Does the Annual General Meeting involve the release of relevant information in non-common law markets? Evidence from Spain *

¿Aportan información relevante las Juntas Generales de Accionistas en países de tradición legal distinta a la ley común? Resultados para el caso español

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ABSTRACT Although the investigation of the effects of corporate events on stock prices is a well-established line of research in accounting and finance, only a limited attention has been devoted to one of the most important corporate events: the Annual General Meeting (AGM). The current empirical evidence is not only scarce, but is also limited to the US and the UK, countries whose legal tradition is based on the common law. In these countries the AGM has been found to involve the release of relevant information to the market. Nevertheless, since the influential paper by La Porta *et al.* (1998), evidence reported in common law countries cannot be automatically extrapolated to countries with a different legal tradition. In this paper, we have investigated the effects of AGM on stock returns, volatility and trading volumes, in the Spanish stock market. As expected, our results indicate that the information content of the AGM is lower in Spain than in common law countries. In fact, the AGM does not have any significant effect in any of the three indicators. After examining possible explanations, we conclude that no relevant information seems to be released to the market during AGM, thus having zero impact on returns, volatility and trading volumes. Nevertheless, the behaviour of cumulative returns and trading volumes suggests that market participants expect the release of relevant information during these meetings.

KEYWORDS Event studies; Annual general meeting; Stock returns; Volatility; Trading volumes.

RESUMEN Aunque el estudio de los efectos de eventos corporativos en los precios de las acciones es una línea de investigación bien establecida en contabilidad y finanzas, muy poca atención se ha dedicado a uno de los eventos corporativos más importantes: la Junta General de Accionistas (JGA). La evidencia empírica actual no sólo es escasa, sino que únicamente se limita a los Estados Unidos y al Reino Unido, países cuyo ordenamiento jurídico se basa en la ley común. En estos países, la JGA lleva asociada la comunicación de información relevante para el mercado. Sin embargo, La Porta *et al.* (1998) al enfatizar la importancia de la tradición legal del país, imposibilitan trasladar automáticamente al caso español los resultados obtenidos en países cuyo ordenamiento jurídico se basa en la ley común. En este trabajo se ha investigado los efectos de la JGA en la rentabilidad de las acciones, volatilidad y

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volumen de negociación, en el mercado español. Como era de esperar, nuestros resultados indican que el contenido informativo de la JGA es menor en España que en los países del ámbito de la ley común. De hecho, la JGA no tiene ningún efecto significativo en ninguno de los tres indicadores investigados. Tras examinar las posibles explicaciones, se concluye que la JGA no implica la comunicación al mercado de información relevante. Sin embargo, el comportamiento de rentabilidades y volúmenes de negociación en términos acumulados sugiere que los inversores esperan que la JGA lleve asociado un contenido informativo relevante.

PALABRAS CLAVE Estudio de eventos; Junta general de accionistas; Rentabilidad; Volatilidad; Volumen de negociación.

1. INTRODUCTION

The reaction of stock prices to information releases during public announcements constitutes a well-established line of research in financial economics. Numerous studies have investigated the reaction of stock prices to a great variety of corporate events. Among the papers focusing on the effects of earnings announcements, we can mention the seminal paper of Beaver (1968); Aharony and Swary (1980); Ball and Kothary (1991); Abarbanell and Bernard (1992); and more recently, Landsman and Maydew (2002) and Landsmand *et al.* (2002). Dividend announcements constitute another company event widely investigated. A short list of papers dealing with the reaction of stock prices to company dividend announcements should include: Watts (1973); Denis *et al.* (1994) and Michaely *et al.* (1995). Other examples of company events that have received important attention in the literature would be: stock splits [e.g. Lamoureux and Poon, 1987 and Ikemberry *et al.*, 1996], corporate news [e.g. Battacharya *et al.*, 2001; Chan, 2003; Frazzini, 2006 and Kothary *et al.*, 2008] and executive compensation plans [e.g. Tehranian and Waegelein, 1985 and Gaver *et al.*, 1992]. In addition to these comprehensively investigated topics, we can mention the reaction of stock prices to auditor switches (Hong, 1992) or to sudden executive death (Johnson *et al.*, 1985). All of the aforementioned events have in common the release of potentially relevant information to the market. It is, therefore, quite surprising that one of the most important corporate events, the Annual General Meeting (AGM), that involves, at least in theory, the release of relevant information to the financial market, has received a very limited attention in the literature.

During the AGM the corporate executives address not only shareholders, but also the financial community as a whole. From a legal standpoint, the AGM constitutes a principal corporate governance instrument that enables shareholders to limit the possibility of expropriation by managers. There are certain decisions that can only be approved at the AGM, as for example the election of the Board of Directors, and important managerial announcements, usually concerning the managers' views about the company's prospects, are often made. Stratling (2003) defines the following main functions of the AGM: 1. To inform shareholders on the company's financial results and on major business decisions that have been taken; 2. To obtain shareholders' approval of the decisions that do not rely on the managerial discretion of the Board; and 3. To provide a forum for discussion between managers and shareholders on the past performance of the company and its future actions and prospects.

As a consequence of the major role that policy makers grant to the AGM, national corporate governance codes have included numerous recommendations concerning its functioning [e.g. Higgs (UK), Cromme (Germany) or Vienot (France)]. In the particular case of Spain, the Unified Code provides a total of six recommendations involving the functioning of the AGM. Recommendation number five, for example, states that independent issues should be separately voted at the AGM.

Two of the three functions previously attributed to the AGM have to do with the transmission of information from managers to shareholders. Focusing specifically on the third function, a recent report by the supervisor of the Spanish financial markets, *Comisión Nacional del Mercado de Valores* (CNMV), for the year 2008 states that for only three companies of the thirty-five constituents of the IBEX-35 index, shareholders made no questions to be answered during the AGM. While for most firms the number of questions ranged between one and one hundred, for three companies this number was higher than one thousand. The answer to these numerous questions potentially involves the release of relevant information to the market.

