

US-WORLD 'TRADE WAR'. IMPACT OF US TARIFF ANNOUNCEMENTS
ON US, EUROPEAN AND CHINESE MARKETS' PERFORMANCE

by

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LIST OF ABBREVIATIONS

AAR	Average Abnormal Return
ABS	Absolute value
AR	Abnormal Return
CAAR	Cumulative Average Abnormal Return
CAPM	Capital asset pricing model
CAR	Cumulative Abnormal Return
CSI 300	China Securities Index
GDP	Gross domestic product
IT	Information technology
IMF	International Monetary Fund
WEO	World Economic Outlook

CHAPTER 1. INTRODUCTION

On April 2, 2025, the United States imposed reciprocal tariffs on imports from over 90 countries, signalling a bold resurgence of protectionist trade policy. This marked the most aggressive protectionist shift since the Trump-era tariff waves of 2018-2019. The announcement triggered immediate responses from international stakeholders and speculation in global financial markets.

Motivation. The tariffs announcement of such scale is an exceptional event in the recent history. The author has chosen the topic of research in the week of the event, and by far (autumn 2025) the topic of April 2nd U.S. tariffs, is relatively under-studied. Thus, this makes this paper a source of comprehensive global market analytics in regard to the Event, which potentially can support the informed decisions of policy makers, institutions, companies, and individuals.

This thesis investigates how such tariff announcements impact stock market performance across the world's three largest economic geographies: the United States, Europe, and China. Specifically, it examines the short-term anticipation and effects of the April 2, 2025, tariff announcement on country- and sector-specific stock indices in these geographies.

The research seeks to answer the following questions:

1. Which markets were affected the most by the tariffs' announcement of April 2, 2025: U.S., European, or Chinese.
2. Which economic sectors were affected the most in each country/region.
3. What the key country-level factors connected with changes in market reactions to tariffs announcement are.

Research objectives are to find the discrepancies in impact of U.S. tariff announcements, against European countries and China, on daily returns of U.S., European, and Chinese market-indexes and sector-indexes.

Using an event study methodology anchored in the CAPM model, the research analyses abnormal returns around the announcement date across major stock indexes – S&P 500, Euro Stoxx 600, and CSI 300 in U.S., Europe, and China, respectively – and identifies sector-specific, cross-regional, and cross-country effects.

The study finds that sectors, which are referred to as “defensives”, like consumer staples and utilities, were more resistant to the tariff announcement shock across most economies observed. In contrast, energy, communication services, information technology, health care, industrial, and consumer discretionary sectors – underperformed across most observed economies, thus indicating a low tariff-policy change resistance. Among other findings, tariff rates are positively correlated with the performance of observed country indexes.

This work adds to the existing literature on financial markets in several ways. First, it builds upon the growing body of research examining the relationship between political events and stock market behaviour, focusing on a specific one-of-a-kind event – the introduction of U.S. “Liberation Day” tariffs. Second, the study enhances recent literature with the rare comparison of three major economies at a time: U.S., China, and Europe. Third, the work incorporates a higher Europe coverage compared to available studies: examining 31 European countries, including the Ukraine. Fourth, the paper is more enhanced than some recent April 2nd tariffs-related event studies. Finally, the study incorporates the country macro-factors vs. stock market returns analysis, that gives more grounded insights on the nature of the market fluctuations, highlighting the patterns of country-factors correlation with the respective country stock market returns.

The findings are relevant to inform not only investors but also firms’ executives, policymakers and multinational businesses evaluating strategic risk in a volatile trade environment. The study underlines the interconnectedness of global markets and highlights the urgency for business actors to anticipate and adapt to geopolitical developments.

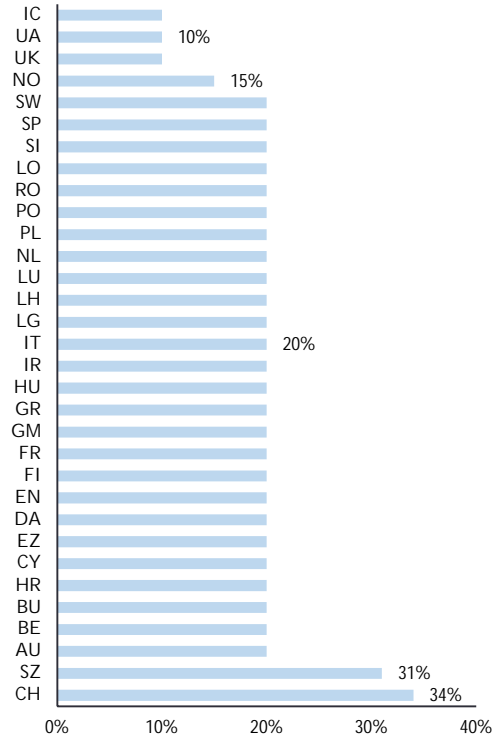
CHAPTER 2. INDUSTRY OVERVIEW AND RELATED STUDIES

2.1. The event of U.S. reciprocal tariffs announcement in April 2025

On April 2, 2025 – referred to as “Liberation Day” by President Trump – the United States announced a comprehensive increase in tariffs, representing what is likely the most significant unilateral shift in American trade policy since the Smooth-Hawley Tariff Act of 1930 (Baldwin & Navaretti 2025, Evenett & Fritz 2025). By designating persistent and substantial goods trade deficits as a national security threat, the administration effectively abandoned a decades-long commitment to open markets. The newly imposed measures included a 10% tariff on imports from 180 countries, supplemented by a “reciprocal” tariff component calibrated to each nation’s bilateral trade imbalance with the United States. More than sixty trading partners faced tariff increases exceeding 17%. Some of the steepest tariffs target imports from Asian economies, including China, while exports from the European Union are subject to a 20% tariff, see Figure 1.

The ramifications of these measures extend well beyond U.S. borders, posing risks of global supply chain fragmentation, retaliatory actions, and potentially signalling the erosion of the rules-based trading system that has underpinned international commerce since World War II (Hartley & Rebucci 2025).

Figure 1. April 2nd reciprocal tariffs of studied counties



Source: Forbes.

This tariff polices constitute a profound transformation of the global trade environment, threatening to unravel the decades of economic integration. By explicitly prioritizing bilateral trade balances and discarding the principal of equal treatment, the measures fundamentally alter the strategic incentives for multinational corporations and exporting nations. The resulting uncertainty – encompassing retaliation, recalibration, and redirection of trade flows – complicates decision-making for international businesses.

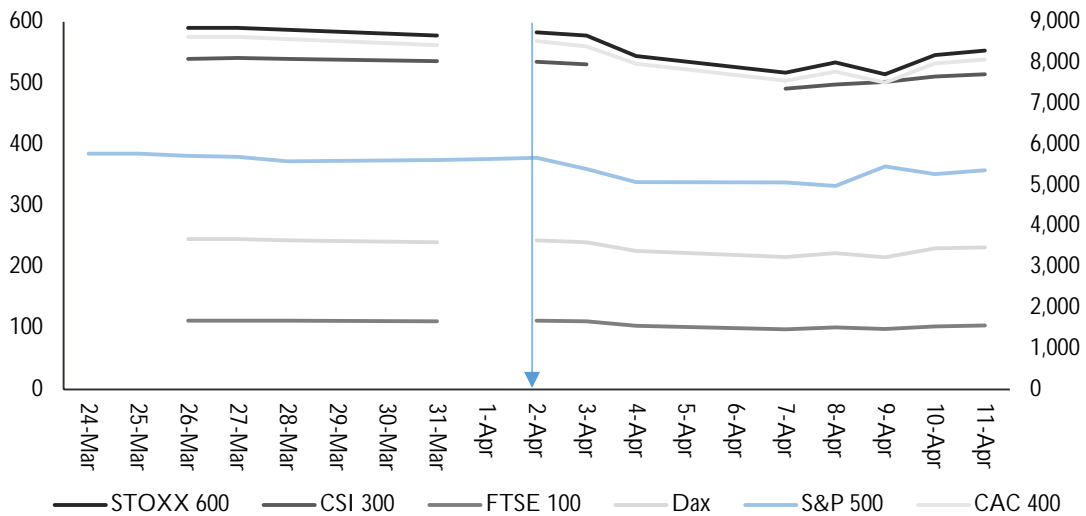
It is important to note that these tariffs are borne by American firms importing goods such as European wine or Chinese

machinery. Therefore, this action of tariffs announcement imposed a substantial threat for the U.S. companies' performance, in the first place.

2.2. Market's reaction to the announcement and possible anticipation of the Event

Financial markets experienced an immediate and pronounced decline when trading commenced on Thursday morning, as Wall Street reacted to the newly announced tariffs. The repercussions were not confined to the United States; international equity markets also registered significant losses. The United Kingdom's FTSE 100 Index recorded its steepest single day drop since August 2024, which is visible on April 4th from Figure 2, while markets in China, Germany, and other European countries similarly contracted.

Figure 2. A snapshot of key equity markets closing prices around the "Liberation Day", USD*



Note: FTSE 100 and Dax are in hundred USD, all others in USD. STOXX 600 represent Europe, CSI 300 – China, FTSE 100 – UK, Dax – Germany, S&P 500 – U.S., CAC 400 – France.

Sources: Refinitiv, S&P Capital IQ.

Global political leaders expressed strong disapproval and concern regarding these measures. Ursula von der Leyen, President of the European Commission, characterized the tariffs as “a major blow to the world economy”, writing that “the global economy will massively suffer. Uncertainty will spiral and trigger the rise of further protectionism. The consequences will be dire” (Aratani et al., 2025).

In addition to equity market volatility, investors were confronted with disappointing economic indicators, notably a decline in U.S. services activity, signalling weakening business sentiment even prior to the tariff announcement. This contraction exceeded market expectations. A survey conducted by Goldman Sachs revealed that only 65% of investors anticipated the imposition of reciprocal tariffs, and among those, merely 10% to 15% expected an increase of 15 percentage points or more (J.P. Morgan, 2025).

The World Economic Forum shared the insight from the tariff-topic experts slightly after the announcement of Trump tariffs on April 2, 2025 (Feingold, 2025). The words from

these experts emphasise the importance of analysing the financial markets reactions to the events of such scale and emphasise on the role of financial markets in the global performance of economies. Thus, Zhang the Chair Professor of Finance at PBC School of Finance, Tsinghua University suggest that financial markets are inherently forward-looking; consequently, when major economies engage in trade disputes, investors promptly reassess risk and growth expectations, resulting in pronounced fluctuations in asset prices. The imposition of tariffs or the anticipation of retaliatory measures introduces multiple layers of uncertainty concerning supply chain reliability, production costs, and market accessibility. In addition to Zhang, the Head of Regulation BBVA – Fernandez de Lis emphasises that when leading economies – such as the United States and China – enter a tariff conflict, investors anticipate slower global trade, disrupted supply chains, and diminished corporate profitability. These concerns translate into the heightened market volatility, prompting firms to postpone investment decisions, eroding consumer confidence, and causing significant currency fluctuations.

Ibikunle the Professor and Chair of Finance at the University of Edinburgh adds to the previous thoughts that the capacity of financial markets to provide liquidity and informationally efficient pricing underpins essential economic functions, including asset allocation, hedging, and diversification. These mechanisms are critical for sustaining economic activity worldwide. Consequently, market quality is indispensable for the financial well-being of economic actors in modern societies.

According to the McKinsey Economic Conditions Outlook published in June 2025 (Smit, S., 2025), which incorporates findings from a global executive survey, respondents increasingly identify changes in trade policy – including the imposition of tariffs – as a significant risk to the global economy, national economic growth, and corporate performance. In each of these dimensions, the proportion of respondents citing trade policy changes to June of the previous year. Concerns regarding trade policy are now prevalent across a broader range of regions. Trade ranks as the primary risk to domestic growth among respondents in Asia-Pacific, Europe, China, and North America, whereas

in the first quarter of 2025, this was true only for China and North America. At the firm level, respondents similarly regard trade policy changes as a major disruptive force. The share of executives identifying trade as a top risk to corporate performance has more than doubled over the past year: 36 percent now consider changes in the trade environment a threat to their companies' growth, compared to 17 percent in June 2024.

2.3. Global country- and economic sectors projections

Following the announcement of the U.S. tariffs, the International Monetary Fund (IMF) revised its economic outlook in April 2025. U.S. economic growth for 2025 is now projected at 1.8 percent, representing a downward adjustment of 0.9 percentage points compared to the January 2025 World Economic Outlook (WEO) update. This revision reflects heightened policy uncertainty, escalating trade tensions, and weakening demand momentum. Similarly, growth in the euro area is expected to decline modestly to 0.8 percent – 0.2 percentage points below the January forecast – largely attributed to the implications of tariff measures. For China, the 2025 GDP growth estimate has been reduced to 4.0 percent from the previous projection of 4.6 percent in the January WEO update. This adjustment accounts for the adverse effects of implemented tariffs, which offset the positive carryover from 2024, and the expansionary fiscal stance embedded in the current budget. Therefore, comparing these growth forecast changes per-country or region, when it comes to the euro zone, we can trace that U.S. economy is projected to be the most affected among the three – with the 33.3% growth value decline, euro zone follows with the 20.0% growth value decline expectation, and China is expected to be the least affected – with a 13.0% decline in economic growth value for 2025. This might be counter-intuitive, knowing that tariffs on China are set higher (34%) than for the EU (20%). Though, knowing this logic, we will compare these projections later with our event study results – to learn if the financial market returns follow the April 2 follow the IMF forecasts decline for U.S., Europe, and China.

In the tariff measures introduced on April 2, 2025, product-specific exemptions were granted for critical goods essential to domestic industries. These exemptions applied to

categories such as steel and aluminium, copper, lumber products, bullion, pharmaceuticals, semiconductors, and energy-related materials unavailable within the United States. Therefore, essentially, these are products from following market sectors: materials, consumer discretionary, healthcare, information technology (IT), and energy (J.P. Morgan, 2025).

After adjusting baseline projections to incorporate effects of April 2nd tariffs and heightened trade policy uncertainty, economists at the World Trade Organization (WTO) forecast a 0.2 percent contraction in global merchandise trade (consumer discretionary) in 2025, compared to a 2.9 percent expansion in 2024. While North America is projected to subtract 1.7 percentage points from global trade growth, thus contributing to more than 50% of global percentage reduction (WTO, 2025).

The sectoral tariff impact analysis of Morningstar identifies consumer cyclical (discretionary) and basic materials sectors as the most adversely affected (Conover & Dann, 2025). The consumer cyclical sector – which encompasses retail, apparel, and automotive industries – faces direct cost pressures resulting from tariff impositions. Similarly, the basic material sector, comprising firms engaged in the extraction of raw materials for agriculture and industrial manufacturing, is expected to experience a slowdown attributable to weaker economic growth. And the 3rd – Financial services in the Asset management industry. Conversely, the consumer defensive (staples) sector remained comparatively resilient. This sector, which includes producers of essential goods such as food and beverages, personal products, and educational services, demonstrates durability in the Morningstar's analysis. Other sectors likely to experience minimal adverse effects include consumer staples, utilities, healthcare, technology, industrials, communication services.

2.4. Empirical studies and theoretical foundations for the event study

Prior research has predominantly examined tariff announcements during the 2018-2019 U.S.-China trade conflict, with a primary focus on firm-level and bilateral effects. Egger and Zhu (2020) demonstrate that U.S. tariffs imposed during this period disproportionately harmed American firms relative to Chinese counterparts. More recent studies emphasize

firm-level heterogeneity. Qin et al. (2022) find that Chinese exporters with greater dependence on U.S. revenues incurred more substantial losses. Similarly, Huang et al. (2023) report that U.S. firms with significant exposure to China experienced negative stock returns and heightened default risk – effects resulting from reliance on differentiated imports. Complementing these findings, Chen and Pantelous (2022) employ a network-based approach to reveal that Chinese industries – particularly public utilities, industrial equipment, and financials – were more exposed than U.S. sectors, where financials, mining, retail, and manufacturing occupied central positions. Chen et al. (2023) further analyse the impact of Trump’s trade war on U.S. financial markets, concluding that tariff shocks significantly influenced financial variables such as stock prices and Treasury yields, largely through investor expectations and risk sentiment. Li et al. (2025) extended this literature by demonstrating that escalating U.S.-China tensions substantially increase long-term fossil fuel price volatility.

