Institutional holding strategies: a comparison from pre-and post-financial crisis

Lai Cheng-Hong, Chen Yu-Fen
E-mail: 342524@mail.dyu.edu.tw

ABSTRACT

The volume traded by individual investors in Taiwan stock markets has been exceeded 70% of the total market trading volume. Although the stock markets in Taiwan are dominated by individual investors, the institutional investors do play some roles in the markets. They are thought to have professional research teams and big money to affect the stock markets as they are trading. This paper tends to investigate what determines institutional investors' choices as they pick up their portfolios, especially as they face the 2008 global financial crisis. The empirical evidences show that institutional investors in Taiwan pick up their portfolios based on some of the "prudence characteristics". They choose stocks with large size, high visibility, high dividend yields and low betas. They also prefer stocks of old firms. As taking ownership structures, liquidity and stock returns into consideration, they prefer stocks with high directors' and large shareholders' ownership, high managerial ownership, high stock prices, low turnover rates and positive lag returns. We further investigate how institutional investors respond to the 2008 financial crisis and some major changes emerge. Institutional investors change their investing style and prefer young firms with small size, low dividend yields, and high price. Furthermore, during the financial crisis they perform like a contrarian trader to pick up stocks with negative past returns rather than what a momentum trader did. 

Keywords: Institutional investors, prudence, contrarian, momentum

Keywords: 機構法人、持股策略、謹慎原則、逆勢交易、動能交易

Table of Contents

封面內頁 簽名頁 中文摘要...................... ii 英文摘要.............. iii 致謝........................ iv 目錄.............. v 圖目錄....................... vii 表目錄........... viii 第一章 緒論 第一節 研究背景與動機........... 1 第二節 研究目的.... 4 第三節 研究架構.............. 5 第二章 文獻探討 第一節 機構法人對證券市場之影響...... 7 第二節 穩健原則、流動性及報酬率之考量... 8 第三章 資料來源與研究方法 第一節 資料來源. ............. 16 第二節 研究方法.............. 17 第三節 迴歸模型與變數定義... 20 第四章 實證結果與分析 第一節 固定效果模型迴歸結果........ 21 第二節 模型選擇.... 23 第三節 機構法人持股偏好改變之分析..... 24 第五章 結論與建議........... 30 參考文獻...................... 32

REFERENCES