Nevertheless, we have found only four previous investigations on the issue. All four focus specifically on two common law markets: the US and the UK. With the only exception of Firth (1981), which is also the first author to investigate the issue, they report relevant information effects associated to the AGM. He conducts his research with a sample of 120 firms listed in the US stock market and concludes that the AGM does not appear to provide an above-average level of information. The author investigates the behaviour of returns and trading volumes, but not volatility. Neither returns nor trading volumes show any abnormal behaviour prior to or following the date of the AGM. Unlike the other investigations on the issue, Firth uses weekly returns instead of daily returns. This point makes his results difficult to be compared with other authors' findings. Brickley (1985) addresses the effects of the AGM on returns, without considering trading volumes or volatility, through a random sample of US firms. The author reports significantly positive abnormal returns at a 1% level with the t-test, for the two days period including the day of the meeting and the following trading day. In addition, he explicitly complains that the lack of comparable investigations makes it difficult to interpret his results in the framework of previous research. Later on, in the first research on the issue conducted outside the US, Rippington and Taffler (1995) after analyzing the information relevance of four company events including the AGM, for a sample of UK firms, report that the day of the meeting and the following two days were characterized by an increase in return volatility. However, the effects of the AGM on stock returns and on the volumes of shares traded were not investigated. More recently, Olibe (2002) investigates the informational content of the AGM with a sample of UK companies listed on the US stock market, covering the period 1994-1998. He concludes that the pre-AGM returns are characterized by unusually small variance, while the day of the meeting and the day after, return volatility is significantly higher, indicating the release of relevant information to the stock market. Nevertheless, the effects of the AGM on the volumes of shares traded are less evident.

In this paper, in the context of the Spanish stock market we investigate the behaviour of stock returns, trading volumes and return volatility both before and after AGM dates. We

have used the classical Brown and Warner (1985) methodology for event studies. As previously mentioned, we have found only four previous comparable studies on the issue, and all four cases dealt with common law countries. Therefore, this paper constitutes the fifth investigation and the first conducted with respect to a non-common law stock market. Due to the relevance of the AGM as a corporate event and the scarcity of previous research on the subject, additional empirical evidence should be welcomed in order to draw sound conclusions regarding the impact of the AGM on stock prices and the volume of shares traded, and about its possible explanations. Therefore, we believe that the most important feature of this research is the investigation of the issue on a non-common law environment. In the next section we specifically address the importance of a country's legal tradition in the issue under investigation.

Another distinctive feature of this paper compared with previous research, is that for the first time the effects of the AGM on stock returns, trading volumes and return volatility are simultaneously investigated. Firth (1981) investigates the behaviour of returns and trading volumes, but not return volatility; Brickley focus only on returns; Rippington and Taffler (1995) investigates only return volatility, and Olibe (2002) centres on volatility and trading volumes without considering stock returns. The comprehensive approach adopted in this paper will allow for a better understanding of the causes behind the behaviour of stock returns before and after AGM dates.

Our results show that unlike research carried out in common law countries, in the Spanish market the AGM does not have any significant effect in returns trading volumes or return's volatility. After carrying out a separate analysis for blue chip and non-blue chip companies, this main result holds. Nevertheless, when returns are computed in cumulate terms, an upward/downward trend in stock prices before/after the AGM is observed.

There are some practical implications of our results. First, the importance of the institutional framework when analyzing issues in corporate governance. Thus, results reported in common law countries cannot be directly extended to other countries. In addition, although the AGM constitutes, in theory, a principal instrument to guarantee good corporate governance its effective role is today under discussion. Our results reveal that, from the point of view of the information released to the market, they are scarcely relevant in Spain.

The remainder of the paper will follow accordingly: in the next section we discuss the potential implications of a country's legal tradition on the information effects of the AGM. In section three we develop the hypothesis to be tested regarding the behaviour of stock returns, trading volumes and return volatility. The discussion of the methodology and data sets is carried out in section four. Then, in sections five and six we discuss our results and present the main conclusions, respectively.

2. THE ROLE OF A COUNTRY'S LEGAL TRADITION

In the most influential article in the field of corporate governance, La Porta *et al.* (1998) investigate the relationship between the legal system and the protection offered to shareholders. The authors analyze forty-nine countries grouped into four groups ac-

cording to the origin of its legal system: civil law, common law, German civil law and Scandinavian countries. In this classification scheme, Spain is included within the civil law group jointly with, among others countries, France, Italy, Greece, Portugal, Turkey, Argentina, Brazil and Indonesia. The authors conclude that countries whose legal tradition relies on the common law tend to offer higher levels of protection to shareholders in relation to those whose tradition is based on the civil law. They also note that ownership concentration is negatively related to the level of investor protection. While, for example, the three largest shareholders concentrate on average the 20% of the ownership of public companies in the US and the 19% in the UK, countries belonging to the group of civil law such as France (34%), Italy (58%) and Spain (51%), show much higher levels of ownership concentration. Thus, the role of minority shareholders (the natural users of the information released during AGM), at least quantitatively, is much more relevant in common law than in civil law countries.

Shareholder activism is another field where important differences among countries can be observed. In a recent work, Cziraki *et al.* (2010) report differences in shareholders activism in the US, the UK and Continental European countries and conclude that shareholders proposal submissions remain infrequent in the latter compared to the US and the UK. The authors also note that shareholder proposals enjoy relatively modest voting success in Continental Europe compared with the US. In common law countries, where minority shareholders have a less relevant role measured either in terms of the number of shares and in its level of activism, we should expect AGM to be less informative relevant, since institutional investors are not expected to be users of the information released during the AGM.

Given the importance of legal tradition, not only regarding shareholders rights, but also in the role they play in the company, we cannot assume on a priori basis, that results obtained in countries whose legal tradition is based on the common law as the US and the UK can be directly extrapolated to countries with a different legal tradition. In an influential paper, Ball *et al.* (2000) conclude that enhanced common law disclosure standards reduce the agency costs of monitoring managers, thus countering the advantage of closer shareholder-manager contact in civil law countries. Following the authors, the explanation of this finding would be that since in these countries the groups of interest (labour unions, banks, business associations) are represented by their agents in the firm's corporate governance, insider communication solves the information asymmetry between managers and stakeholders. Insider shareholders are obviously included within these groups of interest. Therefore, the informational role of general meetings should be smaller in civil law countries compared with common law ones.

We provide now some evidence about the role of a country's legal tradition, not specifically on AGM but, on the relevance of events that, as AGM, involve the release of information to the market. Ball and Shivakumar (2008) investigate earnings quality in public and private British firms, reporting differences in average earnings quality between both types of firms. This result is viewed as an equilibrium outcome in the market for corporate financial reporting, reflecting differences in the demand for financial reporting between private and public firms. The study of Venkataraman, *et al.* (2008) on

initial public offerings constitutes an interesting example of the importance of international institutional factors on accounting. They conclude that audit quality was higher in common law than in civil law countries, because a stronger demand for high-quality audit reports existed in the former. Finally, DeFond *et al.* (2007), after analyzing the information content of annual earnings announcements in 26 countries, conclude that this content was higher in common than in civil law countries. From this evidence we conclude that the quality of audit reports (Venkataraman, *et al.*, 2008) and the content of earnings announcements (DeFond *et al.*, 2007) is lower in civil law compared with common law countries, as a result of a lower demand for quality information in the former. In addition, the quality of firms' financial reports (Ball and Shivakumar, 2008) depends on the existing demand for quality reports. Therefore, given the different role played by minority shareholders in both types of countries, a stronger demand for highly informative AGM should exist in common law countries, and thus higher abnormal returns on AGM dates will be expected in common law than in civil law countries.

