
**The Difference of Abnormal Return on Listed Companies between
Chinese Stock Market and Main Markets Abroad after the Financial
Crisis Burst out**

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Abstract: The global financial crisis of 2007-2008 affects the stock markets deeply. But, the economic consequences are different among some cross-markets. Based on the event research method on market price volatility spillover effect, the paper analyzes the difference of abnormal return on listed companies between Chinese stock market and main stock markets abroad. At first, the paper reveals the influences to the listed companies on stock markets subject to the bad news or important event created from the debt market. It is found that the stock market price volatility spillover effect appears different in Chinese stock market. However, it is still can not be found sufficient evidence to prove which kind of news affect Chinese stock market more deeply when the global finance crisis burst out. Then, this paper analyzes the relationship between market price volatility spillover effect and the abnormal return on listed companies. Considering on the Chinese stock market regional and institutional back ground, the paper tests the sufficient influence factors to abnormal return on listed companies. Finally, based on the different results after the different event on stock markets, the evidence is to prove which one is more significant influence to Chinese stock market, external financial news or internal market news on background of the international financial crisis.

Furthermore, comparing on the difference of investing reactions to market risk can be used to reveal the reasons whether causing volatility spillover effect or not. The paper finds Chinese market investors have different investing behaviors contrast to US market investors.

Key words: Volatility Spillover Effect, Event Research Method, Abnormal Return, Return on Equity