t t o ot t t o fi t t t t t . t t t (o t y , 2006) o t o t t ot t t o . t t y t t to t t t o t t t, t o fi t o o t o yt t o t o o t t o t fi t o o t o o fi , to o t o t t o t,t . tt tt o o o t ,t t t y o o t to o to . o ,t tyo fi - o t t t t y t t y o o o t . ot t o o t o t o o t o , o t t fl o t o t o t o o- o t . o t t t t o yfi ,t ot t — t t t o t o t o t o t t to t to t? t , t y oyt t o t t to t t t t , o t . t t t y ot t t , t o t o t o y t o t t. t t t y t t to o o t o t o fl t o t t t o t o fl t o . , t o t o t y oy t t y, tt t o t , t o y o t o t o t y o o fi t t . o o o t o t y o t t t t, t t o t oy t o o t o t y t fi ,t t o o t o o o t o t o .

Table 1
y t t t . fi t to t t o t o o 1999t o 2007. t o t t d t o fi t o o t t y . o t - to t . fi t t o t o t t to y o o ( ). o t , fi to t yt o t o o 1999t o 2007 o o t y o t 5 to .

			o fi o o t y			
	o. o fi	o. o o o t y			.	.
1999–2001	752	30 o	25.07	16.5	6	115
	752	21 t	35.81	24	5	109
2002–2004	1013	30 o	33.77	23.5	9	123
	1013	21 t	48.24	39	10	146
2005–2007	1230	30 o	41	27	9	137
	1230	21 t	58.57	49	10	181

o 1,t fi 21 o t 30 o . o t , t o o 2005–2007,t 1230 fi t , o 41 fi o , t o 27 fi . o t t o yt fi (137 fi), t t (6 fi). t o t o fi (135), (82), (82), (81) o (66).

fi t t o t o t y fi t o t yt t to y o o ( ). o , o t o o 2005–2007, t y o 33 fi , t o 22 fi . y t t o yt fi (181 fi), t t (10 fi). t t t o fi t o (129), t (90), o t (85), t t (83).

3. Local co-movements of stock returns and headquarters location

o o y (2006),t o- o t o to t d t o t o yfi t y o t t o , t y t t t o o t - o o to :

$$_t = \alpha + \beta_{1\ t} + \beta_{2\ t} + \varepsilon_t \quad (1)$$

, t to ' o t y t , t t t o t , t t t t o to t fi ' o t to t . t t o t y t t t t y to t . o t o y fit o o t y t o t t (o , 1997; y , 2006). t yt t t, o o t' o t to o d t t t o , t o t o o t t o t y o y. t t y t o . (2):

$$_t = \alpha + \beta_{1\ t} + \beta_{2\ t} + \beta_{3\ t} + \varepsilon_t. \quad (2)$$

, t to ' o o t y t . t t to t t o d t to t t y. o tt o t y o t o t fl o t , t o t o t o d t t o o- o t t t t , o o y (2006), t o t o o t y o y t o t o o . (2):

$$_t = \alpha + \beta_{1\ t} + \beta_{2\ t} + \beta_{3\ t} + \sum_{=1}^{2} \gamma_{\ t} + \varepsilon_t \quad (3)$$

, t , t , t fi o . t 1 t t ot o t t y t o o o t t t 2:

$$_t = \alpha + \beta_1 _{t-1} + \varepsilon_t \quad (4)$$

t 2 t t ot o t t y t o o o t t t 2:

$$_t = \alpha + \beta_1 _{t-1} + \beta_2 _{t-2} + \varepsilon_t. \quad (5)$$

t o to 3 o tot o : 1999–2001, 2002–2004, 2005–2007, . (1)–(3) t y. 2 t t ot t t o o t t t-t t t . t t fi t (. (1)) y o t t ot o o- o t t to t t o : o β_1 ot fi t t t 1% t t o , t ot o o t t t . o o t o 0.63 to 0.87 o o - o . t o t t o t t y t o t t o (0.82 2005–2007 . 0.63 1999–2001).