3. HYPOTHESIS DEVELOPMENT

Regarding the theoretical foundations of the expected relationship between the AGM and the behaviour of stock prices, we have followed the standard framework used in the literature to analyse the reaction of stock prices to any particular corporate event implying the release of potentially relevant information to the market. More specifically, we have extended the framework proposed by Kalay and Loewenstein (1985) to the reported abnormally high returns on dividend announcement dates. The authors explain this result in terms of the increase in expected return and risk associated to predictable events that would likely generate new information. In such cases, the risk per unit of time on common stock would not remain constant over time but increase on the day of the event. Similarly to the announcement of dividends, the AGM dates are also known well in advance by market participants, and both situations presumably imply the release of important company information to the market. Likewise, if the AGM involves the release of relevant information to the market, we should observe abnormally high returns on AGM dates. Accordingly, the following null hypothesis has been posed:

Hypothesis 1. In a civil law country, stock returns will not be different the day of the AGM compared with ordinary days.

If the AGM involves the release of relevant information, we should observe an increase in the volatility of stock prices during these dates. If the information released during the AGM were better/worse than the expectations of market participants, stock prices should increase/decrease, following the arrival of this information. In addition, since market participants will increase buying and selling positions based on this new information, we should observe an increase in the number of shares traded. On the contrary, if the information released during the AGM were not relevant for market participants, we should not observe any significant effects either in return volatility or in the volume of shares traded. Accordingly, the following two null hypotheses have been posed:

Hypothesis 2. In a civil law country, the volatility of stock returns will not be different the day of the AGM compared with ordinary days.

Hypothesis 3. In a civil law country, the volume of shares traded will not be different the day of the AGM compared with ordinary days.

4. METHODOLOGY AND SAMPLE SELECTION

In this section we discuss our proposed methodology to analyze the behaviour of stock returns, return volatility and trading volumes surrounding AGM dates. We also present the sampling process and dataset used in our investigation.

4.1. Methodology

We have followed the classical Brown and Warner (1985) event study methodology. Accordingly, abnormal returns (*AR*) have been computed as the difference between actual and normal returns, while normal returns are defined as expected returns without conditioning for the event occurrence.

Thus, abnormal return for stock *i* on day *t* is expressed as:

$$AR_{it} = R_{it} - E(R_{it} / X_t) \quad (1)$$

Where AR_{it} is the abnormal return of stock *i* on day *t*; R_{it} is the actual return, adjusted for dividends and stock sputs; and $E(R_{it} / X_t)$ is the expected return for day *t*. Finally, X_t is the conditioning information set for the expected return on day *t*. Expected or normal returns have been computed through the market model. The event window and estimation period are given by the intervals [-10, +20] and [-90, -20], respectively, with day 0 representing the date of the AGM. We have chosen a thirty-one days event window, which is relatively long compared with previous investigations on the issue. Firth (1981) and Brickley (1985) just focused on the day of the AGM without considering nearby days, while Olibe (2002) and Rippington and Taffler (1995) worked with a [-10, +10] and a [-9, +5] event window, respectively. Although we agree that an abnormal return occurred twenty days after the AGM could be hardly attributed to the AGM, the election of a relatively large event window will allow a better analysis of the behaviour of cumulative returns and traded volumes, detecting for instance potential reversions in prices or volumes that would be ignored if using shorter event windows. The fact that none of the abovementioned papers have examined the behaviour of returns and trading volumes on cumulative terms, could explain their relatively short event windows. Normal daily returns have been computed through an estimation of the market model for the seventy-one days period ending twenty days before the AGM. Market returns have been computed through the IBEX-35 Index, the most relevant indicator of the Spanish stock market. The IBEX-35 is composed of the thirty-five most liquid companies quoted in the Spanish Stock Exchange. Normal daily returns have been estimated through ordinary least squares.

For a sample of N securities, the cross-sectional mean abnormal return for any period t is given by:

$$AAR_t = \frac{1}{N} \sum_{i=1}^{N} AR_{it} \quad (2)$$

Cumulative average abnormal return (*CAAR*) has been computed by adding AAR for different intervals throughout the event window, as showed by expression (3):

$$CAAR_b = \sum_{t=a}^{b} AAR_t \quad (3)$$

Our first null hypothesis states that stocks returns will not be affected by the AGM, thus average abnormal returns should not be different from zero on AGM dates. We have performed two statistical tests: the parametric t-test and the nonparametric rank test, in order to reach a conclusion regarding the rejection of the null hypothesis for each day within the event window. The t-test is the standard procedure to test the null hypothesis in event studies. Accordingly, our null hypothesis has been tested through the t-test at standard 5% and 1% significance levels. Brown and Warner (1985) discuss the implications of the statistical properties of daily stock returns for the event study methodology. In particular, they focus on the departures from normality and the discordant nature of returns variance across time. The problem arising from the lack of normality of daily returns is particularly serious for small samples. The implications of non-constant returns variance is also emphasized by Corrado (1989), who argues that the increase in the variance of day 0 returns distribution constitutes a major weakness in the performance of the t-test, since a variance change will significantly increase the probability of type I errors (to reject the null hypothesis when in fact it is true). This fact will cause significance levels in event studies to be overstated when an increase in day 0 returns variance occurs. Corrado proposes the non-parametric rank test (better known since then as the Corrado test) to overcome this difficulty. Similar to the findings of Brown and Warner (1985), he reports that doubling the day 0 returns variance causes severe complications for the t-test statistics, since it more than doubles the probability of a type I error. On the contrary, the rank test remains relatively unaffected by these misspecification problems. Accordingly, despite our relatively large number of events, we have performed both, the t-test and the Corrado rank test.

We have also investigated the effects of the AGM on return volatility. The positive relationship between the release of information and price volatility is well established in the literature [see, e.g., Engle and Ng, 1993]. In addition, by examining return volatility we will be capable of more precisely explaining the behaviour of stock returns around the AGM dates. To support this view, suppose, for example, that one half of the companies in the sample report relevant positive information during the AGM, while the other half report relevant negative information. If financial markets are not strongly efficient, and therefore this information has not yet been incorporated into prices, we would report significantly positive, in the first case, and negative, in the second case, abnormal returns for the first and second sets of companies, respectively. However, when we calcu-

late average abnormal returns, the positive abnormal returns would be cancelled out by the existence of the negative abnormal returns, and the final result would be that average abnormal returns on dates surrounding the AGM were not statistically significant. In such a case, we could wrongly conclude that during the AGM there was no relevant information released to the financial market. Therefore, it becomes imperative to examine not only returns but also return volatility. In this case, we would observe that while abnormal returns are not statistically significant, the same does not hold true when they are computed in absolute value terms. Thus, through the examination of return volatility, we would be unable to conclude that no relevant information was released during the AGM.