Recent contributions have shifted attention to the market effects of the 2025 U.S. presidential election. Ahmed et al. (2025) document significant abnormal returns in U.S. equities during the immediate post-election trading sessions following Donald Trump’s confirmed victory. Ferriani et al. (2025) highlight the predictive value of political proximity indicators extracted from corporate earnings calls for post-election abnormal returns. Stefano et al. (2025) examine the European Union’s financial market reaction to Trump’s tariff announcement on February 26, 2025, finding that EU markets remain highly sensitive to U.S. trade policy, with healthcare and communication services demonstrating resilience, while IT, materials, energy, and consumer staples exhibit pronounced vulnerability.

Among the earliest studies addressing the April 2 “Liberation Day” tariffs, Ender et al. (2025) investigate how country-level economic structures – such as labour market conditions, market size, and trade exposure – shape the magnitude of local stock market decline, with stock indices across more than sixty countries falling by an average of 7.16 percent in local currency terms and 7.57 percent in U.S. dollars over a three-day window. Larger economies and those with higher unemployment experienced steeper losses,

whereas countries with stronger GDP growth exhibited greater resilience. Overall, Ender et al. (2025) suggests that cross-country variation in market responses was influenced less by the magnitude of trade exposure to the United States and more by structural characteristics related to export competitiveness and domestic demand conditions. Larger economies and those exhibiting higher unemployment levels experienced more pronounced negative market reactions, likely due to their perceived competitive threat to U.S. producers in terms of scale and cost advantages. Ali et al. (2025) report a statistically significant market decline on April 2, followed by a rapid reversal, consistent with investor overreaction and short-term inefficiency. Sectoral analysis identifies real estate, financials, and consumer staples as disproportionately affected, underscoring their macroeconomic sensitivity. These findings underscore the dual transmission mechanisms of tariff shocks – operating through both fundamental economic channels and behavioural investor responses – particularly when the policy measures are politically salient. Gazilas (2025) provides additional evidence on the spillover effects of foreign policy shocks on small open economies, using Greece and its energy sector as a case study, suggesting that foreign trade measures can influence firms not directly targeted by policy changes.

This thesis contributes to the literature on financial markets in several ways. First, it builds upon the growing body of research examining the relationship between political events and stock market behaviour (Ahmed et al., 2025), focusing on a specific one-of-a-kind event – the introduction of U.S. “Liberation Day” tariffs. Second, author enhances recent literature with the rare comparison of three major economies at a time: U.S., China, and Europe. Third, the thesis incorporates a higher Europe coverage compared to available studies: examining 31 European countries, including the Ukraine. Fourth, the paper is more enhanced than some recent April-tariffs-related event studies that have smaller estimation window (Gazilas E.T., 2025), and a simplified approach to the abnormal returns’ calculation, e.g. Ali et al. (2025) assume unit beta and zero alpha, and Ender et al. (2025) assume the zero market return for AR calculation under the constant mean model – and, therefore, this paper adds value by applying a more comprehensive approach than the recent papers examining the Event. Finally, the thesis incorporates the rarely used (Ender

et al., 2025), country macro-factors vs. stock market returns analysis, that gives more grounded insights on the nature of the market fluctuations, highlighting the patterns of country-factors correlation with the respective country stock market returns.

This industry overview and literature review set the foundation for the empirical analysis that follows, enabling a more granular understanding of how tariff announcement shocks ripple through global financial markets, and how they later affect economies and stakeholders.

CHAPTER 3. METHODOLOGY

The study investigates how U.S. tariff announcements – particularly the April 2, 2025 “Liberation Day” measures – impacted the short-term stock market performance across three economic regions: the U.S., Europe, and China. Therefore, the thesis follows the event study methodology, the one usually applied in similar studies, as observed during the literature review.

The event study methodology is chosen for the thesis for 4 reasons. First, it captures the short-term financial market response to dictate unanticipated public announcements (here, the tariff announcement on April 2, 2025). Second, it is based on the semi-strong form of the Efficient Market Hypothesis (EMH), which assumes that new, public information is instantly reflected in stock prices (Pereira et al., 2017). Third, it allows aggregation of results across sectors, offering comparative insight into which sectors were more sensitive to the tariff shock. Four, prior studies on tariffs, e.g. most recent ones by Ender et al. (2025), Gazilas E.T. (2025), Ali et al. (2025), and Stefano et al. (2025), – have used similar approach, enabling comparability and academic relevance.

The event study in the thesis consists of three parts. First part examines the performance of U.S., European, and Chinese markets from the sectoral standpoint per each country/region, analysing abnormal returns (ARs), average abnormal returns (AARs), cumulative abnormal returns (CARs), and cumulative average abnormal returns (CAARs) of 11 sectors, as per the Global Industry Classification Standard (GICS) – MSCI (2023). Second part extends number of counties within the European region for more informed county-level comparison with China, through analysing ARs and CARs per each county. Third part utilises the results from the second part and extends further the analysis by incorporating the country-level macroeconomic factors, and by performing the regression analysis using CARs and the range of economic factors per each county. The analysis in the third part is expected to provide “deeper” results. By the word “deeper” the author implies that the results would elaborate on whether the correlation between the regressors exists, and if so, which county-level economic factors contribute to higher correlation with

the CARs from observed economies. Consequently, the results will give the critical insights on which country-level economic factors facilitate the difference in financial markets performance, which happened as the result of the observed Event – the “Liberation Day”.

Based on industry analysis and prior literature review, the hypotheses were defined as follows:

- H1: The announcement of U.S. reciprocal tariffs leads to statistically significant abnormal returns in equity markets of impacted countries under research.
- H2: The significance of abnormal returns is higher with the proximity to the Event Day.
- H3: The U.S. is likely to have higher negative abnormal returns than the European and Chinese equity markets.
- H4: The direction (-/+) of the abnormal returns varies by industry in the following way (assuming from industry research and literature review): positive for Consumer Staples, Consumer Discretionary, Industrials, Utilities, Healthcare, Information Technology, Communication Services; and negative for Energy, Materials.
- H5: Countries with higher tariff rates have lower CARs (higher proximity to negative CAR).

The hypotheses 1, 2, 3, 4 are tested in Part one; hypothesis 1 is also tested in Part two; and the hypothesis 5 – in Part three of the event study, more details on the approaches taken for testing them are presented in Table 1.

Table 1. Approaches to testing the hypotheses of this event study

<i>Hypothesis</i>	<i>Part of the study it is tested in</i>	<i>The approach taken for testing</i>
H1	Parts 1 and 2	The t-test results for AR values in sector-indexes and country-indexes observed for significance.
H2	Part 1	The average T-test results of AR values, in ABS terms. Comparing for U.S., Europe, and China markets in both USD and local currency.
H3	Part 1	The MIN values of AR and CAR - of sectoral indexes - in U.S. compared to Europe and China.
H4	Part 1	The statistically significant AR values for sectors' indexes in U.S., Europe, and China.
H5	Part 3	The statistically significant negative correlation between CAR values and Tariff variable.

Source: author's analysis.

The author employs a standard event study methodology to examine global equity market responses to the reciprocal tariff announcement made by President Donald Trump on April 2, 2025. The event date (Day 0) is defined as April 2, 2025. The estimation window spans from March 15, 2025, to March 18, 2025, while the event window covers the period from March 19, 2025, to April 16, 2025. Due to the presence of weekends and market-specific non-trading days, the actual number of observed trading days varies across indices, resulting in a panel of index-day observations ranging from 210 to 273 days across the three Parts of the study.

Part 1 of the analysis utilizes a 21-day event window, denoted as $[-10, +10]$, capturing ten trading days before and after the announcement to assess immediate market reactions. Parts 2 and 3 adopt a slightly shorter 19-day window, $[-8, +10]$, due to data availability constraints, mentioned previously. Expected returns are estimated using a market model over estimation windows ranging from 189 to 258 trading days, depending on the index¹.

¹ Part 1 observes performance of larger indexes, from geographical standpoint, which happened to operate a larger number of days during the estimation and event windows. For Parts 2 and 3 the estimation and event days were collected for 32 countries, and thus, due to the individual market characteristics in days of performance, the total number of days, these equity markets worked at, was different. In order to compare these markets' indexes, the smaller estimation window was formed, taking only days at which all 32 indexes operated at.

The study evaluates country- and sector-level responses across eight event windows – four symmetric [-1, +1], [-3, +3], [-5, +5], [-10, +10] and four asymmetric [0, +1], [0, +1], [0, +3], [0, +4] – to capture both anticipatory and reactive market behaviour. Notably, the [0, +4] window is employed to accommodate missing data for Chinese indices on April 4, 2025, due to the previously mentioned reason of differences in trading days from-index-to-index.

To isolate the market impact attributable to the tariff shock, abnormal returns (AR) are calculated as deviations from expected returns, using the Capital Asset Pricing Model (CAPM), widely applied in the literature, e.g., by Ferriani et al. (2025), Huang et al. (2023). Benchmark indexes serve as market proxies, and returns are computed in both local currencies and U.S. dollars to account for exchange rate effects. The indexes selected for the analysis are widely used in international finance literature, e.g., Atilgan et al. (2019), Zeremba et al. (2020), and represent broad, liquid portfolios covering approximately 75-80% of each national market's capitalization, according to Refinitiv. Benchmark indexes vary across the study's components. In Part 1 sectoral indexes are benchmarked against broad market indices – S&P 500 (U.S.), STOXX 600 (Europe), and CSI 300 (China). In Parts 2 and 3 European countries are analysed using individual country indexes, with STOXX 600 – serving as the benchmark for expected returns. For China, CSI 300 is used as the country index, while the Asia-Pacific regional index for emerging markets (FR Emerging Markets Asia Pacific Price Return Index) serves as the benchmark. Risk-free rates are derived from benchmark government bond yields for each economy. The YTM's of benchmark 30-Y bonds were collected for each observed market. For the U.S. market a 912810TV0 Treasury bond was used; for the European countries the DE103075 German benchmark bond was used – as German government bond yields have long served as a proxy for euro area risk-free rates (European Central Bank, 2014); and for China the CN230023 government bond was applied. See the Table A1 for the full list of data used to calculate abnormal returns.

The expected return is modelled using the traditional market model CAPM:

$$\mathbb{E}[R_{i,t}^{ln}] = R_{f,t}^{ln} + \hat{\alpha}_i + \beta_i(R_{m,t}^{ln} - R_{f,t}^{ln}) \quad (1)$$

where $R_{i,t}$ is the return on stock i at day t , $(R_{m,t} - R_{f,t})$ is the market risk premium (excess return) – $R_{m,t}$ is a benchmark market return, and $R_{f,t}$ is the risk-free rate for this market; β_i is a regression coefficient of how different the risk of index is compared to the broader observed market; α_i (the intercept) is the added value by which the specific index returns changes.

The daily returns are calculated using natural logarithms, as adapted by Ali et al. (2025):

$$R_{i,t}^{ln} = \ln\left(\frac{P_{i,t}}{P_{i,t-1}}\right) \quad (2)$$

where $R_{i,t}$ is the return on market sector or country i at day t , $P_{i,t}$ is the closing price of market sector or country i at day t , and $P_{i,t-1}$ – at day $t-1$ (previous day).

Following Ahmed et al. (2025), abnormal returns (AR) are computed as:

$$AR_{i,t}^{ln} = R_{i,t}^{ln} - \mathbb{E}[R_{m,t}^{ln}] \quad (3)$$

where $E[R_{i,t}]$ is the expected return from the CAPM model, and $R_{i,t}$ is the return on market sector or country i at day t .

Cumulative abnormal returns (CARs), average abnormal returns (AARs), and cumulative average abnormal returns (CAARs) are aggregated across countries and sectors to evaluate the magnitude and persistence of the impact. Daily CARs are calculated for each sector (Part 1) and country (Parts 2 and 3) across the defined event windows. Subsequently, AARs and CAARs are computed across sectors and countries.

Average abnormal returns are calculated as:

$$AAR_t = \frac{1}{N} \sum_{i=1}^N AR_{i,t} \quad (4)$$

where $AR_{i,t}$ is an abnormal return per sector or country i in a certain day t of the event window, N is the number of sectors (11) or counties observed (31 European).

Cumulative abnormal returns are calculated as:

$$CAR_{i,[t_1,t_2]} = \sum_{t=t_1}^{t_2} AR_{i,t} \quad (5)$$

where $AR_{i,t}$ is an abnormal return per sector or country i in a certain day t of the event window, summed up over the period from day t_1 to t_2 .

Cumulative average abnormal returns are calculated similarly to AARs, but for CAR values instead of ARs:

$$CAAR_{i,[t_1,t_2]} = \frac{1}{N} \sum_{i=1}^{t_2} CAR_{i,[t_1,t_2]} \quad (6)$$

To test whether ARs were statistically different from zero value, the standard t-tests – Patell standardized test, Patell (1976) and Dodd and Warner (1983) – following Ali et al. (2025), were applied on the cross-sectional AR means:

$$t(\overline{AR}) = \frac{\overline{AR}}{\sigma_{AR}/\sqrt{N}} \quad (7)$$

where σ_{AR} is the standard deviation across sector-, and country-level ARs and N is the number of sectors (11) or counties observed (31 European).

The AARs, CARs, and CAARs t-tests were computed accordingly. The beta, alpha coefficients and t-statistics were calculated using the Python via Google Colab.

To explain cress-county variation in market performance, a cross-sectional regression model is estimated in Part 3 of event study, using adapted approach from Ender et al. (2025):

$$CAR_{i,[0,t]} = \alpha + \beta Tariff_i + X_i\gamma + \varepsilon_i \quad (8)$$

where $Tariff_i$ denotes the announced reciprocal tariff rate for country i , and X_i is the vector of control variables capturing macroeconomic and market characteristics, for the list of variables applied see Table A2.

The Table A2 provides definitions for the variables used in the regression analysis in Part 3. These variables capture structural characteristics that may influence equity market sensitivity to protectionist shocks. Macroeconomic indicators include the unemployment rate, inflation, GDP growth. Trade exposure is measured by total trade as a share of GDP, while a dummy variable (Net trade dummy) identifies countries with positive net trade balances. Bilateral trade relationships with the U.S. are captured by two variables: the share of U.S. imports from exposed country, and the share of the country's exports to the U.S. These variables are expected to moderate the market impact of tariffs, amplifying vulnerability in more open or economically fragile countries, while potentially mitigating effects in stronger or less exposed economies.

CHAPTER 4. DATA

The stage of study starts with the data retrieval and preliminary analysis of it, to get the insights into differences of each sector and market composition for U.S., Europe, and China. The descriptive statistics analysis of the daily returns was performed for this matter.

4.1. Overview of sectoral performance in daily returns of three economies for Part 1

The event study in Part 1 studies the daily returns data of full list of 11 sector indexes per each country/region observed: United States, Europe, China. The 11 sectors are Communication Services, Consumer Discretionary, Consumer Staples, Energy, Financials, Health Care, Industrials, Information Technology (IT), Materials, Real Estate, Utilities – as per GICS classification. The data is notably different from-market-to-market. Looking into the statistics in Table A3 (USD denoted) and in Table A4 (local currency denoted), we see that generally all three markets exhibit negative average returns and heightened volatility, the magnitude and distribution characteristics. The Mean return of approximately -0.30% for U.S. (S&P 500) indicates moderate declines. The European (STOXX 600) mean return of -0.23% in USD and -0.42% in EUR indicate slightly deeper losses in local currency terms. While mean returns for China (CSI 300) are -0.34% in USD and -0.29% in CNY, reflecting declines similar to the U.S. but less severe than Europe in EUR terms. Therefore, all three markets experienced negative returns, but Europe (in EUR) shows the largest average decline among the benchmarks.