t t o (. (2)) o y o t o t o o o- o t t to t t o : o β_1 ot fi t t t 1% t t o , t ot o o t t t y t . fi o t y t (β_3) t fi t o ot t y t o t o , t, t fi o o t (β_1) . o , o t fi t t o o o t t t :t y t fi t t t 1% o 0.34t o 0.39 o o t o . t t y ,t t t t t y:t t t (β_2) o 0.11t o 0.27 . (1) . −0.01t o 0.06 . (2). t t (β_2) fi t o t t o t t y t o , o fi t t t t o , 2005–2007.

t t t (. (3)) o y o t o t o o o- o t t to t t o : o β_1 ot fi t t t 1% t o , t ot o o t t t y t . fi o t y

Table 2
o o- o t. t - o . (1)–(3) o t o o t o : 1999–2001, 2002–2004, 2005–2007. t t γ_1 γ_2 o t o t - o 1999–2001.

	β_1	β_2	β_3	γ_1	γ_2
Equation 1					
1999–2001	0.6286***	0.2694***			
t-t t	30.46	13.22			
2002–2004	0.8717***	0.1077***			
t-t t	62.02	7.94			
2005–2007	0.8227***	0.1607***			
t-t t	41.26	8.41			
Equation 2					
1999–2001	0.3856***	0.0573***	0.4921***		
t-t t	14.01	2.90	18.47		
2002–2004	0.3634***	0.0327**	0.6058***		
t-t t	16.18	2.23	26.66		
2005–2007	0.3403***	−0.0080	0.6389***		
t-t t	12.12	0.42	27.30		
Equation 3					
1999–2001					
t-t t					
2002–2004	0.3104***	−0.0226*	0.5316***	0.1517***	0.0469*
t-t t	9.79	−1.84	17.22	5.10	1.69
2005–2007	0.2465***	−0.0280	0.5383***	0.1933***	0.0516*
t-t t	7.06	0.23	17.21	6.69	−1.93

t-t t t . *** < 0.01, ** < 0.5, * < 0.1.

t (β_3 γ_1) t fi t o o t y t o t o , t ,t fi o o t t . o , o t fi t t o o o t t t :t y t fi t t t 1% , o 0.25t o 0.31 o o t o . t t (β_2) o fi t t t t o (2005–2007). ,t o o t t t t o o o- o t to t o fi t o , t o t o o t y t to .

4. Local co-movements and operating earnings

o o- o t to t o t o 3 o to o o- o t fi flo , o o o t o fl o fi o t o , t o t o o y o t fi . t o t t t y œ y t t o o- o t , o y o fi flo . t t t t , t t t t t o o o o t o o fl o o- o t to t .
o fi , œ ▮ 1 y t t t o t (Δ▮) y oo ( ) o t fi ,t t ▮ 1 = Δ▮ / 1. t t , t t t t- t .t - t t o y (Δ▮), t o o t o o o t y o t . o t o o y t fi ' oo o t y( ). œ ▮ 4 (=Δ▮ / 4). o ▮ 1 ▮ 4, t t t t (▮) o (▮) y œ t - t t o o t fi , = (1, 4). t o fi ' oo o t y, t fi ' t o o t o .
t t o o t - o o fi o t t o , t = 1 o 4:

$$▮_t = \alpha + \beta_1 ▮_{t} + \beta_2 ▮_{t} + \varepsilon_t. \quad (6)$$

3 o t t t o o▮ . (6) o t o o 1999–2007. fi o t o o t t t o o t . ,t t t t t o- o t t fi ' t o (β_1) t fi t, t t t t o o- o t t o t y t o o o- o t . t- o- o t o o t fi t o t . t t o t t t t o t o o t fi '

Table 3
o o- o t o . t o t o o o t o :

$$▮_t = \alpha + \beta_1 ▮_{t} + \beta_2 ▮_{t} + \varepsilon_t.$$

fl yt o t, d y o t. t o t o t to o o o- o t o to t , t t tt o t o t y o o t t t . o t o yto t o o t , o o - o to . t o , o y t t y fi o t o d o ,t o t o d t to o tt fi t o o- o t . y , to o o t ' y o t d t o t . t o , t t o t o o t o o t y t , t y t tt o o tt o t .

