

Review of: "Sectoral Herding Contagion on Eve of New Year"

Ahmad Danial Zainudin¹

¹ Asia Pacific University of Technology & Innovation

Potential competing interests: No potential competing interests to declare.

Abstract

1. To review sentence construction and language used, consider to rephrase.
 1. The purpose of this study is to investigate herding contagion on the eve of the new year (2015-2019) last three years data excluding due to Covid 19 effect on stock markets.
 2. The purpose of this study is to investigate herding contagion on the eve of the new year (2015-2019) last three years data excluding due to Covid 19 effect on stock markets. This research work focuses on the cross-country behavioural linkages of investors between US and Chinese stock markets.
2. To review the flow of storytelling in abstract section.

Introduction

1. Strong statement, please insert reference for "New year is celebrated on 1 January according to the Gregorian calendar and the optimistic mood is demonstrated in stock markets.".
2. To highlight the motivation of the study and proposed contributions clearly in this section.

Literature Review

1. To combine both sections of "Herding Behavior" and "Contagion" in Literature Review.
2. To create a new sub-section which addressing the research gap from the LR discussion to hypothesis formulation.

Methodology

1. Section "3.1. Research Approach and Data Source"
 1. To justify the basis of days selection in "This study utilizes the data of New year effect from 2015 to 2019 - last 9 days of December and 1st 9 days of January (Bergsma & Jiang, 2016), data of the last three years excluded to avoid the effect of COVID 19. ".
 2. Possible error / typo in citing "Aggarwal and Aggarwal and Rivoli (1989)"
2. Section "3.3. Tools and Technique to Determine Contagion Due to Herding"

1. To check the consistency of word's capitalization format used *"They evaluate whether cross sectional absolute deviation (CSAD) of one country is influenced by the Cross-sectional absolute deviation of other markets."*
3. Section *"3.4. Pearson Correlation Matrix"*
 1. To explain the measures of "Karl Pearson's coefficient of correlation" for the analysis.

Results and Discussion

1. To reconstruct and rephrase the storytelling. *"Descriptive statistics for the New Year (9 trading days of December and 9 trading days of January=18 trading days) for the period from 2015 to 2019 are present in Table no.1. A closer examination of all countries the returns, it suggested that returns have both bullish and bearish trends. Means returns of all stock markets remain low (Negative) on New Year. It concludes that stock markets are sensitive during calendar events and abnormal returns are observed in both stock markets."*
2. Section *"Estimates of Herding Behavior on New Year (2015 to 2019)"*. To insert supporting papers for *"These results are in line with previous studies, herding was detected due to information asymmetry and uncertainty in the stock markets."*
3. Section *"Correlation (New Year 2015 to 2019)"*.
 1. To attach a caption for parentheses in *Table 13. Correlations*.
 2. To review the table title for *Table 13. Correlations*.

Conclusion

1. To review consistency, unsuitability and repetitive words.
2. To suggest opportunities for future research.

Overall comment

1. This paper has a good strength on research scope, but lack of efforts in highlighting its novelty and its contribution for practitioners and investors community.
2. Strongly advise to review the language and grammatical aspects of writing.
3. To devise a good storytelling flows as the contributions are potentially practical to investors community.