

College of Business Academic Seminar Series

Speaker



Stock Market Turbulence and Investors' Behavior During the Pandemic

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Description:

I examine the impact of the covid-19 pandemic on stock markets and try to understand investors' behavior during the early months of the pandemic. For the United States, the investors' reaction to the covid-19 pandemic has been severe in its early months. S&P 500 lost 1167 points in just one month, or more than one third of the market capitalization value. The aggregate market fluctuations have been dominated by fears and panic reactions, spread as epidemic among investors, and they are amplified by the nature of the news and information media. Investors have developed pessimistic predictions about future returns of their investment during this period, caused mainly by fundamental ambiguities. I find that deviations of the stock market from its long-run equilibrium path are widening during the pandemic, market volatility is increasing and causing a lot of losses to investors, especially those who are less patient, less confident, and less informed.



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