We have studied the effects of the AGM in the same manner with regard to return volatility as with stock returns. The only difference being that since now abnormal returns are computed in absolute values, they cannot be directly used to perform any statistical test, because the null hypothesis, that a sum of absolute values is zero, would certainly be rejected. Thus, in order to perform the statistical tests, it is necessary to first correct absolute returns by the mean value. Our second null hypothesis states that the volatility of stock returns will not be affected by the AGM. Under this hypothesis we would expect that average absolute abnormal returns (*AAAR*) will not be different from zero on AGM dates. As we did for testing the statistical significance of abnormal returns, this hypothesis has also been tested through both, the parametric t-test and the non-parametric Corrado rank test.

Following Kyle (1985), high trading volumes around a company event would be associated with the release of new information to the market. As was the case for abnormal returns in absolute values, the examination of trading volumes would allow for a better understanding of the behaviour of stock returns. Trading volumes have been examined within a similar framework as was used with the testing of abnormal returns. Thus, the abnormal trading volume (*AV*) of a given stock has been estimated as the relationship between its actual trading volume and its expected or normal value, both in terms of euros. In this way, the estimation period is not the same we used for the examination of returns and returns volatility, but instead, it includes two thirty-one days intervals [-50, -20] and [+30, +60], one before and one after the AGM dates. The reason behind this change, regarding the interval we used to estimate returns, is related to the desired avoidance of potential problems that could arise from the existence of underlying trends in trading volumes. Such trends could potentially misrepresent the results. We have defined the abnormal trading volume in similar terms as Menendez (2005) but adjusting the result by one in order to centre the variable in the zero. Thus, we have defined the abnormal trading volume, for stock i on day t, AV_{it} as:

$$AV_{it} = \frac{V_{it}}{\left(\sum_{i=20}^{t=-50} V_{it} + \sum_{t=30}^{t=60} V_{it}\right) \times \frac{1}{62}} - 1 \qquad (4)$$

Where, V_{it} is the trading volume in euros of stock i on day t. As we did with returns, once abnormal daily volumes have been computed for each firm i, the average abnormal volume (*AAV*) on day t is calculated for the whole sample as:

$$AAV_t = \frac{1}{N} \sum_{i=1}^{N} AV_{it} \quad (5)$$

Finally, cumulative average abnormal volume (*CAAV*) has been obtained by adding the average daily abnormal volume for different intervals throughout the event window period.

$$CAAV_b = \sum_{t=a}^{b} AAV_t \quad (6)$$

Our third null hypothesis states that the volume of shares traded will not be affected by the AGM. Thus, average abnormal trading volume would not be different from zero on AGM dates. As we did with returns and return volatility, t-test and Corrado rank test have been performed to determine the rejection of this hypothesis.

4.2. Sample selection

To accomplish the objectives of this research, we have examined returns, return volatility and trading volumes around the AGM dates in the Spanish stock market, within the time period of January 2002 to June 2009. Our sample is composed of the constituents of the IBEX-35 market index as of June 2009.

Daily data about stock prices and trading volumes have been obtained from the Thompson-Reuters 3000 Xtra database. When the AGM date information was not available in the primary source, information was hand-collected from the Madrid Stock Exchange web page and from the corporate web pages of the individual companies. The final sample yielded 226 AGM events. In thirty-six of these events, the AGM was realized over a weekend. In these cases, the next trading day has been chosen as the day of the event. The large number of events taken into account in this investigation constitutes an advantage in terms of robustness of the results.

5. RESULTS

Table 1 shows *AAR* with its corresponding t-values and Corrado statistics for every day within the event window. The parametric and non-parametric tests provide similar results, indicating that *AAR* on shareholders meeting days are not statistically different from zero. Therefore, the first null hypothesis cannot be rejected. The day immediately before the AGM, according to the Corrado rank test, the null hypothesis of non-significant returns is rejected at a 5% level. With this exception, for the ten days period before the AGM, the hypothesis that excess return for each day within the event window is equal to zero cannot be rejected, following the results of either of the two performed tests, at the usual 5% significance level. Regarding the post AGM period, it is interesting to note that

negative returns are observed on days +8, +9 and +10, statistically significant at 1% (day +9) and 5% (days +8 and +10) levels according with the t test and on day +10 at a 5% level with Corrado rank test. We do not know to what extent these negative abnormal returns are delayed price reactions to the AGM. Previous evidence regarding the effects of the AGM on stock returns was contradictory. Rippington and Taffler (1995) and Olibe (2002) investigate the effects of the AGM on return volatility but not on average returns. In addition, since Firth (1981) work with weekly, instead of daily returns, our results must be examined in light of the findings by Brickley (1985). The author reported significant abnormal returns for the two days period including the day of the AGM and the following trading day. In our case, the *AAR* either the day of the AGM or the cumulative return for the two days period including the day of the meeting and the day after, are not statistically significant at the usual levels. Therefore, our findings indicate that abnormal returns on general meetings dates are lower in Spain compared with the US. This result is robust to the use of a longer time period (150 days) to estimate returns.

As it has been stated in the methodology section, the analysis of the behaviour of stock returns around the AGM has been accompanied by the exam of return volatility. When abnormal returns are taken in absolute value terms, the potential problem of the neutralization of positive and negative returns disappears. Table 2 provides *AAAR*, jointly with t-values and Corrado rank test statistics, for each day of the event window. We do not observe higher levels of volatility in stock returns on AGM dates, compared with other days. This result is observed independently of the statistic test used to analyze the significance of absolute returns. Therefore, the null hypothesis number two, stating that the volatility of stock returns will not be affected by the AGM, cannot be rejected. The only significant value we report, according with the t-test, is observed on day -3 (at a 5% level) and has a negative sign, indicating an abnormally low level of volatility three days before the AGM. It should be noted, however, that four of the five days before the AGM show relatively low levels of return volatility, although only for day -3 is this lower volatility statistically significant. Evidence available for common law countries supports higher levels of volatility on AGM dates. Rippington and Taffler (1995) and Olibe (2002) report relatively high levels of volatility the day of the meeting and the day after. Our results would indicate that the information content of AGM is lower in Spain compared with common law countries.