The standard deviation for S&P 500 is 2.98%, with sectoral volatility reaching 4.09% (IT). In Europe, STOXX 600 volatility is 2.60% (in USD) and 2.24% (in EUR), while the sectoral volatility peaks at 3.16% (Financials). Contrary to the previous two economies, the volatility of China's CSI 300 is lower, being 1.85% (in USD) and 1.76% (in CNY), while sectoral volatility reaches 2.55% (IT). Thus, U.S. markets exhibit the highest volatility overall, followed by Europe, and China.

Across all three markets, Information technology consistently records the large cumulative losses – where U.S. has -8.25%, Europe -11.97% (EUR), China -14.06% (USD) –

highlighting global vulnerability of tech sectors to trade-related shocks. While for China IT has suffered the largest cumulative losses, for U.S. and Europe the largest cumulative losses are in Energy sector: -12.53% and -13.41% in local currencies, respectively. Energy and Industrials also show pronounced declines in all regions, reflecting their exposure to global supply chains. Defensive sectors such as Utilities and Consumer staples exhibit smaller losses and lower volatility across markets, confirming their relative resilience during periods of uncertainty.

All markets display non-normal return distributions, with high kurtosis and skewness. China shows extreme kurtosis peaking above 1,300 (in Industrials), indicating severe tail risk and concentrated extreme observations. Europe and U.S. also exhibit fat tails, though less extreme compared to China.

4.2. Overview of China and 31 European countries performance in daily returns for Parts 2 and 3

The descriptive statistics of daily returns for the China and European countries markets are compared in Tables A5 and A6, in USD and local currency terms respectively, covering the 18- and 19-day event windows (with the April 4th absence for China). The statistics suggests that across both currency bases, most countries exhibit negative mean returns, indicating widespread declines during the event window. In USD terms average returns range from -0.79% (Denmark) to +0.51% (Estonia), with cumulative losses for many markets exceeding -10%, e.g., in Switzerland -11.88%, and in Sweden -12.39%, Denmark -18.90% – in local currency terms. In USD terms losses remain significant but are generally smaller in magnitude, e.g., for Denmark cumulative losses are -14.94% in USD and -18.90% in Danish krone. Though, some markets show slight positive returns, e.g., Estonia with a mean +0.51% return rate (+0.30% in EUR terms). Thus, currency effects are present but relatively less pronounced than in STOXX 600 – the full Europe benchmark index – analysis earlier, where cumulative returns in USD and EUR had almost double the difference: -4.83%, -8.90%, respectively.

The USD-based standard deviations range from ~1.9% (Estonia) to ~3.0% (Poland) and indicate lower volatility in Eastern European markets (with some exceptions, like Poland). Notably, Ukrainian stock market is having the lowest standard deviation values: 0.21% and 0.07% in USD and UAH, respectively – which is primarily due to under-developed stock market in the country. The local currency-based standard deviation is slightly lower overall, e.g., 2.98% for Poland in USD but 2.40% in PLN, with the higher difference for smaller economies, e.g., Bulgaria: 1.16% in USD and 0.97% in Bulgarian lev – compared to Germany: 2.78% in USD and 2.36% in EUR. This suggests that exchange rate fluctuations contribute to additional volatility in USD terms, particularly for smaller economies with less stable currency.

The distribution characteristics, starting with skewness – shows that the results are mixed, though with some countries showing the extreme negative skewness, e.g., Poland in USD terms -29.84, while in PLN terms -34.53, which indicates the dominance of large negative returns. The results show high kurtosis across most countries, e.g., the highest for China (if not counting kurtosis of Ukraine returns: in USD -101.36, in UAH 1900.00) in USD terms 1134.31, and in CNY: 1150.47, – signalling fat tails and elevated tail risk. These values are consistent with crisis-like behaviour and non-normal return distributions.

The ranges are wide in both currency bases, with USD-based extremes slightly larger, e.g., for Denmark being 12.29% in USD vs. 9.52% in LC. Minimum returns often exceed -7% while maximum positive returns rarely surpass 6%, reinforcing the dominance of negative shocks.

Cumulative returns show the aggregated impact of tariff announcement on daily returns of China and European countries, and they are being negative for most of the countries in both USD and local currency terms, with Nordic and Western European markets, e.g., Sweden, Switzerland, Denmark, – among hardest hit. Eastern European markets, as Bulgaria and Romania, show smaller cumulative losses, and a few countries, like Estonia and Cyprus, exhibit marginal gains.

Overall, the widespread negative returns confirm systematic impact of trade policy shocks across developed and emerging European markets.

4.3. Overview of macroeconomic and country-level variables for Part 3

The dataset with 9 macroeconomic, country-specific indicators per each of 32 observed countries (China and 31 European) in USD terms is presented in Table A7. The Table A8 summarizes these nine country-level macroeconomic variables for observed countries as of 2024, with tariff rates reflecting the U.S. reciprocal tariffs imposed on April 2, 2025. The mean tariff rate is 19.7%, with a median of 20%, indicating that most countries faced substantial reciprocal tariffs. This proximity of mean and median is explained by the fact that almost 80% of the countries in this dataset are in EU, see Table A7, and thus, faced the same reciprocal tariff from U.S.: 20%. The average unemployment rate is 5.8%, suggesting moderate labour market conditions across the sample. The average GDP per capita is USD37.93k, with a median of USD30.55k, reflecting significant income disparities among countries. The mean growth rate is 1.6%, though the minimum value of -0.8% indicates that some economies experienced contraction.

Among trade-related indicators, the Trade share averages 125.1%, with a wide range [34.4%; 405.1%], highlighting heterogeneity in trade openness. Import share from U.S. and an Export share to U.S. are relatively small – having means of 1.1% and 5.9%, respectively – indicating limited direct exposure to U.S. trade for most countries. The country attributing to highest share of imports in U.S. is China. Regarding the exports share from country to U.S., the top 3 countries most dependent on exports to U.S. are Switzerland, China and Ireland with 12.9%, 12.3%, and 12.3% Export shares, respectively (Table A7).

Therefore, the data on macroeconomic, country-level factors suggests the presence of significant heterogeneity in economic size, trade integration, and exposure to U.S. tariffs. The countries with high trade shares and export dependence on the U.S. are likely more vulnerable to tariff shocks, while income disparities may influence resilience to external shocks.

CHAPTER 5. RESULTS

5.1. Part 1. Per-sector market returns analysis for U.S., Europe, and China

5.1.1. Abnormal returns (ARs)

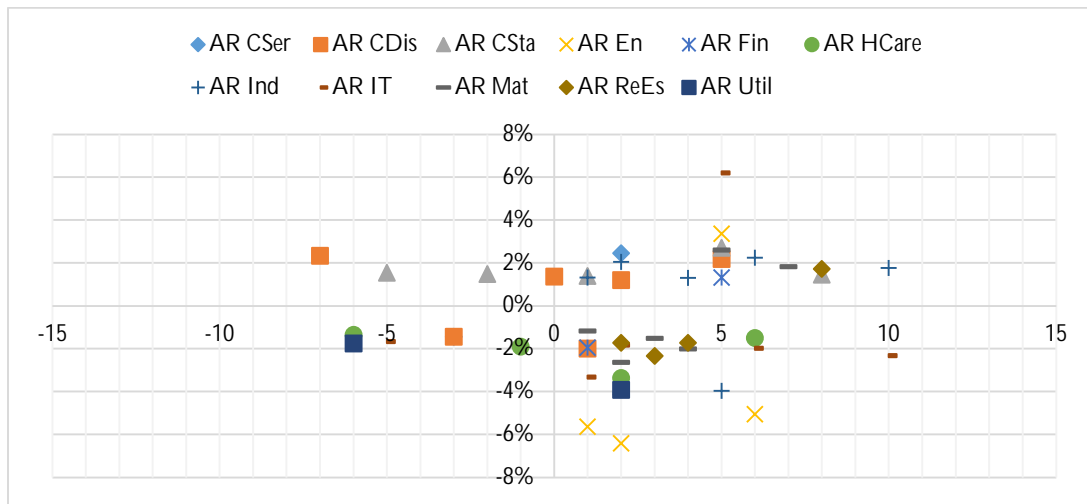
Abnormal returns with t-statistics values during the Event window for U.S., Europe, and China sectoral indexes (denoted in USD, EUR, CNY), are presented in full in Table B1. The statistically significant daily abnormal returns across 11 sectors per each of three economies: U.S., Europe, and China, - are displayed on Figures 3, 4, 5, respectively, below.

Across all three economies, the bulk of statistically significant reactions cluster after the announcement, especially on days 1 and 3 after April 2nd. By contrast, pre-event days (-10 to -1) show only sporadic and mostly insignificant ARs. This temporal shape is the hallmark of an unanticipated shock being incorporated into prices after the public revelation.

A consistent cross-market pattern emerges, thus e.g., Energy (being most negative AR in day 2, and ranging from -6.39% in U.S., to -3.66% in Europe, and -3.55% in China – for USD terms, in local currencies the returns a little less negative) and, to a lesser extent, Materials (peaking again on day 2, and ranging from -2.62% in U.S., to -1.99% in China, though being positive for Europe at 1.28% - in USD terms) show negative significant ARs in the immediate post-event window. Information technology (reaching +6.21% at day 5 in U.S., +2.76% at day 2 in Europe, and 2.39% at day 4 in China – plus, keeping the same logic in EUR and CNY terms) and often Industrials (in U.S. performing abnormally positive at +2.06% at day 2 after the tariff announcement; +2.48% at day 3 in Europe, and at a lesser extent but still positive, but not statistically significant, at +0.72% at day 2 for China) exhibit positive and statistically significant ARs in the same window. The defensive sectors – Health care, Utilities, and Consumer staples – tend to post smaller and a smaller number of significant ARs. The Consumer staples sector index in U.S. positively peaks at day 5 after the announcement at +2.73% higher than the S&P 500 but had a significant negative AR of -3.75% at day 2 – therefore showing normalisation with re passage of days after the tariff shock. Contrary to results for U.S., Europe and China show the positive

ARs, and thus outperform their country/regional indexes, with Europe having +3.45% at day 1, and China +4.33% on day 2 after the reciprocal tariffs announcement.

Figure 3. Statistically significant abnormal returns (ARs) of U.S. sectoral indexes (USD denoted), percentages



Note: CSer stands for Communication Services; CDis is Consumer Discretionary; CSta is Consumer Staples; En is Energy Financials; HCare is Health Care; Ind is Industrials; IT is Information Technology; Mat is Materials; ReEs is Real Estate; Util is Utilities.

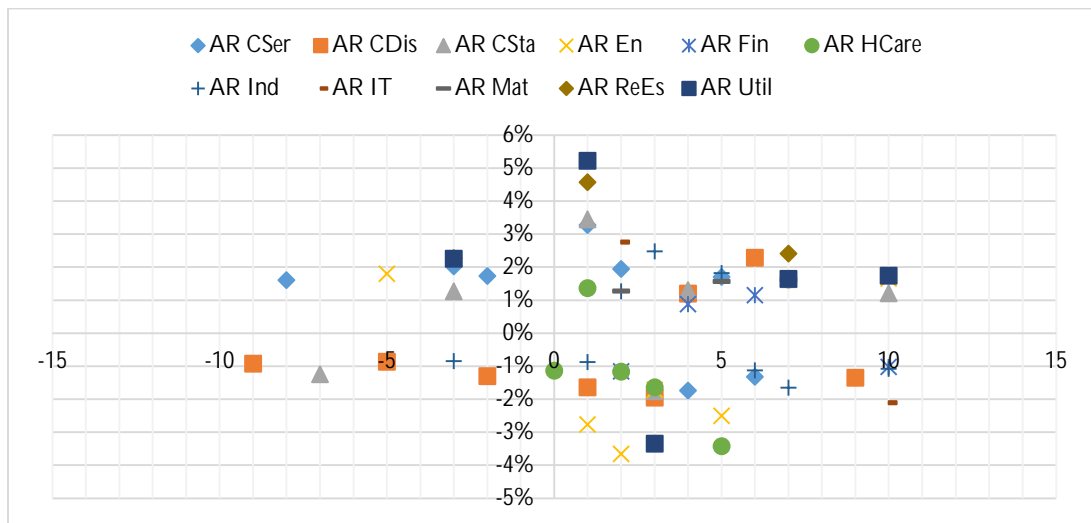
Source: author's calculations and analysis.

The Utilities show primary significant negative return of -3.90% for U.S. at day 2, despite being the defensive sector. Contrary to U.S., Europe and China indicate positive significant returns from day 1: +5.23% and +1.82%, respectively, in USD terms, in local currencies the results follow the same logic. The Health care sector index shows once again a diverse reaction across the three economies, with in U.S. being having significantly negative AR at day 2 of -3.35%, for Europe -3.43% at day 5 – also significant, though for China, having opposite significant result of +2.29% at the day 2. This might indicate the correlation between U.S. and European Health care sectors, possibly being highly dependent on commonly traded products (and services) applied in this sector, which were affected by the April 2nd U.S. tariff announcement.

The significant abnormal returns of European sectors follow the similar pattern with the spike from day 1, to the reduction in the amplitude of returns with the bottom at days 4-5,

and then a gradual increase. The highest spike at day 1 is witnessed for Utilities at above 5%, in addition, 6 of 8 sectors, including Utilities, that showed statistical significance at day 1 are being positive, contrary to 2 of 7 in U.S. at the same day.

Figure 4. Statistically significant abnormal returns (ARs) of European sectoral indexes (USD denoted), percentages

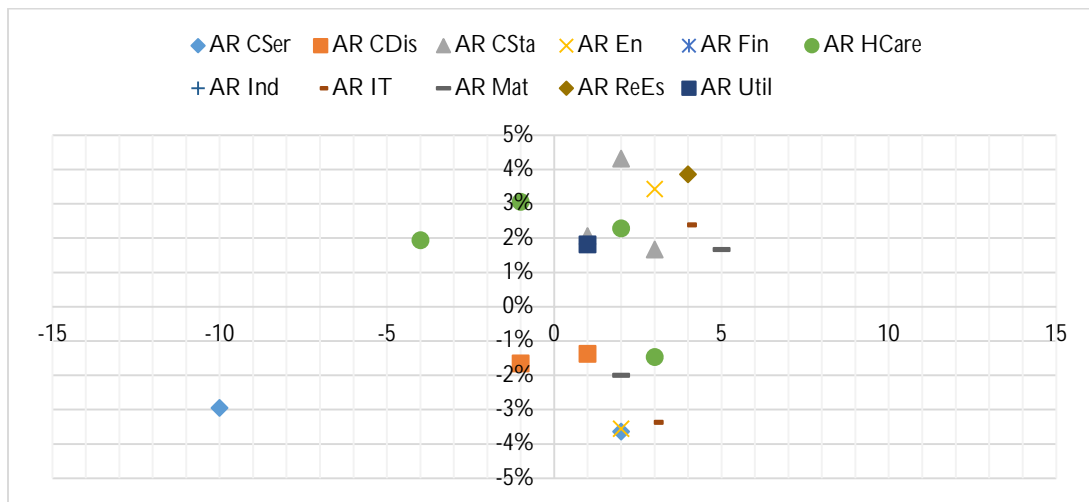


Source: author's calculations and analysis.

The Communication Services sector is having the highest number of significant abnormal returns in Europe, compared to U.S., and for China there was only one, before the "Liberation Day" tariffs announcement. For Europe 2 of 4 significant abnormal returns of Consumer staples index, which are after April 2, - are positive, for U.S. there is only one at day 2 – also positive, indicating that this defensive sector is relatively resistant to the tariff shocks of such scale. Consumer Discretionary sector index ARs are predominantly positive for U.S., with 3 of 4 times having outperformed the S&P 500 in the period from April 2, while for both Europe and China they are the opposite: with Europe having only 2 of 5 significant ARs – indicating this sector outperformance of STOXX 600 from April 2, and in China, there was one significant negative AR at day 1. Contrary to Consumer Discretionary, the Consumer staples sector indexes outperform the respective benchmark indexes in all three economies both prior and after the "Liberation Day" tariff shock

(except in Europe 7 days prior the event) – which proves the logic, as this is a “defensive” sector, being homogeneous, and is known for having inelastic demand – which helped the index returns being resistant to tariff shock. The Energy sector is oftentimes having negative significant abnormal returns across all three economies, though for China it is less often. The financial sector ARs are predominantly positive, or else near-zero for U.S. and Europe (for China there is no significant evidence) – indicating the resistance of the Financial sector to the tariff announcement – which follows the logic, as it is the services-reach sector, and tariffs are being imposed on goods.