5. What determines the local co-movements of stock returns?

5.1. Firm characteristics

o t t (o o t , 2001; y , 2006),t o o t o : (t t o t o t o t y ' t t t o); (t d t /t d t); y (t yo t/ t t t o); (t-to- oo t o: t y t / t y oo); (t o t); (t t o t o o o); t t o o ; tt t o o ; o ,t t o o t o t o t d t ; y, y to 1 t - o t t fi , o d t . y, y to 1 t - o t t fi , o d t . -y t o t o t t - o .

t t t o o o t t . fi t o , , y , t-to- oo , ;t o o t t o t fi ' o t t ,t t o , t t o (t t), tt t o o (tt t o), t o o t o o t (o),t t o - (y) - (y). t o fi o o ,o t o y o t fi t o t d t o d t o . t o t o . (2). 4 t t t . y t fi t t tt t o o (2002–2004 2005–2007), y t t o t o o o- o t . o o t t fi o t tt t o t o d t o o yto t t. o t t t “ t”, o t y o o t (2001) y (2006). t t o o t t t o (1988), o fi t t t o ' o t t t t t t o t o , o t o o o- o t t t o t o o tt t (o t t t o . (2), o t t t). t t o tt t t o t t fl , fi o y t o o y t t o .

o d t fi t t o o o- o t t t t , t t t t o o d t y fi t o o o t o , y o d t o o t t y.

y t fi t, o t t t y fi t tyt t o tt t o o - o t o t o o o- o t . o t t t t, t o y t t y t fi , o - o t o oo t o t t y t t o t. o t t t o t fi t y (2006).

t fi t, o t t fi o t o t t o tt t o o - o t o t t o o- o t . o t t t o t fi t y (2006).

,t o fi ' o ft t y, t fi t t tt o o 2005–2007. o t t t t t o fi o o ft t o t o y tt t t o o t t o o t fi . t o t t t t t y (2006). (t o o o) fi t. o d t o t t o o o o (o t ., 2004), o t t t o t y (2006).

t o t o t fi t t o o o- o t 2005–2007,
t t t o ,t o o ,t o o t o o t y t o t
fi ' t o o . ,t t o o t o (t t) o d
t o t fi t t, o t t t o t o d fi t t o fi '
o t o o .
t t t o o t o o 1999–2001 t o t t t t t t o t o
d y t o t o . t t t t t o o 2005–2007 o t

Table 6

t t o o o- o t : o fi t t . o to t , t t t - o o ot y to t o t t o o t t o o o t 3-y o : 1999–2001, 2002–2004, 2005–2007. t t t t o t o t o o o t t : (o t); (t o fi o); fi t (2/); o to t; o yt ; t o o fi t t : ,t t o t o t t t t o o t fi ; ,t tdt t o t t o; y ,t yo t yt t o ty; (t-to- oo t o),t tt o oo t o; , t o t ; ,t t o t ot o o ; t t , t t o ; t o ,t t o o t o t o t dt o ; tt t o , tt t o o ; o ,t t o o t o totdt ; o ,t t o o o totdt ; o ,t t o o o totdt . t 3-y o t t o . t t o fi t t t-t t t t t t .

	1999–2001			2002–2004			2005–2007		
t 99–01	0.1450***	0.1386	3.4870**						
	(3.24)	(1.20)	(2.3937)						
t 02–04				0.2376***	0.1726**	4.2460***			
				(6.12)	(2.04)	(3.70)			
t 05–07							0.1755***	0.0730	4.6657***
							(3.25)	(0.70)	(3.73)
	0.0000***	0.0000	0.0000	0.0000***	−0.0000	0.0000 (0.93)	0.0000***	0.0000	0.0000
	(6.70)	(0.92)	(0.5929)	(3.95)	(−0.09)		(3.56)	(0.21)	(1.51)
		0.0057***	0.0042***		0.0028**	0.0027*		−0.0020	−0.0014
		(4.33)	(3.2345)		(1.96)	(1.92)		(−1.25)	(−0.94)
t		0.0003	0.0000		0.0002	−0.0002		−0.0006	−0.0017
		(0.63)	(0.0498)		(0.29)	(−0.30)		(−0.51)	(−1.45)
o to		0.0233	0.0163		−0.0044	−0.0068		0.0209	0.0247
t		(0.85)	(0.6121)		(−0.21)	(−0.33)		(0.78)	(0.97)
o yt		−0.0502	−0.0252		0.0103	−0.0060		0.0324	0.0142
		(−0.93)	(−0.4812)		(0.26)	(−0.15)		(1.30)	(0.61)