The behaviour of trading volumes around the AGM dates is reported in table 3, jointly with t-values and Corrado rank test statistics for each day within the event window. Similarly as reported in tables 1 and 2, analogous results are observed independently of the test performed. Shareholder meetings do not seem to have any effect on stock trading volumes. Only day +2, within the event window, shows abnormally high trading volumes, statistically significant at a 5% level with both, t-test and Corrado rank test. This result is robust to the use of a longer time period (150 days) to estimate abnormal trading volumes. Consequently, the null hypothesis number three stating that trading volumes will not be affected by the AGM cannot be rejected. Consistently with the observed increase in volatility on AGM dates, Olibe (2002) shows an increase in trading volumes on these days. Nevertheless, the author only performs the parametric t-test, and the significance

of trading volumes is not robust in respect to the way volume is defined. In our case, neither return volatility nor the volume of shares traded increase on AGM dates.

The simultaneous investigation of returns, volatility and trading volumes allows for a better and more complete interpretation of the findings. Bhattacharya *et al.* (2000) discuss the difficulties of interpreting the lack of reaction of stock prices to company events. Following the author, four possible, and sometimes contradictory, situations were compatible with this behaviour, by combining the concepts of market efficiency and the relevance of information releases: 1. The market is inefficient, and thus prices do not react to the arrival of relevant information; 2. Companies do not make value-relevant corporate announcements; 3. The stock market is efficient and the news are value-relevant, but this information has already been completely anticipated by the market, and 4. Insider trading prohibitions neither exist nor are they enforced, and thus the superior information of insider traders has been incorporated into stock prices through their trades. The analysis performed in this paper should provide insight into the likelihoodness of the abovementioned four explanations. The first explanation assumes market inefficiency in the weak form. It can be rejected based on previous research available on the Spanish stock market. Garcia and Ibañez (2001) report positive and statistically significant abnormal returns for the target firm, in the days before the announcement of a public acquisition offer. Arcas and Rees (1999) investigating the behavior of stock prices during annual earnings announcements observed that the days of the announcements were characterized by relatively high levels of price volatility. Similarly, García *et al.* (2008) concluded that the information content of earnings announcements, no matter if the announcement involved pro-forma or audited earnings, was immediately incorporated to stock prices. In addition, if the stock market were inefficient we should observe a delayed reaction in prices and traded volumes to information, which is not the case in our investigation. Accordingly, the lack of reaction of stock prices to the AGM, cannot be explained in terms of market inefficiency. The third explanation assumes that the information released during the AGM is value relevant but had already been anticipated by the market. If this were the case we should observe an increase in volatility and in the volumes of shares traded the days before the AGM, which is not the case. The fourth explanation constitutes a particular case of the previous one. In this case the relevant information released during the AGM would have been incorporate into prices through insider trading operations. Thus, its implications in terms of the behaviour of returns and traded volumes would be the same that under explanation number three. Finally, under the second explanation, that no relevant information were released during the AGM, we should observe no any abnormal behaviour either in returns or trading volumes, the day of the meeting, the days before or the days after.

Therefore, in response to the former discussion, our results indicate that the most likely explanation of the observed lack of effects of shareholder meetings in returns, trading volumes and volatility is due to the lack of relevant information generated during these meetings. This finding is consistent with the results obtained by Arcas and Rees (1999) for a sample of Spanish companies, investigating a different but related event: earnings announcements. The authors conclude that earnings announcements made by large Spanish corporations were not informative.

The four papers that have previously investigated the information content of AGM have only focused on the behaviour of returns and trading volumes on a day to day basis, without examining the behaviour of returns and volumes on cumulative terms. Graph 1 shows the performance of *AAR* and *CAAR* within the event window. While the behaviour of *AAR* does not seem particularly meaningful, this is not the case regarding cumulative abnormal returns. As it can be seen, cumulative returns show a clear upward trend until the day of the meeting, where a maximum is observed, which is followed by a downward trend, particularly steeply after day +6. Table 4 shows *CAAR* and for some time periods. We have tested the statistical significance of *CAAR* in periods [-6, 0], [-3, 1], [1, 3] and [0, 10]. According with the t-test performed, cumulative returns are positive but not statistically significant, for the period [-6, 0]; positive and statistically significant for the period [-3, 1]; negative but not significantly for the period [1, 3] and negative and statistically significant for the period [0, 10]. It supports a delayed downward trend after the AGM, as shown by graph 1. Putting together, the behaviour of *AAR* and *CAAR* seems to suggest that, although, on a day to day basis, daily returns do not seem to involve significant information releases during the AGM, market participants would seem to anticipate favorable news to be released during the meeting, and so the *CAAR* reach a maximum the day of the AGM. These expectations would be deceived once the AGM takes place, but are not immediately translated to prices. To have a better idea of the final impact of the AGM on stock returns, including both the upward trend before the AGM and the downward trend after the meeting, we can examine *CAAR* within the period [-10, +10]. This return is not statistically significant at the usual levels (t-value: -1.04), indicating that the final impact of the AGM on stock returns is non-significant, thus supporting our main conclusion after the analysis of *AAR*.

A closer look at table 3 reveals an interesting finding. For each day within the event window [-5, -1], *AAV* is negative, while for each day within the event window [+1, +5] *AAV* is positive. Although, with the exception of day +2, *AAV* on a day by day basis is not statistically significant, the examination of cumulative trading volumes can provide an interesting picture. Similarly as graph 1 for returns, graph 2 shows the behaviour of *AAV* and *CAAV* within the event window. As it was the case with returns, the behavior of *AAV* does not seem particularly relevant, but this is not the case with *CAAV*. In cumulative terms, trading volumes systematically decreases until the day before the meeting, where a minimum is observed, and afterwards its behaviour clearly shows an upward trend, with a maximum the last day of the event window. We have tested the statistical significance of *CAAV* for periods [-5, -1] and [0, 5] through a t- test. As we reported for cumulative returns, the behaviour of *CAAV* before the AGM is not significantly different from zero (t-value:-0.45), but for the period [0, 5] it is statistically significant at a 5% level (t-value: 2.47). Since none of the four previous investigations about the informational content of the AGM has examined the behaviour of trading volumes in cumulative terms, we cannot discuss our results in the light of extant research. Nevertheless, Chae (2005) investigates trading volume before scheduled and unscheduled corporate announcements observing significantly positive abnormal volumes prior to unscheduled announcements and negative abnormal trading volumes prior to scheduled announcements. In both types of announcements the trading volume increases after the event.

Among the events investigated, the author did not consider the AGM. Nevertheless, since the AGM is a scheduled announcement, our results could be explained in similar terms as Chae's findings.

