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

Lin Zou[1]

1 Hunan University

Potential competing interests: No potential competing interests to declare.

This article examined herding contagion between USA and China stock markets by Cross Sectional Absolute Deviation on the eve of the new year from2015 to 2019. Herding behavior was found in the aggregate and sector data sets of USA and Chinese stock market during the new year. This study is somewhat innovative. However, there are still some things to improve on in this article.

1. There are typesetting errors in formula(1), formula(2), formula(4), formula(5);
2. There should be coefficient r_2 rather than coefficient y_2 in Paragraph 3 of Section 3.2;
3. In formula (1), the sign of r_1(the coefficient of $|R_{m,t}|$)and the coefficient r_2 (the coefficient of $R^2_{m,t}$) should be the same. Why does the article only consider r_2 when analyzing the herd behavior?
4. The contagion between USA and China stock markets during the new year was found in this article. Is there a contagion during non-New Year periods? What is the difference during the New Year?
5. In Section 4.3, why herding behavior occurs in different industries during different New Year period? You should explain this phenomenon.
6. What does the anti-herding behavior mean? Is there no herding behavior?
7. The title of this article is the Sectoral Herding Contagion on 'Eve of New Year'. In Part 4, data of 9 days after the New Year was used for empirical analysis, which is inconsistent with the title.