Figure 5. Statistically significant abnormal returns (ARs) of Chinese sectoral indexes (USD denoted), percentages



Source: author’s calculations and analysis.

The Health care sector is quite volatile, with its returns being on both sides: significantly positive and negative – having likewise two opposite observations for U.S. and China, while in Europe there were 5 significant abnormal returns of the Health care sector, with only 1 of 5 positive – which hints on some possible significant dependence of the European Health care companies on U.S. – which triggered the market reaction to the tariff shock accordingly. Industrial sector indexes have significant abnormal returns in U.S. and Europe only, with 5 of 6, and 4 of 5 being positive, respectively, from April 2 – which indicates

that Industrial outperformed the respective market indexes, nonetheless the tariff shock. Thus, this implies that the public investors of Industrial companies in both U.S. and Europe perceive this tariff announcement as a non-risk for the companies in Industrial sector. The Information technology (IT) sector behaved similarly to the Health care sector, having opposite directions of abnormal returns, in this case for Europe and China, while for U.S. the results are predominantly negative: the index performed less than S&P 500 in 3 of 4 days from April 2 – this implies, that IT was highly sensitive to this tariffs announcement, having most negative effect on U.S. in the first place. Materials sector indexes do not have a uniform reaction across all three economies: while in U.S. the index had predominantly outperformed the S&P 500, with 5 of 6 ARs having been positive from April 2, in Europe it is true for 2 of 2, and 1 of 2 for China. This performance of Materials indexes implies that U.S. investors were predominantly positively-minded, nonetheless the tariffs imposture, and this follows the logic, as having the tariffs imposed on materials, gives respective U.S. companies a competitive edge on the market with imposters – this thought is also supplemented by the less positive and more volatile performance of China's Materials index. Real estate sector indexes have showed different abnormal returns in U.S. compared to Europe and China: where U.S. had 3 of 4 positive ARs (while 2 of 3 positive ones were near-zero), Europe had its both returns positive, and China had one positive – the Europe and China's abnormal returns had higher absolute value than the returns in U.S. – signaling that tariff threats from U.S. have triggered investors in Europe and China to be positively-minded regarding the respective domestic Real estate sectors, while in U.S. investors abruptly expressed negative sentiments from April 2. These findings suggest that Real estate sector is sensitive to the domestic market shocks. Utilities sector indexes are predominantly positive outside the U.S., which follows the commonsense logic, as it is the sector with companies oriented on domestic consumer, thus the goods (services related with the goods) are not dependent on tariffs imposed on U.S. imports. On the other hand, U.S. Utilities index consists of companies, who provide the relevant good/serviced to a domestic consumer, and by having tariffs imposed on U.S. imports, might affect the supply of goods/services in Utilities sector of U.S., as the U.S. energy imports vs. exports volumes

were relatively close in 2023: 21.7 and 29.5 quadrillion British terminal units, respectively, according to the U.S. Energy Information Administration, 2023.

Overall, the concentration of significance after day 0 indicates a surprise component rather than a gradual drift beforehand – this holds true for all: U.S., Europe, and China – but for the later – at a lower scale. Which means that the Event of “Liberation Day” tariffs announcement, triggered a high abnormal volatility in the three observed markets, with predominant effect on Europe, and U.S. itself. In addition, abnormal returns in Europe are having higher discrepancies from one-another, compared to the ones in U.S.

5.1.2. Cumulative returns (CARs and CAARs)

The calculated cumulative abnormal returns (CARs) and cumulative average abnormal returns (CAARs) for U.S., Europe, and China are displayed in Table B2. The statistically significant CAARs are present for the U.S. economic sectors, for the two asymmetrical event windows $[0,+2]$, $[0,+3]$, and a one symmetrical $[+3,-3]$, the later captures the possible anticipation factors of the “Liberation Day” tariffs announcement. The highly negative cumulative abnormal returns are observed for the Energy sector in the first two and three days, including the event day of April 2, reflecting and immediate response to the tariffs announcement – confirming the analysis of abnormal returns. In addition, the CAR in $[+3,-3]$ window for Energy sector has also the significant negative return the seven days around April 2 – which implies that Energy sector index in U.S. have had the negative returns prior to the observed reciprocal tariffs announcement. There are two first-in-mind possible explanations for this result: (1) the energy sector was exposed to deliberate tariff announcement prior to the April 2, or (2) the U.S. Energy sector performed poorly due-to its internal reasons (e.g., poor performance of major company in the index, index composition change, etc.).

Therefore, analysis of CARs and CAARs values for U.S., Europe, and China indicates that the U.S. market shows the clear negative reaction – predominantly for the Energy sector – while Europe and China exhibit muted aggregate responses.

5.2. Part 2. Market returns analysis for China, and 31 European countries.

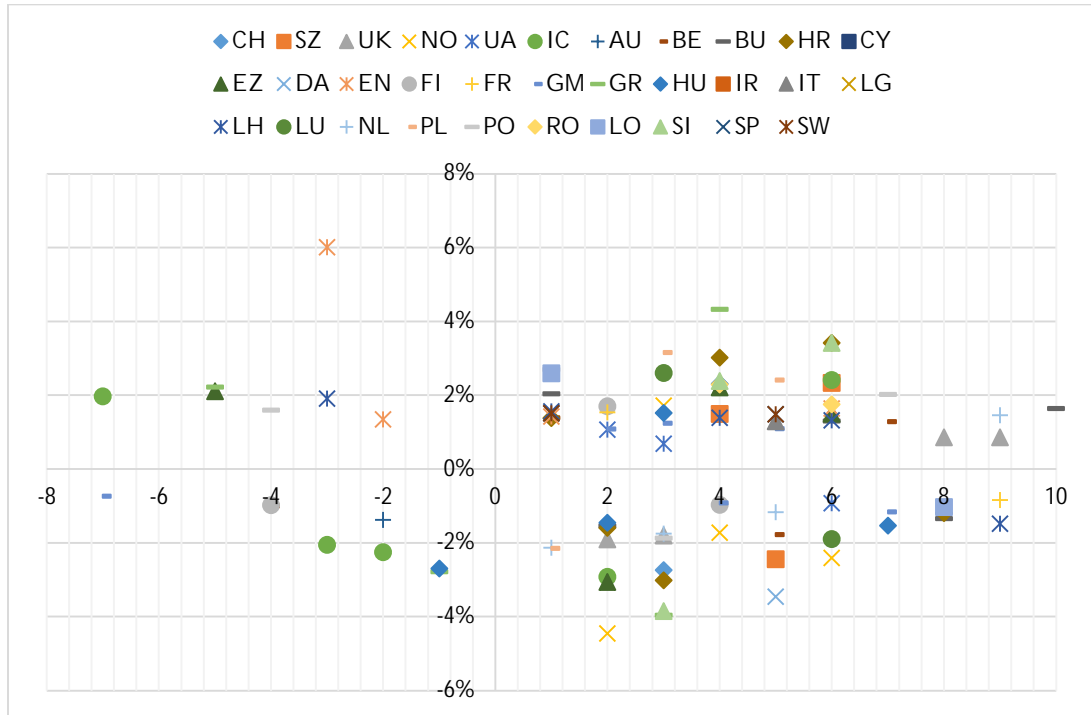
The Table B4 provides full scope of results on the analysis of abnormal returns for China and 31 European countries' indexes (denoted in USD). The Figure 6 complements the table by providing the overview of the statistically significant abnormal returns of the observed 32 countries' indexes over the event period.

From the broader view of abnormal returns over the even window, it is visible that the number of significant ARs increases after the "Liberation Day" tariffs announcement. There are 95 detected abnormal returns in the observable event window, 80 of which are after April 2 (day 0) – which represents 84.2% of observations. This confirms the same observation as from the Part1 with sectoral indexes – that the "Liberation Day" tariffs announcement triggered the shock in equity markets. The instant difference from the sectoral indexes performance is in the speed of significant reaction, which was higher for sectoral indexes, having significant returns from day 0. The 59% of significant abnormal returns (47 of 80) after April 2 were positive, which indicates the dominance of markets improvement over the post-event-day window [0,+10].

Observing results on a country-level basis, we see that Croatia experienced the largest number of significant abnormal returns over the [0,+10] event window – 6, the half of which was positive. Contrary to Croatia, there are four countries having zero significant abnormal returns over the same period: Austria, Cyprus, Ireland, and Latvia. This indicates that these four countries performed comparatively same as the European market (STOXX 600 as benchmark). The further reasons might be related to country-U.S. relations in terms of trade, politics, and other reasons.

The country having had lowest one-day significant abnormal return (-4.45%) is Norway, on day 2. Contrary to Norway, Greece had the highest significant AR of (+4.33%) on day 4. The four observed countries: Sweden, Spain, Italy, and Romania – had only positive ARs, thus outperforming the STOXX 600 at the event window.

Figure 6. Statistically significant abnormal returns (ARs) of China and 31 European counties' indexes (USD denoted), percentages



Note: for the full county name see Table A7.
 Source: author's calculations and analysis.

The one of all counties observed, which had only the significant negative abnormal return over the studied event window was China, having performed worse than a benchmark (Emerging markets in Asia Pacific index) by 2.73% on day 3. The day 3 – was the Monday April 7 – the first day CSI 300 opened after being closed on Friday April 4 (the day when China announced a retaliatory tariff on U.S.).

Ukraine county index reacted during the observed window with the mixed but significant abnormal returns, compared to STOXX 600: with days 1 and 2 having outperformed the Europe benchmark index at 1.07% and 0.69%, respectively, and on day 6 having had an opposing abnormal performance: -0.92%. Thus, the results indicate that the companies included in PFTS index were instantly affected by the event of "Liberation Day" tariffs announcement.

The evidence of anticipation is present in Hungary and Ireland with significant negative ARs on Day -1 (-2.7%) and (-2.6%), respectively. Estonia shows a large positive AR of +6.0% on day -3, possibly due to unrelated local factors.

The cumulative abnormal returns (CARs) and cumulative average abnormal returns (CAARs) were also calculated for the observable set of China and 31 European countries, the full scope of results is presented in Table B5. The statistical significance is observed over the one event window $[0,+1]$ in CAAR value of +0.81%, indicating a modest positive reaction immediately after the tariff announcement. The CAAR becomes insignificant in further event windows $[0,+2]$, $[0,+3]$, $[0,+4]$, and fluctuates around zero (-0.18%), suggesting that the initial positive reaction did not persist.

Overall, the April 2 tariff announcement had heterogeneous effects across countries. The Western and Nordic Europe faced the strongest negative impact. Southern and Eastern Europe showed resilience or benefited from portfolio shifts. China exhibited mixed performance, with early losses but recovery in longer windows. The anticipation was limited but evident in Hungary and Ireland, suggesting selective market foresight, the reason could also be some index-specific factors not necessarily related to anticipation.

5.3. Part 3. Correlation analysis between macroeconomic factors and market returns of China and European countries.

The regression analysis results in Table 2 show the correlation between cumulative abnormal returns (CARs) values for 32, previously examined countries in Part2, and the macroeconomic country-specific factors. The adjusted R^2 improves from $[0,+1]$ to $[0,+4]$, indicating that explanatory power increases with longer windows.

The results for tariff rate regression with CAR values are statistically significant and positive, which implies that the higher tariff rates correlate with higher CARs in longer windows, suggesting that markets of countries facing higher tariffs may have rebounded or adjusted positively after initial shocks. Unemployment is positively correlated with three of CAR values, indicating that countries with higher unemployment experienced higher

CARs, possibly due to expectations of compensatory policies or another reason, otherwise the result is counter intuitive. The results for GDP per capita indicate the strong significant correlation with the two wider window CARs, indicates that the wealthier countries saw lower CARs, which is consistent with their greater exposure to global trade and vulnerability to tariff shocks. GDP growth factor has the negative significant correlation with the returns in 1st and 3rd windows, and this indicates that economies with higher growth rates reacted more negatively, likely due to stronger integration into global supply chains.

Table 2. Regression analysis between CARs and 9 country-macro factors, for China, and 31 European countries indexes

	CAR [0,+1]	CAR [0,+2]	CAR [0,+3]	CAR [0,+4]
Tariff	0.061 (0.72)	0.214 (3.56)***	0.063 (0.93)	0.173 (2.71)***
Unemployment	0.334 (1.93)*	0.159 (1.36)	0.346 (3.57)***	0.168 (2.08)**
Inflation	0.289 (0.89)	0.429 (1.64)	0.165 (0.54)	0.086 (0.33)
GDP per capita	-0.000 (-0.27)	-0.000 (-2.32)**	-0.000 (-2.85)***	-0.000 (-6.91)***
GDP growth	-0.588 (-2.11)**	-0.200 (-0.97)	-0.598 (-2.42)**	-0.377 (-1.37)
Net trade	0.023 (2.23)**	0.005 (0.79)	0.018 (2.13)**	0.006 (0.59)
Trade share	0.008 (1.40)	0.016 (3.67)***	0.016 (3.55)***	0.017 (4.85)***
Imports share (US)	0.265 (1.56)	0.539 (2.10)**	0.001 (0.00)	-0.386 (-2.13)**
Exports share (X)	-0.098 (-0.59)	-0.021 (-0.18)	-0.034 (-0.25)	0.184 (2.08)**
Constant	-0.059 (-2.51)**	-0.076 (-4.23)***	-0.047 (-2.68)***	-0.047 (-3.07)***
N	32	31	32	32
Adj_R2	0.157	0.352	0.378	0.468

Note: CAR 2 has 31 country-observations, due to the absence of data on China, as CSI 300 was not trading on April 4th, 2025.

Source: author's calculations and analysis.

From the trade-related factors, all four showed significant correlation with the cumulative abnormal returns. Results for net trade suggest that countries with positive net trade values – thus having exports higher than imports (or the trade surplus) – outperformed their

benchmark markets, possibly due to diversified trade partners mitigating U.S. tariff impact. The trade share variable had a positive highly significant correlation with CARs, which can be interpreted as: with the greater trade openness of the country, the index performance of it improves over the time (as the t-statistic value is the highest in window 4), and therefore, suggesting eventual market optimism about global trade resilience. Supplementing this result with the raw trade data on the countries observed, we can get an insight into the exact countries having (1) the highest and (2) lowest trade share in the sample. The top 4 countries having the highest trade share are Luxembourg, Lithuania, Ireland, and Cyprus – which, to some extent, operate in trade markets as “transit points” between the larger economies. Contrary, the bottom 5: China, Italy, France, Spain, and UK – are the opposite – the big economies, known for being large trade partners themselves, and thus to a lesser extent can they be considered “transit points”. Having that notion of the countries sample composition characteristics, the results for Trade share variable positive correlation can be not fully representative. The other trade related value showed opposite correlation with the increase in cumulative effect of abnormal returns – the imports share (US), where positive correlation is present in the window 2, but turns negative at window 4. This mixed result can be explained by the fact of a short observation window potentially having less explanatory power. The result in window 4 follows the logic, as with the higher U.S. imports share coming from the observed country, the lower this country index' performance is – thus reflecting the trade situation between the countries. The last variable tested for the correlation with the country markets performance – Country' exports share attributed to U.S. The result of regression is significant and positive at the 4th event window and indicate that the countries heavily exporting to U.S. eventually saw positive cumulative abnormal returns of county indexes, possible reflecting confidence in trade negotiations. Overall, after interpreting the results of correlation between CARs and country-specific macroeconomic factors the similar pattern can be concluded: with the time cumulation the results show a better explanatory power. Thus, observing the instant significant shocks like this “Liberation Day” tariffs announcement needs to be observed incorporating the longer observation windows to capture the full “picture”.

