

Long-Run Performance of Greek Initial Public Offerings (IPOs)

by Valuation & Research Specialists (VRS)



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ABSTRACT

In this report, the long-run performance of IPOs on the Athens Stock Exchange is examined during the period 1995 – 2007 by calculating and analyzing monthly and cumulative returns of the newly listed Greek stocks over that period. The core objective is to test the absolute returns investors realized by placing their funds into newly listed stocks on the Athens Exchange during the most developed phase in the history of the Greek equity market. The period 1995 – 2007 consists of a bull market phase that ended with the General Index peak in the first half of 1999, when transaction value and investors' interest reached an all time high, of a downward trend during the period 2000 – 2003 and of a market reversal from 2004 up to 2007. In a second stage, an attempt is made to compare the findings from the Greek IPO market with the ones presented in the international literature covering long-run IPO returns in various international markets, placing at the same time a special emphasis on the US market. It is important to note that this research paper attempts to assess any potential out performance or under performance of IPOs based on benchmark indices. Thus IPO returns are examined mainly on absolute but also on relative terms.

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CONTENTS

1. Introduction	5
2. Data & Methodology	6
3. Empirical Results	10
4. Comparison with the International Market	21
5. Conclusions	29
References	31-32
Disclaimer	33-34

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NOTES

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