The analysis of trading volumes in cumulative terms supports our interpretation after examining graph 1. We have argued that market participants seem to expect the release of relevant information during the AGM. According with this interpretation, market participants would postpone buying and selling orders, waiting until the meeting. As we can see from graph 2, the cumulative volume systematically decreases until the day before the meeting when a minimum is observed. Once the meeting has taken place these postponed orders are placed, and so an increase in the volume of shares traded is observed. As we have done with returns, we have also examined the statistical significance of *CAAV* within the period [-10, +10]. According with the results of the t-test, cumulative abnormal volumes are not significantly different from zero at the required levels (t-value: 0.29). This result indicates that although some buying and selling orders are postponed because the AGM and placing afterwards, the occurrence of the event does not involve a net increase in the volume of shares traded. This result would support that no relevant information were released during the AGM.

Our results can be summarized as follows: the behaviour of daily returns, volatility and trade volumes does not suggest that relevant information is released during the AGM. Nevertheless, market participants postpone some orders to be undertaken after the meeting because they expect some relevant information to be released. In addition, investors seem to be optimistically biased about the AGM, therefore, the cumulative return increases as we approach the day of the meeting. After the meeting, these optimistic expectations are deceived and the cumulative return steadily decreases. Nevertheless, the net impact of the AGM on cumulative returns and trading volumes is non-significant.

5.1. Additional results: the role of firm's size

After the analysis carried out in the previous section, we can question to what extent our results are robust to firm characteristics. Since we are interested in the information content of AGM, the size of the company is the most important characteristic to consider. Blue chips enjoy permanent attention by mass media, are followed by many financial analysts and hold frequent conference calls. Following Zeghal (1984), as firms decrease in size so does the level of attention devoted by financial analysts, and consequently the information available to market participants. Thus, an information content point of view, the AGM could not be so meaningful to large than small companies. The relationship between the size of the firm and its effects on information releases is well established in the literature as stated by Rippington and Taffler (1995: 355): «The larger the firm the more information there is available on it so when its obligatory financial disclosures occur there is less share price reaction». In this line, Atiase (1985) reports that since the amount of unexpected information conveyed to the market by earnings reports is inversely related to capitalization, the degree of unexpected security price changes in response to earnings reports is inversely related size. The relationship between informational effects of AGM and firm size can be justified in the same terms.

To investigate the effects of firm size on the informational relevance of general meetings, a blue chips subsample has been formed with the constituents of the IBEX-35 index with the highest levels of market capitalization. According to this indicator, we have selected the six companies traditionally considered as the Spanish blue chips: Santander, Telefonica, BBVA, Iberdrola, Repsol and Endesa. The non-blue chips subsample has been formed with the constituents of the index not included in the blue chip subsample. Tables 5 and 6 show *AAR*, *AAAR* and *AAV* for the blue chips and non-blue chips subsamples, respectively. We do not report a significant information effect the day of the AGM in any of the two sub-samples, thus concluding that our findings do not depend on the size of the firm.

Although we have differentiated between blue chips and non-blue chips, the non-blue chip subsample is formed by big sized companies as well. Since all our companies are constituents of the IBEX-35 index, all can be considered high capitalization firms. Therefore, in this section we are comparing blue chips versus other high capitalization firms. This fact constitutes a limitation in order to generalize our conclusions to medium and small capitalization firms. The discussion carried out in this section to justify a separate analysis for blue-chips and non-blue chips, can be used to justify a separate analysis for small and medium capitalization stocks.

6. CONCLUSIONS

Extant research supports a significant, although moderate, informative content of AGM. Nevertheless, La Porta *et al.* (1998) pointed out the importance of a country's legal traditions in the level of protection of shareholders' rights and in the effectiveness of corporate governance instruments. Therefore, we cannot assume that the AGM plays the same role independently of the national legal system. In fact, in section two we have justified why the information content of the AGM should be lower in civil law than in common law countries. The main contribution of this research is to investigate the effects of the AGM in a non-common law country for the first time. If the AGM provides relevant corporate information, and supposing that financial markets are not strongly efficient, we should observe relatively high levels of return volatility and trade volumes the day of the meeting. Similarly, the day of the meeting relatively high returns should be observed given the higher level of risk associated with AGM dates, compared to ordinary days. Conversely, our results indicate that the AGM does not have significant effects either on returns, trading volumes or volatility. Since this situation is generally observed, not only on AGM dates but also around nearby days, no relevant information seems to be released during the AGM. It is important to note that the results observed in the three indicators investigated: average returns, trading volumes and volatility converge in the same general conclusion.

Another contribution of this paper to the extant literature is that for the first time the behaviour of returns and volumes around the AGM has been examined on a cumulative basis. Although the general meeting does not seem to involve the release of relevant information to the stock market, the systematic decrease in the volume of shares traded as well as the regular increase in cumulative return before the meeting suggests that

market participants seem to expect that some relevant and positive information will be released during the AGM. The reported decrease in cumulative returns and trading volumes after the meeting suggests that these expectations would have been deceived.

We do not report a different behaviour of returns, volatilities and trading volumes the day of the AGM, for blue chip and non-blue chip subsamples. Nevertheless, since all the firms used in this research are constituents of the IBEX-35 index, all can be considered as high capitalization firms. While this fact constitutes a constraint for the generalization of the reported results, it offers possibilities to extend our research to medium and small capitalization companies.

The role of the AGM as an efficient instrument for corporate governance has recently come under increasing scrutiny and numerous proposals for reform have emerged in as a result. In line with this contemporary view of the AGM, our results indicate that, when viewing the effects on the Spanish stock market, the AGM do not seem to be very relevant. A growing number of researchers [e.g. Stratling, 2003 and Catasus and Johed, 2007] are posing some concerns about the role of the AGM as an effective instrument to monitor managers by shareholders. Our results indicate that the AGM does not seem to bring about significant action on behalf of the markets, after the release of new corporate information. In our view, the effective role of AGM in corporate governance provides important opportunities for further research.