5.4. Addressing the hypotheses

The five hypotheses, as defined in methodology, were tested across calculation Parts 1, 2, and 3 of the thesis. The H1, testing whether the announcement of U.S. reciprocal tariffs leads to statistically significant abnormal returns in equity markets of impacted countries under research, was accepted. The H1 has been proved with AR values in Parts 1 and 2 (per-sector and per-country analysis, respectively) being statistically significant.

Table 3. Hypotheses test results summary

<i>Hypothesis</i>	<i>Result</i>	<i>Hypothesis Full</i>	<i>Result factor</i>
H1	Accepted	H1: The announcement of U.S. reciprocal tariffs leads to statistically significant abnormal returns in equity markets of impacted countries under research.	ARs in Parts 1 and 2 are statistically significant.
H2	Rejected	H2: The significance of abnormal returns is higher with proximity to the Event Day.	Average ABS t-statistics is higher with proximity to "Liberation Day"
H3	Accepted	H3: The U.S. is likely to have higher negative abnormal returns than the European and Chinese equity markets.	The MIN values of AR, CAR, and AAR are lower in U.S., compared to Europe and China.
H4	Rejected	H4: The direction (-/+) of the abnormal returns varies by industry in the following way (assuming from industry research and literature review): positive for Consumer Staples, Consumer Discretionary, Industrials, Utilities, Healthcare, Information Technology, Communication Services; and negative for Energy, Materials.	13/27 H4 hypotheses were proved. ¹
H5	Rejected	H5: Countries with higher tariff rates have lower CARs (more proximity to negative CAR).	The correlations between Tariff rate and CAR [0,+2], [0,+4] are statistically significant and positive.

Note: 1. 27 is the total number of hypotheses tested in H4, as across 9 sectors in 3 economies (9x3=27).

Source: author's analysis.

The H2 hypothesis was rejected, as average absolute value (ABS) of t-statistics is higher post the "Liberation Day", but the highest average value across observed results (for U.S., Europe and China in USD terms, and Europe and China in EUR and CNY terms, respectively) is for day 2 (2.01), and not the closest to the Event day – day 1 (1.84). See

Table 4 for calculation results for testing H2. The hypothesis H3 was accepted, following the calculations that proved it correct. The minimal values across AR, CAR, and AAR results in Part 1 were found, which are as follows: (-6.39%) – AR for the Energy Sector in U.S. at day 2; (-12.93%) – CAR[0,+3] for the Energy sector in U.S.; (-1.95%) – AAR for U.S. at day 2 – which are all statistically significant. The data for AR, CAR, and AAR values can be accessed in Figures B1, B2, B3, respectively.

Table 4. Average ABS of ARs t-test statistics values per event day, for U.S., Europe, and China sectoral indexes

<i>Event Day</i>	<i>USA</i>	<i>Europe_USD</i>	<i>Europe_EUR</i>	<i>China_USD</i>	<i>China_CNY</i>	<i>Average</i>
-10	0.45	0.59	0.55	0.70	0.71	0.60
-9	0.31	0.76	0.82	0.43	0.44	0.55
-8	0.73	0.54	0.57	0.41	0.41	0.53
-7	0.65	0.89	0.88	0.48	0.49	0.68
-6	0.87	0.39	0.40	0.64	0.65	0.59
-5	1.06	0.93	0.91	0.44	0.42	0.75
-4	0.38	0.60	0.46	0.67	0.67	0.56
-3	0.96	1.34	1.31	0.22	0.21	0.81
-2	0.80	1.00	0.98	0.49	0.47	0.75
-1	0.60	0.29	0.29	0.80	0.81	0.56
0	0.46	0.64	0.56	0.48	0.49	0.53
+1	2.06	2.73	2.50	0.94	0.95	1.84
+2	3.37	1.72	1.66	1.65	1.65	2.01
+3	1.00	2.14	2.29	1.26	1.28	1.59
+4	1.27	1.00	1.02	0.76	0.78	0.97
+5	2.96	1.74	2.04	0.76	0.77	1.65
+6	1.51	1.42	1.09	0.66	0.67	1.07
+7	1.08	1.45	1.11	0.46	0.52	0.92
+8	0.84	0.63	0.82	0.50	0.51	0.66
+9	0.46	0.78	0.76	0.45	0.43	0.58
+10	1.06	1.24	1.09	0.40	0.41	0.84

Source: author's calculations and analysis.

The hypothesis H4 was rejected in the course of analysis at Part 1. Hypothesis hold true for U.S. market in Consumer staples, Discretionary, Industrial, Energy, and Materials sectors - first three performed positively, and the last two, as anticipated, negatively - compered to S&P 500. For Europe market hypothesis was true also for Consumer staples and Energy materials - first performed positively, and second - negatively, compared to STOXX 600. In addition, other European sectors performance followed the hypothesis, these were: Utilities, IT, and Communication services - which mostly outperformed the

European benchmark index. The Chinese sectors also did follow the hypothesis to some extent, these were: Consumer staples, Utilities and Health care sectors - which outperformed the CSI 300, as was anticipated in hypothesis. Therefore, only one sector performed in the same direction across all three economies – Consumer staples, having positively performed in U.S., Europe, and China nonetheless the tariff announcement – which at most is due to the nature of this sector, consisting of homogeneous, inelastic goods. Thus, 13/27 H4 hypotheses - per 9 sectors and across 3 economies - were proved. This is not 100%, therefore the H4 was rejected. The hypothesis H5 was rejected in the course of analysis in Part 3, observing country-level macroeconomic factors and CARs correlation. The correlations between Tariff rate variable and CAR $[0,+2]$, $[0,+4]$ statistically significant and positive, therefore this rejects the H5.

CHAPTER 6. CONCLUSIONS AND RECOMMENDATIONS

The thesis investigates the equity-market repercussions of the April 2, 2025, announcement of U.S. “reciprocal” tariffs using an event-study methodology across sectors in the U.S., Europe, and China (Part 1), across 31 European countries and China (Part 2), and a cross-sectional regression of country-level cumulative abnormal returns (CARs) on macro-trade fundamentals (Part 3). The evidence converges on three main findings. First, the announcement was an unanticipated shock: statistically abnormal returns (ARs) cluster immediately after day 0, while pre-event days show sparse and mostly insignificant moves. Second, the impact was heterogeneous across regions and sectors: U.S. sectors – most notably Energy – exhibited the sharpest and most negative abnormal and cumulative abnormal responses in the first 2-3 trading days, whereas Europe displayed a mix of positive and negative sector reactions with greater dispersion, and China’s sectoral responses were comparatively muted. Third, country-level differences in post-announcement performance are systematically related to macro-trade factors: trade openness, tariff exposure and labour-market instability help explain the cross-section of CARs over wider windows.

Across the three major markets, the U.S. shows the clearest and strongest negative reaction in the immediate aftermath. Part 1 documents highly negative ARs and CAARs in U.S. sectors over $[0,+2]$ and $[0,+3]$, with Energy posting a day 2 AR of -6.39% (USD terms) and a CAR $[0,+3]$ of -12.93%, both statistically significant – the most adverse sector-day and short-window sector CAR observed among the three economies. In contrast, Europe’s aggregate responses are more mixed and often less persistent, and Chinese sector indices show fewer and smaller significant moves with quicker normalization. Country-index evidence in Part 2 also shows that most of the 95 significant ARs arrive after day 0, but the predominance of positive signs suggests that – outside the U.S. sectoral shock – the broader cross-country equity response was not uniformly negative. Overall, the U.S. market was affected the most in terms of depth and sign (especially via Energy), Europe next (with higher dispersion across sectors), and China the least in magnitude and persistence.

There were regional discrepancies of how sectors were affected across U.S., Europe, and China. U.S. Energy sector bore most in the course of tariff announcement, consistent with immediate pricing of trade and input-cost risk. Materials also displayed negative ARs around day 2, while Information Technology had a complex profile with early underperformance followed by a sharp rebound by day 5. Industrials showed several positive ARs, signalling -3.90% on day 2; Consumer Staples dipped on day 2 but then outperformed by day 5.

European sectors' reactions were wider-ranging and often positive on day 1: Utilities surged (+5.23%), Consumer Staples outperformed (+3.45%), and Industrials posed positive ARs in the +2 to +3 window, while Energy showed significant negatives on days 1/2/5. Communication Services registered the highest count of significant ARs in Europe among the three regions. The amplitude of European sector ARs is notable – larger cross-sector dispersion than in U.S. – but with a less clear negative tilt at the aggregate level than the U.S.

The abnormal reactions in China were fewer and smaller. Consumer Staples outperformed on days +1/+2 (+2.075 and +4.33%), while Energy showed a -3.55% on the day +2 followed by a rebound; Information Technology and Health Care showed both signs across days, indicating choppy but contained adjustments. Overall, Chinese sector indices exhibited lower incidence and magnitude of the significance than their U.S./European peers.

Part 3's cross-sectional regression of CARs on macro-trade variables reveal that explanatory power rises with longer windows, reinforcing that markets absorb and reassess trade shocks over the several days. Higher announced tariff rates are positively correlated with CARs in the [0,+2] and [0,+4] windows, suggesting rebound/adjustment effects where initially hit markets re-price once policy contours and substitution channels become clearer. The higher GDP per capita is negatively related to CARs, consistent with more globally integrated, higher-income markets being more exposed to value-chain disruptions.

GDP growth is negatively related to CARs in shorter/wider windows, again in line with high-growth, trade-intensive economies reacting more adversely to tariff uncertainty. Trade-specific channels matter, as trade share (openness) is positively associated with CARs in second and fourth observed windows; the U.S. import share from a country flips from positive (short) to negative (long) significance; and the country's export share to the U.S. turns significantly positive by $[0,+4]$, suggesting that markets ultimately priced resilience/renegotiation potential for heavy U.S. exporters.

Firms with heavy U.S. inputs or sales exposure – especially in energy-intensive and upstream materials chains – should embed tariff-shock playbooks in their operating and treasury routines. The results show that the sharpest equity drawdowns concentrated in U.S. Energy and related cyclicals within two trading days; thus, building $t+2$ resilience in procurement and liquidity is therefore warranted. To mitigate similar tariff shocks the broad-level risk dashboards should track the bilateral tariffs; business-unit sensitivity to energy and traded intermediates; order-to-book elasticity in key geographies of operation/sources provision; lead indicators of policy response, e.g., domestic support programs, retaliatory schedules. Sector evidence indicates non-uniform defensives; for instance, U.S. Utilities and Health Care were not unconditionally safe havens on day $+2$, while Consumer Staples outperformed by day $+5$ – highlighting the value of scenario-specific messaging and guidance cadence around the trade news cycles.

The three limitations suggest promising routes for further research. First, while the study's windows capture the short-run shock and early adjustment, longer horizons (e.g., 1 month) would help distinguish temporary repricing from earnings-driven re-valuation. Second, firm-level heterogeneity likely explains part of the intra-sector dispersion observed; linking ARs to firm disclosures and input-output tables would sharpen attribution. Third, media tone dynamics could be incorporated to capture the sensitivity of returns attributed to new public announcements during the observed event period.

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APPENDIX A

DATA DESCRIPTION TABLES

Table A1. List of indexes and bonds used in the study

<i>Name / Ticker</i>	<i>Data application</i>
S&P 500	United States
STOXX 600	Europe
CSI 300	China
TRXFLDEZPU	Emerging Markets Asia Pacific
SMI	Switzerland
FTSE 100	United Kingdom
OSEAX	Norway
PFTS	Ukraine
OMXIPI	Iceland
ATX	Austria
BFX	Belgium
SOFIX	Bulgaria
CROBEX	Croatia
CYMAIN	Cyprus
PX	Czechia
OMXCBPI	Denmark
OMX Tallinn_GI	Estonia
OMXHBPI	Finland
CAC 40	France
Dax	Germany
TRXFLDGRP	Greece
TRXFLDHUP	Hungary
TRXFLDIEP	Ireland
FTSE MIB	Italy
OMXRG1	Latvia
OMXVG1	Lithuania
LXXX	Luxembourg
AEX	Netherlands
WIG	Poland
PSI20	Portugal
BETI	Romania
SAX	Slovakia
SBITOP	Slovenia
IBEX 35	Spain
OMXS30	Sweden
912810TV0	30-Y U.S. Treasury bond
DE103075	30-Y Germany (Government) bond
CN230023	30-Y China, People's Republic (Government) bond

Note: sectoral indexes for each economy: U.S., Europe, and China, – were found by respective sector name via Refinitiv database.

Source: Refinitiv, S&P Capital IQ.

Table A2. Macroeconomic and country-specific variables applied in regression analysis for Part 3

<i>Variable</i>	<i>Definition</i>
CAR [0,t]	Cumulative abnormal daily return over event window [0; k], where $k \in \{1,2,3,4\}$
Tariff	Country-specific tariff rate announced on April 2, 2025
Unemployment	Unemployment rate in 2024 (percent)
Inflation	Consumer price inflation in 2024 (percent)
GDP per capita	GDP per capita in 2024 (USD)
GDP growth	Real GDP growth rate in 2024 (percent)
Net trade	Equals 1 if net trade in goods and services in 2024 is positive; 0 otherwise
Trade share	Total trade (exports + imports) as a percentage of GDP in 2024
Imports share (US)	Share of US imports from country X, as a share from all imports in US in 2024
Exports share (X)	Share of exports from country X to US, as a share from all exports of country X in 2024

Source: suggested by author with adaptation from Ender et al. (2025).

Table A3. Descriptive statistics of country-, regional-, and sectoral indexes' daily returns used in Part 1 of the event study in USD, percentages.