			−0.1278*			−0.1708***			−0.2014***
			(−1.8539)			(−3.16)			(−3.30)
			0.0949 (0.7798)			−0.0215 (−0.24)			−0.0137
									(−0.80)
			−7.8846***			−4.6376** (−1.98)			−1.6558
			(−2.7516)						(−1.00)
			−0.0272***			−0.0131 (−1.63)			−0.0122
			(−3.3207)						(−1.12)
			0.0032 (0.6246)			−0.0063 (−1.25)			−0.0134***
									(−2.65)
			−0.0014			0.0036 (0.58)			−0.0029
			(−0.2075)						(−0.36)
t			0.0018 (0.7710)			−0.0001 (−0.04)			0.0012 (0.52)
t t o			−0.0021			−0.0008 (−0.61)			−0.0012
			(−1.3947)						(−0.48)
tt t o						0.0018 (0.66)			−0.0086***
									(−3.47)
o			−0.0071**			−0.0045* (−1.88)			−0.0027
			(−2.5490)						(−0.96)
y			0.3242***			−0.0556 (−0.55)			0.1311 (1.00)
			(2.9095)						
y			−0.3388*			−0.2867* (−1.73)			0.0076 (0.04)
			(−1.7548)						
t o	752	752	747	1013	1013	976	1231	1231	1218
t -	0.250	0.273	0.334	0.216	0.224	0.246	0.114	0.114	0.231

t - t t t t .

*** < 0.01.

** < 0.05.

* < 0.1.

5.2. Firm-level information disclosure quality in the Shenzhen Stock Exchange

to ▮ (▮) o o to o to o to t o o to t o : " o - ", " ", " oo " ▮ t". t o y o 355 fi o o 2001 to 2007. t to t o o fi - o to o ty t o o- o t .

o t , o t t t o o to , (1) o y: fi to o " oo " o t o t o to y ,t t 1, d 0; (2) to : o o t o to , o - = 1, = 2, oo = 3, ▮ t = 4. to fi t o o o 7 y . fi t ▮ . (2) o 414 fi o 2001 to 2007 t o t t o t , t o t o o to fi t t t t - to . fi t t 7-y o t o o 2001 to 2007. 5 ot t t .

fi t t o o- o t t y fl y o t o o ty. t t tt o t o o ty o o- o t , to o o t o o - o to . o t o o ty, t o o o o- o t o t fi . o t o ty o o - o to ' o t o y t y tt t o o - o to .

t o , t t o t fi - o t o o ty fi t t : , , t o t ( ). t o t tt t t o t fi - o t o o ty , fi t. t o d fi y fi o t t t o t .

5.3. Provincial characteristics

t o t o fi , t o o t o - : (t o fi o); (o t); fi t (2/); o to t; o yt . t t ty o o fi to o - o to , y d t t o o- o t o . t , t .

6 ot t t o t o . o t t , fi t o (1), (4) (7), d fi t t d o . t t t y o to t tot o to , t t y y d to t y o t o , o fi t , o to t, oo . (t o fi o) o t fi t t o o 1999–2001 2002–2004. o t ty o o fi , t t y o o , o to to t o . o t t t t y (2006). t (2/) fi t o , t tt o t o t fi yt t o o d fl o to to t o - o to , o o - o to to t o to .

o to t fi t, y t tt ty o o to , fi o o , d t t t to to o fi o to t t fi t.

o yt fi t t, t t o t t to y yt t o o d t o to ty o fi t t o . t t tt o o t to y yt y o o t t fi to .

6. Conclusion

t to t o t o o y t t t t fi t o t o to fi to t o- o t o fi o 1999 to 2007.

t o t o o- o t tt o to t o fi o t t o . o o , ct fi - o - to o to fl t o- o t, o t , fi o t t fi , t t o fi t o . t o o fi t t to ▮ o t t tt fi - o t o ty o o- o t. o y t o o t t y. o t o ty o o ct t fi t o to t o o- o t,t o to ' . t to t to t y fi t y, t t o o , o y t o t y- to o t t tot t o t o .

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