ABSTRACT

We are mainly exploring the transaction information of electronic industry in Taiwan and Korea stock market. In the study, we are going to discuss whether there is information efficiency or not. Besides, we used the factors of cumulative return, cumulative revenue and cumulative market capitalization to point out the best investment strategies for foreign investment in Taiwan and Korea electronic stock market. And further, we also utilize return, revenue and market capitalization to explore the suitable holding period for foreign investment in Taiwan and Korea electronic stock market. The results showed that there is a long-term relationship of equilibrium between the shareholdings of foreign investment at electronic and electronic index through co-integration test. It indicated that both of electronic stock markets from Taiwan and Korea belonged to inefficiency markets. For a concealer of foreign investment, he/she could get a remuneration based on the transaction information in market. As above mentioned, the electronic companies (top 3) which got foreign investment in Taiwan required a suggestion of contrarian strategy except Honhai. Half investors who invested in Korea (the top 3 electronic companies) supported the foreign investment to adopt momentum strategy. Finally, we found that the suitable holding period of top three electronic companies in Taiwan and Korea, it just had three days of suitable holding period in Taiwan, and had three months of suitable holding period in Korea.

Keywords : Information Efficiency、Momentum Strategy、Contrarian Strategy


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