<i>U.S.</i>	<i>S&P 500</i>	<i>CSer</i>	<i>CDis</i>	<i>CSta</i>	<i>En</i>	<i>Fin</i>
Mean	-0.30%	-0.32%	-0.24%	0.08%	-0.60%	-0.24%
Standard Error	0.65%	0.68%	0.78%	0.36%	0.78%	0.62%
Median	-0.17%	-0.14%	-0.18%	0.12%	0.25%	-0.15%
Mode	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Standard Deviation	2.98%	3.13%	3.56%	1.67%	3.56%	2.86%
Sample Variance	0.09%	0.10%	0.13%	0.03%	0.13%	0.08%
Kurtosis	468.78	408.09	381.44	340.07	202.03	354.22
Skewness	103.89	120.31	117.64	-43.13	-83.96	-23.83
Range	15.25%	14.53%	17.43%	8.78%	16.30%	15.00%
Minimum	-6.16%	-5.01%	-6.67%	-4.65%	-9.10%	-7.68%
Maximum	9.09%	9.52%	10.76%	4.13%	7.20%	7.32%
Sum	-6.23%	-6.77%	-5.05%	1.72%	-12.53%	-5.01%
Count	21	21	21	21	21	21

<i>U.S. (continued)</i>	<i>HCare</i>	<i>Ind</i>	<i>IT</i>	<i>Mat</i>	<i>ReEs</i>	<i>Util</i>
Mean	-0.34%	-0.26%	-0.39%	-0.34%	-0.23%	-0.07%
Standard Error	0.41%	0.64%	0.89%	0.63%	0.46%	0.38%
Median	-0.30%	-0.46%	0.29%	-0.03%	-0.01%	0.05%
Mode	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Standard Deviation	1.86%	2.93%	4.09%	2.89%	2.12%	1.76%
Sample Variance	0.03%	0.09%	0.17%	0.08%	0.05%	0.03%
Kurtosis	378.35	429.22	582.18	372.58	221.18	557.54
Skewness	-51.00	67.39	153.00	79.68	44.50	-121.51
Range	9.90%	15.08%	20.34%	14.77%	10.32%	9.58%
Minimum	-5.66%	-6.49%	-7.11%	-6.49%	-4.73%	-5.74%
Maximum	4.24%	8.59%	13.23%	8.28%	5.58%	3.84%
Sum	-7.19%	-5.44%	-8.25%	-7.07%	-4.88%	-1.51%
Count	21	21	21	21	21	21

<i>Europe</i>	<i>STOXX 600</i>	<i>CSer</i>	<i>CDis</i>	<i>CSta</i>	<i>En</i>	<i>Fin</i>
Mean	-0.23%	0.15%	-0.29%	0.19%	-0.44%	-0.24%

Standard Error	0.57%	0.50%	0.52%	0.45%	0.65%	0.69%
Median	-0.19%	0.29%	-0.17%	0.32%	0.07%	-0.19%
Mode	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Standard Deviation	2.60%	2.28%	2.39%	2.05%	2.97%	3.16%
Sample Variance	0.07%	0.05%	0.06%	0.04%	0.09%	0.10%
Kurtosis	143.06	131.58	151.13	52.59	126.97	200.28
Skewness	-16.56	-44.86	48.52	-60.28	-100.22	-10.28
Range	11.85%	10.07%	10.86%	8.06%	12.78%	15.02%
Minimum	-6.00%	-4.88%	-4.92%	-4.76%	-8.05%	-7.56%
Maximum	5.86%	5.19%	5.94%	3.29%	4.72%	7.45%
Sum	-4.83%	3.22%	-6.05%	3.93%	-9.33%	-5.14%
Count	21	21	21	21	21	21

Europe (continued)	<i>HCare</i>	<i>Ind</i>	<i>IT</i>	<i>Mat</i>	<i>ReEs</i>	<i>Util</i>
Mean	-0.44%	-0.42%	-0.38%	-0.16%	0.34%	0.47%
Standard Error	0.59%	0.66%	0.61%	0.61%	0.60%	0.58%
Median	-0.14%	-0.29%	-0.68%	0.03%	0.42%	0.49%
Mode	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Standard Deviation	2.70%	3.03%	2.78%	2.80%	2.73%	2.64%
Sample Variance	0.07%	0.09%	0.08%	0.08%	0.07%	0.07%
Kurtosis	52.57	157.75	80.02	109.59	46.79	198.98
Skewness	-48.17	25.06	50.03	-1.75	-27.59	-99.47
Range	10.78%	14.31%	11.74%	12.48%	11.10%	11.40%
Minimum	-6.01%	-7.25%	-5.08%	-6.09%	-5.02%	-6.55%
Maximum	4.77%	7.06%	6.66%	6.39%	6.08%	4.85%
Sum	-9.23%	-8.89%	-7.90%	-3.29%	7.17%	9.94%
Count	21	21	21	21	21	21

China	<i>CSI 300</i>	<i>CSer</i>	<i>CDis</i>	<i>CSta</i>	<i>En</i>	<i>Fin</i>
Mean	-0.34%	-0.65%	-0.40%	-0.11%	0.00%	-0.22%
Standard Error	0.40%	0.55%	0.52%	0.30%	0.45%	0.38%
Median	-0.05%	-0.18%	-0.15%	0.04%	0.11%	0.07%
Mode	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Standard Deviation	1.85%	2.54%	2.36%	1.37%	2.07%	1.74%
Sample Variance	0.03%	0.06%	0.06%	0.02%	0.04%	0.03%
Kurtosis	1353.19	1219.00	992.79	322.32	988.90	1215.78
Skewness	-333.00	-307.69	-268.43	-78.80	-228.03	-314.70
Range	9.47%	13.39%	11.92%	7.03%	11.61%	8.48%
Minimum	-7.67%	-10.51%	-9.22%	-4.05%	-7.60%	-6.98%
Maximum	1.79%	2.88%	2.70%	2.98%	4.01%	1.50%
Sum	-7.04%	-13.71%	-8.44%	-2.29%	-0.01%	-4.71%
Count	21	21	21	21	21	21

China (continued)	<i>HCare</i>	<i>Ind</i>	<i>IT</i>	<i>Mat</i>	<i>ReEs</i>	<i>Util</i>
Mean	-0.34%	-0.40%	-0.67%	-0.39%	-0.02%	0.21%
Standard Error	0.40%	0.48%	0.56%	0.49%	0.53%	0.22%
Median	-0.13%	-0.07%	-0.47%	-0.15%	-0.18%	0.22%
Mode	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Standard Deviation	1.82%	2.19%	2.55%	2.23%	2.42%	1.01%
Sample Variance	0.03%	0.05%	0.07%	0.05%	0.06%	0.01%
Kurtosis	738.30	1357.84	693.60	1055.84	387.04	180.01
Skewness	-185.12	-329.76	-184.37	-266.32	-71.38	-65.10
Range	9.47%	11.41%	12.79%	12.04%	12.04%	4.64%

Minimum	-6.68%	-9.11%	-9.48%	-8.79%	-7.28%	-2.60%
Maximum	2.79%	2.30%	3.31%	3.24%	4.76%	2.05%
Sum	-7.04%	-8.34%	-14.06%	-8.25%	-0.39%	4.40%
Count	21	21	21	21	21	21

Note: C*Ser* stands for Communication Services; C*Dis* is Consumer Discretionary; C*Sta* is Consumer Staples; E*n* is Energy Financials; H*Care* is Health Care; I*nd* is Industrials; I*T* is Information Technology; M*at* is Materials; R*Es* is Real Estate; U*til* is Utilities.

Sources: Refinitiv, S&P Capital IQ, author's calculations.

Table A4. Descriptive statistics of country-, regional-, and sectoral indexes' daily returns used in Part 1 of the event study in local currencies, percentages.

Europe	<i>STOXX 600</i>	<i>C<i>Ser</i></i>	<i>C<i>Dis</i></i>	<i>C<i>Sta</i></i>	<i>E<i>n</i></i>	<i>F<i>in</i></i>
Mean	-0.42%	-0.04%	-0.48%	-0.01%	-0.64%	-0.44%
Standard Error	0.49%	0.40%	0.44%	0.34%	0.61%	0.61%
Median	-0.43%	0.22%	-0.17%	0.44%	0.07%	-0.36%
Mode	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Standard Deviation	2.24%	1.84%	2.02%	1.56%	2.77%	2.82%
Sample Variance	0.05%	0.03%	0.04%	0.02%	0.08%	0.08%
Kurtosis	27.58	81.92	25.19	196.41	41.38	64.87
Skewness	-40.69	-78.73	-6.63	-117.60	-108.56	-33.40
Range	8.77%	7.15%	8.17%	6.99%	10.31%	11.93%
Minimum	-5.13%	-4.19%	-4.45%	-4.30%	-7.19%	-6.70%
Maximum	3.63%	2.97%	3.72%	2.69%	3.12%	5.23%
Sum	-8.90%	-0.85%	-10.12%	-0.14%	-13.41%	-9.21%
Count	21	21	21	21	21	21

Europe (continued)	<i>H<i>Care</i></i>	<i>I<i>nd</i></i>	<i>I<i>T</i></i>	<i>M<i>at</i></i>	<i>R<i>Es</i></i>	<i>U<i>til</i></i>
Mean	-0.63%	-0.62%	-0.57%	-0.35%	0.15%	0.28%
Standard Error	0.50%	0.60%	0.56%	0.53%	0.48%	0.46%
Median	-0.52%	-0.99%	-0.83%	-0.34%	0.36%	0.68%
Mode	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Standard Deviation	2.29%	2.73%	2.56%	2.43%	2.22%	2.11%
Sample Variance	0.05%	0.07%	0.07%	0.06%	0.05%	0.04%
Kurtosis	68.26	12.68	-69.59	-2.07	33.80	357.32
Skewness	-78.91	5.86	13.71	-21.20	-74.52	-176.44
Range	8.80%	11.23%	9.06%	9.40%	8.41%	8.95%
Minimum	-5.96%	-6.39%	-4.62%	-5.23%	-4.55%	-6.09%
Maximum	2.84%	4.84%	4.44%	4.17%	3.86%	2.86%
Sum	-13.30%	-12.96%	-11.97%	-7.37%	3.09%	5.87%
Count	21	21	21	21	21	21

China	<i>CSI 300</i>	<i>C<i>Ser</i></i>	<i>C<i>Dis</i></i>	<i>C<i>Sta</i></i>	<i>E<i>n</i></i>	<i>F<i>in</i></i>
Mean	-0.29%	-0.61%	-0.35%	-0.06%	0.05%	-0.18%
Standard Error	0.38%	0.53%	0.50%	0.30%	0.45%	0.36%
Median	0.01%	-0.22%	-0.05%	0.09%	0.07%	0.13%
Mode	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Standard Deviation	1.76%	2.45%	2.27%	1.35%	2.07%	1.65%
Sample Variance	0.03%	0.06%	0.05%	0.02%	0.04%	0.03%
Kurtosis	1365.45	1237.72	999.63	321.04	836.41	1223.75
Skewness	-335.35	-315.62	-270.46	-22.00	-182.33	-313.52
Range	9.00%	12.53%	11.28%	7.08%	11.67%	8.44%

Minimum	-7.31%	-10.15%	-8.85%	-3.68%	-7.23%	-6.62%
Maximum	1.69%	2.39%	2.42%	3.40%	4.43%	1.82%
Sum	-6.06%	-12.73%	-7.45%	-1.30%	0.97%	-3.73%
Count	21	21	21	21	21	21

China (continued)	<i>HCare</i>	<i>Ind</i>	<i>IT</i>	<i>Mat</i>	<i>ReEs</i>	<i>Util</i>
Mean	-0.29%	-0.35%	-0.62%	-0.35%	0.03%	0.26%
Standard Error	0.38%	0.46%	0.53%	0.47%	0.53%	0.23%
Median	-0.03%	-0.07%	-0.29%	-0.18%	-0.22%	0.20%
Mode	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Standard Deviation	1.75%	2.13%	2.43%	2.15%	2.41%	1.05%
Sample Variance	0.03%	0.05%	0.06%	0.05%	0.06%	0.01%
Kurtosis	713.72	1326.06	736.92	1047.66	340.48	59.12
Skewness	-173.37	-320.00	-192.36	-271.87	-44.09	-5.35
Range	9.28%	11.46%	12.58%	11.18%	11.82%	4.69%
Minimum	-6.31%	-8.74%	-9.12%	-8.43%	-6.91%	-2.23%
Maximum	2.97%	2.72%	3.46%	2.75%	4.91%	2.46%
Sum	-6.05%	-7.35%	-13.07%	-7.26%	0.59%	5.39%
Count	21	21	21	21	21	21

Note: CSer stands for Communication Services; CDis is Consumer Discretionary; CSta is Consumer Staples; En is Energy Financials; HCare is Health Care; Ind is Industrials; IT is Information Technology; Mat is Materials; ReEs is Real Estate; Util is Utilities.

Sources: Refinitiv, S&P Capital IQ, author's calculations.

Table A5. Descriptive statistics of 32-country indexes' daily returns used in Parts 2 and 3 of the event study (denoted in USD), percentages

	<i>CH</i>	<i>SZ</i>	<i>UK</i>	<i>NO</i>	<i>UA</i>	<i>IC</i>	<i>AU</i>
Mean	-0.40%	-0.23%	-0.17%	-0.29%	0.02%	-0.28%	-0.34%
Standard Error	0.47%	0.71%	0.61%	0.58%	0.05%	0.50%	0.65%
Median	-0.02%	-0.11%	0.02%	-0.04%	0.07%	-0.52%	-0.68%
Mode	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Standard Deviation	2.00%	3.09%	2.68%	2.51%	0.21%	2.18%	2.82%
Sample Variance	0.04%	0.10%	0.07%	0.06%	0.00%	0.05%	0.08%
Kurtosis	1134.31	144.07	157.19	922.74	-101.36	-66.56	78.98
Skewness	-304.72	26.99	-100.38	-258.51	-55.50	-3.58	-31.52
Range	9.47%	12.86%	10.85%	11.89%	0.68%	8.35%	12.32%
Minimum	-7.67%	-5.49%	-6.67%	-9.24%	-0.36%	-4.43%	-7.00%
Maximum	1.79%	7.37%	4.19%	2.66%	0.32%	3.92%	5.32%
Sum	-7.11%	-4.36%	-3.23%	-5.54%	0.29%	-5.29%	-6.40%
Count	18	19	19	19	19	19	19

	<i>BE</i>	<i>BU</i>	<i>HR</i>	<i>CY</i>	<i>EZ</i>	<i>DA</i>
Mean	-0.15%	0.14%	0.02%	0.08%	0.10%	-0.79%
Standard Error	0.64%	0.37%	0.52%	0.43%	0.61%	0.67%
Median	-0.25%	-0.13%	-0.09%	0.37%	0.38%	-0.55%
Mode	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Standard Deviation	2.77%	1.61%	2.28%	1.88%	2.66%	2.92%
Sample Variance	0.08%	0.03%	0.05%	0.04%	0.07%	0.09%
Kurtosis	36.13	31.66	220.42	84.17	272.80	104.55
Skewness	-29.85	-17.91	46.07	-42.71	-41.95	-17.14
Range	11.03%	6.63%	10.35%	7.44%	12.69%	12.29%

Minimum	-5.66%	-3.41%	-4.75%	-3.91%	-7.02%	-6.90%
Maximum	5.37%	3.22%	5.60%	3.53%	5.68%	5.39%
Sum	-2.80%	2.63%	0.46%	1.49%	1.94%	-14.94%
Count	19	19	19	19	19	19

	<i>EN</i>	<i>FI</i>	<i>FR</i>	<i>GM</i>	<i>GR</i>	<i>HU</i>
Mean	0.51%	-0.33%	-0.32%	-0.27%	-0.02%	-0.09%
Standard Error	0.44%	0.58%	0.61%	0.64%	0.84%	0.59%
Median	-0.10%	-0.51%	-0.34%	-0.50%	0.23%	0.08%
Mode	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Standard Deviation	1.93%	2.54%	2.67%	2.78%	3.66%	2.58%
Sample Variance	0.04%	0.06%	0.07%	0.08%	0.13%	0.07%
Kurtosis	271.90	89.22	111.76	162.14	82.20	149.81
Skewness	140.40	20.41	9.37	30.65	-43.00	-3.38
Range	8.01%	10.83%	11.35%	12.60%	15.26%	11.15%
Minimum	-1.97%	-5.15%	-5.36%	-5.94%	-8.19%	-6.04%
Maximum	6.03%	5.69%	5.98%	6.66%	7.07%	5.12%
Sum	9.70%	-6.29%	-6.10%	-5.19%	-0.37%	-1.71%
Count	19	19	19	19	19	19

	<i>IR</i>	<i>IT</i>	<i>LG</i>	<i>LH</i>	<i>LU</i>	<i>NL</i>
Mean	-0.25%	-0.27%	0.10%	0.29%	-0.37%	-0.36%
Standard Error	0.62%	0.73%	0.20%	0.37%	0.55%	0.50%
Median	-0.46%	-0.23%	0.11%	0.38%	-0.34%	-0.26%
Mode	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Standard Deviation	2.72%	3.17%	0.85%	1.61%	2.40%	2.20%
Sample Variance	0.07%	0.10%	0.01%	0.03%	0.06%	0.05%
Kurtosis	-32.50	156.05	30.70	36.09	64.04	-8.45
Skewness	-14.18	-30.17	51.80	24.69	-23.97	-51.76
Range	9.90%	14.46%	3.30%	6.65%	10.15%	7.70%
Minimum	-5.72%	-7.62%	-1.32%	-2.80%	-6.03%	-4.88%
Maximum	4.18%	6.84%	1.98%	3.85%	4.12%	2.82%
Sum	-4.66%	-5.10%	1.85%	5.47%	-6.97%	-6.84%
Count	19	19	19	19	19	19

	<i>PL</i>	<i>PO</i>	<i>RO</i>	<i>LO</i>	<i>SI</i>	<i>SP</i>	<i>SW</i>
Mean	-0.16%	0.08%	0.15%	0.27%	0.03%	0.05%	0.05%
Standard Error	0.68%	0.65%	0.47%	0.25%	0.59%	0.67%	0.67%
Median	-0.50%	0.85%	0.02%	-0.10%	-0.15%	0.37%	0.37%
Mode	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Standard Deviation	2.98%	2.81%	2.04%	1.08%	2.58%	2.94%	2.94%
Sample Variance	0.09%	0.08%	0.04%	0.01%	0.07%	0.09%	0.09%
Kurtosis	142.58	76.21	111.86	-29.63	319.58	186.43	186.43
Skewness	-29.84	-86.76	34.90	77.73	23.92	-55.61	-55.61
Range	13.55%	10.86%	8.20%	3.64%	12.86%	13.33%	13.33%
Minimum	-7.64%	-6.26%	-3.43%	-1.41%	-6.27%	-6.87%	-6.87%
Maximum	5.91%	4.60%	4.77%	2.23%	6.59%	6.45%	6.45%
Sum	-3.01%	1.44%	2.77%	5.07%	0.52%	0.94%	0.94%
Count	19	19	19	19	19	19	19

Note: for the full county name see Table A5.