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TABLE 1
AVERAGE ABNORMAL RETURNS AROUND THE AGM

Event day	*AAR*	*t-statistic*	*Corrado*	*CAAR*
-10	0.0015	1.5751	0.2911	0.0015
-9	-0.0011	-1.1415	-0.6456	0.0004
-8	-0.0003	-0.3156	0.6808	0.0001
-7	0.0000	-0.0258	0.5165	0.0001
-6	0.0001	0.1301	-0.9743	0.0002
-5	0.0008	0.8896	0.8405	0.0010
-4	-0.0008	-0.8577	-0.7043	0.0002
-3	0.0013	1.3522	1.7842	0.0015
-2	0.0006	0.6974	1.3076	0.0021
-1	0.0015	1.5921	1.9838 *	0.0036
0	0.0001	0.0750	-0.2935	0.0037
1	-0.0005	-0.5043	-0.9649	0.0032
2	-0.0006	-0.6826	-0.1080	0.0026
3	-0.0008	-0.8574	-1.2630	0.0018
4	0.0001	0.0777	-0.8475	0.0019
5	-0.0003	-0.2939	0.3475	0.0016
6	0.0007	0.7199	0.9743	0.0023
7	0.0004	0.4789	0.7254	0.0027
8	-0.0019	-2.0230 *	-1.1691	0.0008
9	-0.0029	-3.1237 **	-1.8406	-0.0021
10	-0.0023	-2.5306 *	-2.4369 *	-0.0044
11	0.0001	0.0947	0.5869	-0.0043
12	0.0007	0.7906	0.4367	-0.0036
13	-0.0016	-1.7148	-1.1480	-0.0052
14	-0.0001	-0.0855	0.2465	-0.0053
15	-0.0014	-1.5301	-1.2044	-0.0067
16	-0.0001	-0.1542	-0.3709	-0.0068
17	0.0012	1.2854	0.5423	-0.0056
18	-0.0008	-0.8216	-1.1198	-0.0064
19	-0.0013	-1.3808	-0.6973	-0.0077
20	-0.0001	-0.1478	0.2042	-0.0078

* Significant at 5%.
** Significant at 1%.

TABLE 2
AVERAGE ABSOLUTE ABNORMAL RETURNS AROUND THE AGM

Event day	*AAAR*	*t-statistic*	*Corrado*
-10	0.0103	-0.0499	0.2650
-9	0.0098	-0.7436	-0.3906
-8	0.0095	-1.0678	-1.6359
-7	0.0094	-1.2204	-1.1497
-6	0.0104	0.0621	-0.4902
-5	0.0098	-0.6734	-1.0880
-4	0.0106	0.3117	0.8489
-3	0.0088	-2.0883 *	-1.5244
-2	0.0100	-0.4500	-0.8349
-1	0.0098	-0.7303	-0.6436
0	0.0106	0.4222	0.9047
1	0.0094	-1.2097	-1.0880
2	0.0109	0.7374	0.7751
3	0.0110	0.9239	1.8551
4	0.0102	-0.2078	-0.2849
5	0.0096	-0.9465	-0.7193
6	0.0106	0.4239	0.8409
7	0.0101	-0.3826	0.5161
8	0.0108	0.6942	0.7094
9	0.0114	1.4129	0.7293
10	0.0093	-1.4071	-2.2218 *
11	0.0105	0.1589	-0.2531
12	0.0097	-0.8827	-1.2295
13	0.0099	-0.5516	-0.4483
14	0.0100	-0.4912	-0.4224
15	0.0113	1.2585	1.5383
16	0.0103	-0.0999	-0.1076
17	0.0096	-1.0563	-0.1315
18	0.0100	-0.4638	-0.0339
19	0.0106	0.3501	-1.0282
20	0.0109	0.7832	-0.0179

* Significant at 5%.
** Significant at 1%.

TABLE 3
AVERAGE ABNORMAL VOLUMES AROUND THE AGM

Event day	*AAV*	*t-statistic*	*Corrado*	*CAAV*
-10	-0.0020	-0.0410	-0.1048	-0.0020
-9	0.0410	0.8376	1.6008	0.0390
-8	-0.0525	-1.0724	-0.2978	-0.0135
-7	-0.0464	-0.9472	0.1239	-0.0599
-6	0.0205	0.4194	0.5670	-0.0393
-5	-0.0219	-0.4476	0.0738	-0.0612
-4	-0.0054	-0.1103	0.1882	-0.0666
-3	-0.0591	-1.2083	-0.4502	-0.1258
-2	-0.0463	-0.9456	0.2263	-0.1720
-1	-0.0056	-0.1154	0.5979	-0.1777
0	0.0493	1.0065	0.9433	-0.1284
1	0.0542	1.1085	0.3216	-0.0742
2	0.1046	2.1382 *	2.1130 *	0.0305
3	0.0455	0.9289	1.1435	0.0759
4	0.0231	0.4713	0.5646	0.0990
5	0.0196	0.4013	0.7147	0.1186
6	-0.0190	-0.3874	0.3728	0.0997
7	0.0147	0.3009	0.3121	0.1144
8	-0.0072	-0.1481	0.0226	0.1071
9	-0.0081	-0.1660	0.3621	0.0990
10	-0.0333	-0.6801	-0.2120	0.0657
11	0.0686	1.4014	0.9565	0.1343
12	0.0652	1.3320	0.2811	0.1995
13	-0.0145	-0.2967	-0.0334	0.1850
14	0.0059	0.1202	0.8219	0.1909
15	0.0112	0.2294	1.1673	0.2021
16	0.0250	0.5116	1.2649	0.2271
17	-0.0189	-0.3869	0.6075	0.2082
18	0.1518	3.1018 **	1.1220	0.3600
19	0.0433	0.8842	1.3102	0.4032
20	0.0891	1.8203	1.3031	0.4923

* Significant at 5%.
** Significant at 1%.

TABLE 4
***CAAR* FOR SOME TIME PERIODS**

Period	*CAAR*	*t-statistic*
[-10,+10]	-0.0044	-1.0405
[-6,0]	0.0036	1.4660
[-3,-1]	0.0034	2.1025 *
[0,10]	-0.0080	-2.6123 **
[1,3]	-0.0019	-1.1803

* Significant at 5%.
** Significant at 1%.