Sources: Refinitiv, author's calculations.

Table A6. Descriptive statistics of country indexes' daily returns used in Parts 2 and 3 of the event study (denoted in local currencies), percentages

	<i>CH</i>	<i>SZ</i>	<i>UK</i>	<i>NO</i>	<i>UA</i>	<i>IC</i>	<i>AU</i>
Mean	-0.34%	-0.63%	-0.27%	-0.30%	-0.02%	-0.51%	-0.55%
Standard Error	0.45%	0.55%	0.49%	0.41%	0.02%	0.42%	0.56%
Median	0.06%	-0.17%	-0.05%	-0.20%	0.00%	-0.20%	-0.33%
Mode	#N/A	#N/A	#N/A	#N/A	0.00%	#N/A	#N/A
Standard Deviation	1.91%	2.38%	2.12%	1.80%	0.07%	1.82%	2.45%
Sample Variance	0.04%	0.06%	0.04%	0.03%	0.00%	0.03%	0.06%
Kurtosis	1150.47	22.68	83.41	213.34	1900.00	-163.33	5.57
Skewness	-308.23	-60.57	-84.20	-103.09	-435.89	-19.11	-40.58
Range	9.00%	8.53%	8.08%	8.04%	0.31%	5.06%	9.41%
Minimum	-7.31%	-5.30%	-5.08%	-5.16%	-0.31%	-3.19%	-6.14%
Maximum	1.69%	3.23%	3.00%	2.88%	0.00%	1.87%	3.27%
Sum	-6.04%	-11.88%	-5.06%	-5.62%	-0.31%	-9.77%	-10.47%
Count	18	19	19	19	19	19	19

	<i>BE</i>	<i>BU</i>	<i>HR</i>	<i>CY</i>	<i>EZ</i>	<i>DA</i>
Mean	-0.36%	-0.07%	-0.19%	-0.14%	-0.12%	-0.99%
Standard Error	0.53%	0.22%	0.41%	0.35%	0.49%	0.57%
Median	-0.12%	-0.02%	-0.12%	0.03%	-0.17%	-0.87%
Mode	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Standard Deviation	2.29%	0.97%	1.78%	1.53%	2.14%	2.47%
Sample Variance	0.05%	0.01%	0.03%	0.02%	0.05%	0.06%
Kurtosis	20.07	193.11	210.94	43.72	123.22	89.15
Skewness	-56.75	-87.23	21.80	-36.73	-39.26	-54.37
Range	7.95%	4.34%	8.05%	6.11%	9.16%	9.52%
Minimum	-4.80%	-2.59%	-4.29%	-3.44%	-5.46%	-6.38%
Maximum	3.14%	1.74%	3.76%	2.67%	3.69%	3.15%
Sum	-6.88%	-1.42%	-3.61%	-2.58%	-2.20%	-18.90%
Count	19	19	19	19	19	19

	<i>EN</i>	<i>FI</i>	<i>FR</i>	<i>GM</i>	<i>GR</i>	<i>HU</i>
Mean	0.30%	-0.55%	-0.54%	-0.49%	-0.23%	-0.17%
Standard Error	0.35%	0.48%	0.52%	0.54%	0.77%	0.51%
Median	0.02%	-0.41%	-0.30%	-0.47%	-0.23%	0.35%
Mode	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Standard Deviation	1.51%	2.08%	2.28%	2.36%	3.35%	2.24%
Sample Variance	0.02%	0.04%	0.05%	0.06%	0.11%	0.05%
Kurtosis	841.72	-1.25	-7.69	22.79	65.28	32.05
Skewness	248.01	-10.06	-25.51	3.63	-36.57	2.63
Range	7.09%	8.14%	8.66%	9.51%	14.32%	8.82%
Minimum	-1.51%	-4.68%	-4.90%	-5.08%	-7.72%	-4.44%
Maximum	5.58%	3.46%	3.76%	4.43%	6.60%	4.38%
Sum	5.63%	-10.36%	-10.17%	-9.27%	-4.44%	-3.28%
Count	19	19	19	19	19	19

	<i>IR</i>	<i>IT</i>	<i>LG</i>	<i>LH</i>	<i>LU</i>	<i>NL</i>
Mean	-0.46%	-0.48%	-0.12%	0.07%	-0.58%	-0.57%
Standard Error	0.53%	0.64%	0.08%	0.25%	0.48%	0.49%
Median	-0.72%	-0.16%	-0.17%	-0.03%	-0.32%	-0.14%
Mode	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A

Standard Deviation	2.32%	2.79%	0.36%	1.10%	2.11%	2.15%
Sample Variance	0.05%	0.08%	0.00%	0.01%	0.04%	0.05%
Kurtosis	-42.71	50.82	113.97	77.26	-15.02	-47.15
Skewness	-0.95	-52.92	10.44	-12.32	-40.19	-38.13
Range	8.48%	11.37%	1.56%	4.65%	7.94%	7.19%
Minimum	-4.85%	-6.76%	-0.85%	-2.34%	-5.17%	-4.49%
Maximum	3.63%	4.62%	0.71%	2.31%	2.77%	2.70%
Sum	-8.73%	-9.18%	-2.22%	1.39%	-11.04%	-10.91%
Count	19	19	19	19	19	19

	<i>PL</i>	<i>PO</i>	<i>RO</i>	<i>LO</i>	<i>SI</i>	<i>SP</i>	<i>SW</i>
Mean	-0.25%	-0.14%	-0.07%	0.05%	-0.19%	-0.17%	-0.65%
Standard Error	0.55%	0.53%	0.35%	0.11%	0.48%	0.57%	0.56%
Median	-0.34%	0.18%	0.16%	0.00%	-0.17%	-0.07%	-0.76%
Mode	#N/A	#N/A	#N/A	0.00%	#N/A	#N/A	#N/A
Standard Deviation	2.40%	2.29%	1.54%	0.47%	2.11%	2.49%	2.44%
Sample Variance	0.06%	0.05%	0.02%	0.00%	0.04%	0.06%	0.06%
Kurtosis	68.63	131.55	114.11	136.99	308.90	124.24	17.25
Skewness	-34.53	-124.94	5.03	31.93	-26.57	-81.85	36.61
Range	10.05%	8.56%	6.44%	2.01%	10.17%	10.24%	9.53%
Minimum	-5.93%	-5.79%	-3.03%	-0.81%	-5.81%	-6.01%	-4.83%
Maximum	4.12%	2.76%	3.41%	1.20%	4.37%	4.23%	4.70%
Sum	-4.80%	-2.63%	-1.32%	0.99%	-3.56%	-3.14%	-12.39%
Count	19	19	19	19	19	19	19

Note: for the full county name see Table A5.

Sources: Refinitiv, author's calculations.

Table A7. The dataset with 9 macroeconomic indicators per each of 32 observed countries used in Part 3 of the event study, percentages*.

<i>Code</i>	<i>Country</i>	<i>Tariff</i>	<i>U</i>	<i>Inf</i>	<i>GPC</i>	<i>GG</i>	<i>NetT</i>	<i>TSh</i>	<i>ImSh_US</i>	<i>ExSh_X</i>
CH	China	34%	3.8%	0.2%	12.9	5.0%	1	34.4%	13.8%	12.3%
SZ	Switzerland	31%	2.4%	1.1%	89.7	1.4%	1	108.9%	1.9%	12.9%
UK	United Kingdom	10%	4.4%	2.5%	47.9	1.1%	0	65.3%	2.1%	6.1%
NO	Norway	15%	4.0%	3.1%	79.6	2.1%	1	84.6%	0.2%	2.0%
UA	Ukraine	10%	14.6%	6.5%	2.1	2.9%	0	84.2%	0.0%	2.5%
IC	Iceland	10%	3.4%	5.9%	59.6	0.6%	0	88.1%	0.0%	10.9%
AU	Austria	20%	5.2%	2.9%	46.0	-0.8%	1	105.6%	0.5%	6.9%
BE	Belgium	20%	5.7%	3.1%	45.0	1.0%	1	149.8%	0.8%	6.2%
BU	Bulgaria	20%	4.2%	2.4%	10.1	2.7%	1	116.1%	0.0%	3.1%
HR	Croatia	20%	4.8%	3.0%	17.7	3.9%	0	107.8%	0.0%	2.6%
CY	Cyprus	20%	5.0%	2.3%	31.9	3.4%	1	204.4%	0.0%	0.2%
EZ	Czechia	20%	3.8%	2.4%	20.5	1.1%	1	141.2%	0.2%	4.1%
DA	Denmark	20%	2.9%	1.4%	60.8	3.5%	1	120.5%	0.3%	3.9%
EN	Estonia	20%	7.5%	3.7%	20.1	-0.1%	0	157.0%	0.0%	4.3%
FI	Finland	20%	8.4%	1.6%	45.2	0.4%	1	81.8%	0.2%	7.8%
FR	France	20%	7.2%	2.0%	39.7	1.1%	1	63.6%	1.8%	6.3%
GM	Germany	20%	6.0%	2.3%	44.1	-0.5%	1	78.9%	4.9%	9.6%
GR	Greece	20%	10.1%	2.7%	21.6	2.3%	0	80.6%	0.1%	2.9%
HU	Hungary	20%	4.5%	3.8%	16.5	0.6%	1	187.0%	0.4%	6.9%
IR	Ireland	20%	4.3%	2.1%	94.3	2.5%	1	247.8%	3.1%	12.3%
IT	Italy	20%	6.6%	1.0%	34.5	0.5%	1	58.7%	2.3%	11.5%
LG	Latvia	20%	6.9%	1.3%	17.0	-0.4%	0	130.5%	0.0%	2.8%
LH	Lithuania	20%	7.1%	0.7%	19.2	2.7%	1	156.2%	0.1%	3.9%

LU	Luxembourg	20%	5.7%	2.0%	104.1	1.0%	1	405.1%	0.0%	0.4%
NL	Netherlands	20%	3.7%	3.3%	51.1	1.1%	1	155.8%	1.0%	3.8%
PL	Poland	20%	5.1%	3.8%	18.0	2.9%	1	109.1%	0.4%	3.5%
PO	Portugal	20%	6.5%	2.4%	22.6	2.1%	0	93.2%	0.2%	5.1%
RO	Romania	20%	3.2%	5.6%	12.6	0.8%	0	85.1%	0.1%	3.7%
LO	Slovakia	20%	5.4%	2.8%	19.8	2.1%	1	168.7%	0.2%	8.1%
SI	Slovenia	20%	4.6%	2.0%	26.1	1.5%	1	161.6%	0.2%	12.2%
SP	Spain	20%	11.4%	2.8%	29.2	3.5%	1	65.3%	0.7%	4.1%
SW	Sweden	20%	8.4%	2.8%	54.2	0.8%	1	105.9%	0.6%	5.6%

Notes: All variables' values are in percentages, except GPC, which is in kUSD, and NetT, which is binomial. All variables' values are for 2024, except tariff rates. The names of columns stand for the variables (country macroeconomic factors). Tariff is the reciprocal tariff rate imposed by U.S. on April 2, 2025. U is the unemployment rate. Inf is the inflation rate. GPC is the GDP per capita. GG is the growth rate of country's GDP. NetT is the net trade value. TSh is the trade share. ImSh_US is the share of US imports from country X, as a share from all imports in US in 2024. ExSh_X is the share of exports from country X to US, as a share from all exports of country X in 2024. Country X is the one of 32 countries observed in this dataset, hence in Parts 2 and 3 of the study.

Sources: Oxford Economics, Forbes, Bureau of Economic Analysis, author's calculations.

Table A8. Descriptive statistics of country-specific macro factors used in Part 3 of the event study, percentages*.

	<i>Tariff</i>	<i>U</i>	<i>Inf</i>	<i>GPC</i>	<i>GG</i>	<i>NetT</i>	<i>TSh</i>	<i>ImSh_US</i>	<i>ExSh_X</i>
Mean	19.7%	5.8%	2.7%	37.9	1.6%	0.72	125.1%	1.1%	5.9%
Standard Error	0.8%	0.5%	0.2%	4.6	0.2%	0.08	12.3%	0.5%	0.6%
Median	20.0%	5.1%	2.5%	30.5	1.2%	1.00	108.4%	0.2%	4.7%
Mode	20.0%	3.8%	#N/A	#N/A	#N/A	1.00	#N/A	#N/A	#N/A
Standard Deviation	4.5%	2.6%	1.4%	25.9	1.4%	0.46	69.4%	2.6%	3.6%
Sample Variance	0.2%	0.1%	0.0%	671872.9	0.0%	0.21	48.1%	0.1%	0.1%
Kurtosis	454.5	326.4	151.9	0.5	-32.9	-10.2	783.0	2047.0	-63.0
Skewness	57.0	160.1	100.0	1.1	34.2	-10.2	232.1	426.8	61.6
Range	24.0%	12.3%	6.3%	102.0	5.8%	1.00	370.7%	13.8%	12.7%
Minimum	10.0%	2.4%	0.2%	2.1	-0.8%	0.00	34.4%	0.0%	0.2%
Maximum	34.0%	14.6%	6.5%	104.1	5.0%	1.00	405%	13.8%	12.9%
Sum	630.0%	186.5%	85.6%	1213.8	52.8%	23.00	4003%	36.4%	188.7%
Count	32	32	32	32	32	32	32	32	32

Notes: see note in Table A7.

Sources: Oxford Economics, Forbes, Bureau of Economic Analysis, author's calculations.

APPENDIX B
RESULTS TABLES

Table B1. Abnormal returns with t-values during the Event window for U.S., Europe, and China sectoral indexes (denoted in USD, EUR, CNY), b.p.