TABLE 5
***AAR*, *AAAR* AND *AAV* AROUND THE AGM: BLUE CHIP SUBSAMPLE**

Event day	*AAR*	*t-statistic*	*AAAR*	*t-statistic*	*AAV*	*t-statistic*
-10	-0.0014	-0.9149	0.0069	-0.0259	0.9477	-0.6129
-9	-0.0012	-0.7536	0.0075	0.6164	1.1264	1.4815
-8	-0.0015	-0.9896	0.0075	0.6083	1.1155	1.3536
-7	-0.0005	-0.3232	0.0064	-0.5796	1.0386	0.4528
-6	-0.0019	-1.2347	0.0062	-0.7566	0.9991	-0.0106
-5	0.0008	0.5265	0.0054	-1.6034	0.9407	-0.6953
-4	0.0029	1.8591	0.0091	2.2995 *	1.0955	1.1192
-3	0.0016	1.0089	0.0071	0.2176	1.1265	1.4826
-2	0.0018	1.1515	0.0061	-0.8847	0.9949	-0.0597
-1	0.0009	0.5641	0.0049	-2.1826 *	1.0480	0.5618
0	-0.0008	-0.5188	0.0065	-0.4095	0.9986	-0.0170
1	-0.0003	-0.1755	0.0052	-1.8854	0.9452	-0.6425
2	-0.0006	-0.3825	0.0073	0.3608	1.0091	0.1071
3	-0.0002	-0.1289	0.0061	-0.9279	0.9405	-0.6976
4	-0.0013	-0.8710	0.0058	-1.2250	0.9876	-0.1456
5	0.0000	0.0084	0.0063	-0.6175	0.9154	-0.9917
6	-0.0006	-0.4064	0.0061	-0.8506	0.9508	-0.5768
7	0.0013	0.8366	0.0067	-0.2793	0.9793	-0.2425
8	-0.0002	-0.0977	0.0065	-0.4886	0.8937	-1.2454
9	-0.0010	-0.6772	0.0067	-0.1872	0.9658	-0.4003
10	-0.0007	-0.4444	0.0056	-1.3893	0.9170	-0.9730
11	0.0015	1.0031	0.0070	0.0891	0.9998	-0.0023
12	-0.0003	-0.1835	0.0065	-0.4689	0.9196	-0.9420
13	-0.0002	-0.1482	0.0064	-0.5258	1.0235	0.2758
14	0.0008	0.5252	0.0079	1.0099	0.9916	-0.0980
15	-0.0017	-1.0990	0.0078	0.9519	0.9119	-1.0327
16	0.0019	1.2502	0.0075	0.6009	1.0560	0.6562
17	-0.0004	-0.2852	0.0070	0.1012	0.9997	-0.0035
18	0.0003	0.1999	0.0059	-1.1230	1.0456	0.5338
19	0.0008	0.5101	0.0053	-1.7560	0.9711	-0.3382
20	0.0001	0.0354	0.0061	-0.8768	1.0307	0.3601

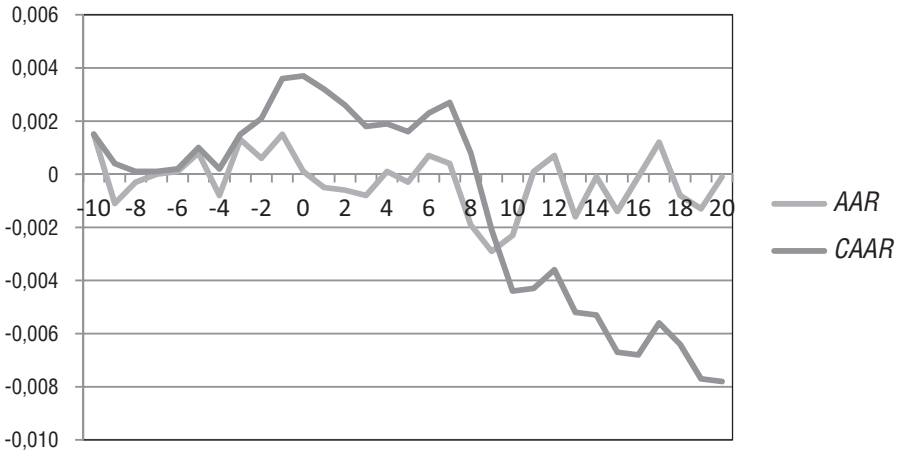
* Significant at 5%.
** Significant at 1%.

TABLE 6
***AAR*, *AAAR* AND *AAV* AROUND THE AGM: NON-BLUE CHIP SUBSAMPLE**

Event day	*AAR*	*t-statistic*	*AAAR*	*t-statistic*	*AAV*	*t-statistic*
-10	0.0022	2.1062 *	0.0112	-0.0453	1.0103	0.1863
-9	-0.0010	-0.9926	0.0104	-0.9458	1.0201	0.3631
-8	0.0000	0.0199	0.0101	-1.2834	0.9064	-1.6927
-7	0.0001	0.0930	0.0102	-1.1224	0.9329	-1.2145
-6	0.0006	0.6107	0.0114	0.2695	1.0258	0.4661
-5	0.0008	0.7965	0.0110	-0.2726	0.9873	-0.2304
-4	-0.0017	-1.6596	0.0109	-0.2945	0.9699	-0.5442
-3	0.0012	1.1321	0.0092	-2.2473 *	0.8954	-1.8911
-2	0.0004	0.3460	0.0110	-0.2326	0.9437	-1.0191
-1	0.0016	1.5679	0.0110	-0.1758	0.9812	-0.3393
0	0.0003	0.2794	0.0117	0.5531	1.0617	1.1152
1	-0.0005	-0.4979	0.0105	-0.7585	1.0809	1.4638
2	-0.0006	-0.6193	0.0118	0.6753	1.1280	2.3151 *
3	-0.0009	-0.9103	0.0123	1.2189	1.0711	1.2868
4	0.0004	0.4151	0.0113	0.1131	1.0317	0.5742
5	-0.0003	-0.3318	0.0105	-0.8252	1.0452	0.8167
6	0.0010	0.9583	0.0118	0.6740	0.9884	-0.2089
7	0.0002	0.2204	0.0109	-0.3256	1.0234	0.4231
8	-0.0023	-2.2255 *	0.0120	0.8596	1.0170	0.3072
9	-0.0034	-3.2382 **	0.0126	1.5313	0.9982	-0.0318
10	-0.0028	-2.6625 **	0.0102	-1.0993	0.9789	-0.3818
11	-0.0003	-0.2720	0.0113	0.1425	1.0854	1.5447
12	0.0010	0.9532	0.0105	-0.7984	1.1008	1.8232
13	-0.0019	-1.8618	0.0108	-0.4361	0.9762	-0.4310
14	-0.0003	-0.2935	0.0105	-0.7875	1.0094	0.1695
15	-0.0014	-1.2970	0.0121	1.0618	1.0355	0.6428
16	-0.0007	-0.6435	0.0110	-0.2670	1.0175	0.3158
17	0.0016	1.5449	0.0102	-1.1344	0.9765	-0.4249
18	-0.0010	-0.9941	0.0110	-0.1827	1.1778	3.2155 **
19	-0.0018	-1.7363	0.0120	0.8412	1.0609	1.1018
20	-0.0002	-0.1786	0.0121	1.0576	1.1034	1.8693

* Significant at 5%.
** Significant at 1%.

GRAPH 1
***AAR* AND *CAAR* AROUND AGM DATES**



GRAPH 2
***AAV* AND *CAAV* AROUND AGM DATES**