<i>U.S.</i>	<i>AR CSer</i>	<i>AR CDIs</i>	<i>AR CSta</i>	<i>AR En</i>	<i>AR Fin</i>	<i>AR HCare</i>
-10	0.000 (0.064)	0.008 (1.196)	-0.000 (-0.094)	0.011 (0.983)	0.002 (0.398)	-0.003 (-0.532)
-9	0.000 (0.008)	0.000 (0.032)	-0.005 (-0.700)	0.005 (0.479)	0.002 (0.399)	0.002 (0.306)
-8	0.009 (1.145)	0.005 (0.762)	-0.001 (-0.174)	-0.005 (-0.483)	-0.004 (-0.638)	-0.003 (-0.460)
-7	0.000 (0.051)	0.023 (3.200) ***	0.003 (0.490)	0.003 (0.267)	0.005 (0.794)	0.001 (0.184)
-6	0.012 (1.550)	0.008 (1.136)	-0.010 (-1.380)	0.004 (0.388)	0.003 (0.465)	-0.013 (-1.947) *
-5	-0.006 (-0.767)	-0.006 (-0.834)	0.015 (2.102) **	0.011 (0.951)	0.004 (0.607)	0.000 (0.100)
-4	-0.003 (-0.454)	0.004 (0.564)	0.010 (1.377)	-0.006 (-0.530)	-0.000 (-0.064)	0.003 (0.473)
-3	-0.014 (-1.701) *	-0.014 (-1.954) *	-0.001 (-0.261)	0.004 (0.399)	-0.006 (-0.918)	0.004 (0.699)
-2	-0.003 (-0.432)	-0.006 (-0.944)	0.015 (2.035) **	0.009 (0.746)	0.008 (1.130)	0.007 (1.027)
-1	0.006 (0.745)	0.007 (1.066)	0.001 (0.265)	0.004 (0.405)	-0.004 (-0.594)	-0.018 (-2.733) ***
0	-0.008 (-1.051)	0.013 (1.882) *	-0.003 (-0.422)	-0.001 (-0.122)	0.004 (0.557)	0.003 (0.571)
+1	0.011 (1.374)	-0.019 (-2.696) ***	0.014 (1.901) *	-0.056 (-4.643) ***	-0.019 (-2.577) ***	0.010 (1.548)
+2	0.024 (2.959) ***	0.012 (1.658) *	-0.037 (-5.076) ***	-0.063 (-5.288) ***	-0.036 (-4.915) ***	-0.033 (-4.851) ***
+3	0.013 (1.641)	-0.003 (-0.419)	-0.011 (-1.592)	-0.007 (-0.639)	-0.000 (-0.038)	-0.004 (-0.715)
+4	0.007 (0.853)	-0.010 (-1.455)	-0.011 (-1.560)	-0.017 (-1.458)	0.005 (0.788)	-0.004 (-0.663)
+5	-0.013 (-1.621)	0.021 (2.993) ***	0.027 (3.691) ***	0.033 (2.798) ***	0.013 (1.773) *	0.008 (1.271)
+6	0.000 (0.097)	-0.008 (-1.190)	0.007 (0.957)	-0.050 (-4.161) ***	-0.006 (-0.886)	-0.014 (-2.162) **
+7	-0.009 (-1.192)	-0.005 (-0.812)	0.009 (1.272)	0.017 (1.468)	0.004 (0.593)	0.007 (1.146)
+8	-0.006 (-0.758)	-0.008 (-1.143)	0.014 (1.995) **	-0.000 (-0.013)	0.004 (0.631)	0.008 (1.297)
+9	-0.002 (-0.339)	-0.006 (-0.858)	-0.006 (-0.908)	0.000 (0.015)	0.003 (0.406)	-0.006 (-0.888)
+10	0.002 (0.339)	-0.005 (-0.796)	-0.008 (-1.144)	0.018 (1.517)	-0.001 (-0.177)	-0.001 (-0.211)

<i>U.S. (continued)</i>	<i>AR Ind</i>	<i>AR IT</i>	<i>AR Mat</i>	<i>AR ReEs</i>	<i>AR Util</i>
-10	-0.001 (-0.294)	0.005 (0.757)	-0.003 (-0.449)	-0.004 (-0.478)	-0.001 (-0.110)
-9	-0.001 (-0.215)	-0.003 (-0.474)	-0.004 (-0.664)	0.000 (0.013)	0.004 (0.422)

-8	-0.006 (-1.095)	0.004 (0.552)	-0.010 (-1.489)	-0.010 (-1.129)	-0.007 (-0.772)
-7	-0.005 (-0.935)	0.003 (0.444)	0.001 (0.242)	0.005 (0.592)	-0.006 (-0.637)
-6	-0.000 (-0.138)	0.001 (0.195)	-0.000 (-0.062)	-0.013 (-1.370)	-0.017 (-1.784) *
-5	0.009 (1.639)	-0.016 (-2.243) **	0.009 (1.311)	0.010 (1.120)	0.009 (1.004)
-4	-0.000 (-0.040)	-0.005 (-0.705)	0.002 (0.293)	-0.000 (-0.096)	0.000 (-0.001)
-3	0.007 (1.291)	-0.009 (-1.285)	-0.004 (-0.692)	0.009 (1.016)	0.013 (1.338)
-2	-0.000 (-0.165)	-0.004 (-0.569)	0.007 (1.071)	0.006 (0.634)	0.008 (0.838)
-1	0.001 (0.194)	0.006 (0.856)	0.001 (0.159)	-0.000 (-0.102)	0.001 (0.118)
0	0.000 (0.061)	0.000 (0.027)	0.003 (0.562)	0.001 (0.150)	0.001 (0.169)
+1	0.013 (2.353) **	-0.033 (-4.497) ***	-0.011 (-1.666) *	-0.005 (-0.624)	0.008 (0.880)
+2	0.020 (3.627) ***	-0.018 (-2.462) **	-0.026 (-3.781) ***	-0.017 (-1.804) *	-0.038 (-3.995) ***
+3	-0.000 (-0.154)	0.004 (0.645)	-0.014 (-2.163) **	-0.023 (-2.438) **	-0.015 (-1.573)
+4	0.013 (2.331) **	-0.009 (-1.352)	-0.019 (-2.882) ***	-0.017 (-1.807) *	-0.000 (-0.065)
+5	-0.039 (-6.941) ***	0.062 (8.434) ***	0.026 (3.784) ***	0.011 (1.185)	0.009 (0.968)
+6	0.022 (3.976) ***	-0.019 (-2.676) ***	-0.008 (-1.179)	-0.003 (-0.390)	0.003 (0.404)
+7	-0.007 (-1.278)	0.011 (1.528)	0.018 (2.668) ***	0.003 (0.414)	0.005 (0.564)
+8	-0.000 (-0.041)	0.000 (-0.005)	0.006 (0.890)	0.017 (1.832) *	0.014 (1.457)
+9	-0.002 (-0.452)	0.004 (0.608)	-0.005 (-0.725)	0.003 (0.334)	0.000 (0.030)
+10	0.017 (3.132) ***	-0.023 (-3.124) ***	0.006 (0.962)	0.009 (1.003)	-0.003 (-0.312)

<i>Europe (USD)</i>	<i>AR CSer</i>	<i>AR CDIs</i>	<i>AR CSta</i>	<i>AR En</i>	<i>AR Fin</i>	<i>AR HCare</i>
-10	-0.008 (-1.122)	0.000 (-0.006)	-0.005 (-0.778)	0.013 (1.548)	0.000 (-0.017)	-0.004 (-0.653)
-9	0.006 (0.910)	-0.009 (-1.760) *	0.009 (1.382)	0.003 (0.418)	0.005 (1.165)	0.002 (0.424)
-8	0.016 (2.184) **	-0.004 (-0.788)	0.002 (0.370)	0.000 (0.021)	0.002 (0.569)	-0.003 (-0.461)
-7	-0.008 (-1.101)	-0.001 (-0.219)	-0.012 (-1.884) *	-0.006 (-0.775)	0.006 (1.335)	-0.008 (-1.269)
-6	-0.002 (-0.394)	-0.001 (-0.295)	-0.006 (-0.990)	0.004 (0.542)	0.003 (0.646)	-0.005 (-0.760)
-5	0.011 (1.539)	-0.008 (-1.657) *	0.002 (0.389)	0.018 (2.002) **	0.000 (0.186)	-0.010 (-1.544)
-4	0.001 (0.242)	0.001 (0.325)	0.009 (1.377)	0.002 (0.244)	-0.002 (-0.582)	-0.001 (-0.144)
-3	0.020 (2.759) ***	-0.003 (-0.703)	0.012 (1.924) *	-0.011 (-1.265)	0.001 (0.369)	0.009 (1.331)

-2	0.017 (2.366) **	-0.013 (-2.495) **	0.004 (0.610)	0.011 (1.295)	-0.007 (-1.511)	-0.004 (-0.706)
-1	0.001 (0.187)	0.001 (0.221)	-0.002 (-0.415)	-0.006 (-0.705)	-0.000 (-0.185)	-0.000 (-0.126)
0	-0.005 (-0.730)	0.005 (0.974)	0.002 (0.434)	0.000 (0.045)	0.002 (0.403)	-0.011 (-1.647) *
+1	0.032 (4.460) ***	-0.016 (-3.140) ***	0.034 (5.235) ***	-0.027 (-3.074) ***	-0.006 (-1.261)	0.013 (1.974) **
+2	0.019 (2.651) ***	-0.005 (-1.003)	0.002 (0.425)	-0.036 (-4.072) ***	-0.011 (-2.277) **	-0.011 (-1.697) *
+3	0.011 (1.536)	-0.019 (-3.725) ***	-0.017 (-2.675) ***	-0.017 (-1.913) *	-0.006 (-1.190)	-0.016 (-2.380) **
+4	-0.017 (-2.375) **	0.011 (2.281) **	0.013 (1.980) **	-0.005 (-0.584)	0.008 (1.729) *	0.007 (1.030)
+5	0.017 (2.324) **	-0.007 (-1.389)	-0.003 (-0.594)	-0.025 (-2.789) ***	0.003 (0.623)	-0.034 (-4.964) ***
+6	-0.013 (-1.803) *	0.022 (4.369) ***	-0.001 (-0.235)	0.004 (0.520)	0.011 (2.263) **	0.006 (0.935)
+7	-0.006 (-0.828)	0.005 (0.957)	0.016 (2.478) **	-0.007 (-0.816)	-0.004 (-0.980)	0.016 (2.356) **
+8	-0.001 (-0.189)	0.002 (0.515)	0.000 (-0.004)	0.011 (1.308)	-0.005 (-1.154)	0.009 (1.381)
+9	-0.000 (-0.090)	-0.013 (-2.580) ***	-0.002 (-0.312)	0.001 (0.116)	0.004 (0.975)	-0.004 (-0.674)
+10	0.011 (1.532)	-0.000 (-0.112)	0.012 (1.831) *	0.016 (1.835) *	-0.010 (-2.013) **	-0.000 (-0.092)

<i>Europe (USD)</i> <i>(continued)</i>	<i>AR Ind</i>	<i>AR IT</i>	<i>AR Mat</i>	<i>AR ReEs</i>	<i>AR Util</i>
-10	0.003 (0.713)	0.007 (0.691)	0.004 (0.850)	-0.006 (-0.593)	-0.000 (-0.060)
-9	-0.002 (-0.403)	-0.001 (-0.174)	0.001 (0.216)	0.012 (1.186)	0.009 (1.052)
-8	-0.004 (-0.888)	-0.000 (-0.019)	-0.002 (-0.435)	0.003 (0.370)	0.003 (0.353)
-7	0.002 (0.411)	0.013 (1.324)	0.003 (0.608)	-0.011 (-1.116)	-0.006 (-0.677)
-6	-0.000 (-0.128)	-0.002 (-0.228)	-0.003 (-0.573)	-0.000 (-0.019)	0.000 (0.107)
-5	0.001 (0.313)	-0.010 (-1.037)	0.005 (0.870)	0.007 (0.684)	0.008 (0.940)
-4	-0.002 (-0.498)	-0.007 (-0.709)	-0.008 (-1.382)	0.002 (0.219)	0.013 (1.486)
-3	-0.008 (-1.672) *	-0.010 (-1.003)	-0.002 (-0.434)	0.022 (2.168) **	0.022 (2.445) **
-2	0.001 (0.324)	-0.001 (-0.132)	-0.007 (-1.281)	0.007 (0.669)	0.005 (0.564)
-1	0.002 (0.450)	0.004 (0.419)	-0.003 (-0.608)	0.000 (0.045)	-0.000 (-0.104)
0	-0.003 (-0.639)	0.001 (0.125)	0.008 (1.550)	-0.003 (-0.334)	0.007 (0.823)
+1	-0.008 (-1.744) *	-0.016 (-1.624)	0.001 (0.289)	0.045 (4.349) ***	0.052 (5.659) ***
+2	0.012 (2.505) **	0.027 (2.708) ***	0.012 (2.211) **	0.000 (0.038)	-0.009 (-1.026)
+3	0.024 (4.927) ***	0.012 (1.196)	0.009 (1.590)	-0.009 (-0.867)	-0.033 (-3.628) ***

+4	-0.003 (- 0.783)	-0.004 (- 0.472)	-0.001 (- 0.298)	-0.003 (- 0.309)	0.000 (0.107)
+5	0.018 (3.609) ***	0.006 (0.678)	0.015 (2.708) ***	-0.011 (- 1.091)	0.000 (0.052)
+6	-0.011 (- 2.248) **	-0.006 (- 0.664)	-0.008 (- 1.404)	0.014 (1.336)	0.011 (1.198)
+7	-0.016 (- 3.279) ***	-0.011 (- 1.140)	0.002 (0.461)	0.024 (2.293) **	0.016 (1.780) *
+8	-0.003 (- 0.722)	-0.007 (- 0.774)	-0.006 (- 1.042)	-0.002 (- 0.214)	-0.002 (- 0.233)
+9	0.001 (0.345)	0.005 (0.572)	0.006 (1.157)	0.016 (1.598)	0.008 (0.941)
+10	-0.010 (- 2.151) **	-0.021 (- 2.067) **	-0.003 (- 0.590)	0.007 (0.713)	0.017 (1.883) *

<i>China (USD)</i>	<i>AR CSer</i>	<i>AR CDIs</i>	<i>AR CSta</i>	<i>AR En</i>	<i>AR Fin</i>	<i>AR HCare</i>
-10	-0.029 (- 2.685) ***	0.005 (0.729)	-0.000 (- 0.038)	-0.001 (- 0.102)	0.006 (1.055)	-0.000 (- 0.011)
-9	-0.002 (- 0.267)	0.004 (0.600)	-0.005 (- 0.580)	0.008 (0.628)	-0.003 (- 0.624)	0.000 (0.027)
-8	-0.000 (- 0.063)	-0.004 (- 0.548)	0.002 (0.213)	0.008 (0.649)	-0.000 (- 0.123)	0.001 (0.176)
-7	0.000 (0.013)	0.005 (0.783)	-0.001 (- 0.117)	0.001 (0.126)	0.000 (0.107)	-0.010 (- 1.254)
-6	-0.010 (- 1.000)	-0.002 (- 0.396)	0.000 (0.059)	0.012 (0.951)	0.000 (0.062)	0.004 (0.520)
-5	0.001 (0.116)	0.006 (0.874)	0.007 (0.721)	0.003 (0.258)	-0.007 (- 1.222)	0.004 (0.531)
-4	-0.005 (- 0.497)	0.006 (0.845)	0.005 (0.548)	0.000 (0.004)	0.001 (0.210)	0.019 (2.295) **
-3	0.002 (0.264)	-0.000 (- 0.096)	0.000 (0.057)	-0.009 (- 0.711)	0.001 (0.176)	0.001 (0.182)
-2	0.010 (0.935)	0.007 (0.936)	-0.003 (- 0.368)	0.007 (0.578)	0.000 (0.055)	0.001 (0.217)
-1	-0.002 (- 0.265)	-0.016 (- 2.187) **	0.001 (0.166)	0.009 (0.723)	-0.004 (- 0.789)	0.030 (3.606) ***
0	0.009 (0.882)	-0.001 (- 0.158)	-0.002 (- 0.211)	-0.001 (- 0.133)	0.006 (1.032)	-0.012 (- 1.447)
+1	-0.007 (- 0.708)	-0.013 (- 1.812) *	0.020 (2.051) **	0.003 (0.223)	0.004 (0.763)	0.001 (0.179)
+2	-0.036 (- 3.321) ***	-0.009 (- 1.225)	0.043 (4.287) ***	-0.035 (- 2.620) ***	-0.002 (- 0.430)	0.022 (2.696) ***
+3	-0.010 (- 0.961)	0.006 (0.820)	0.016 (1.666) *	0.034 (2.543) **	0.002 (0.364)	-0.014 (- 1.713) *
+4	0.003 (0.334)	-0.003 (- 0.410)	-0.001 (- 0.105)	-0.008 (- 0.644)	-0.008 (- 1.350)	-0.010 (- 1.193)
+5	0.012 (1.128)	0.007 (0.999)	-0.011 (- 1.143)	-0.006 (- 0.500)	-0.001 (- 0.222)	-0.003 (- 0.461)
+6	-0.006 (- 0.583)	0.004 (0.604)	-0.006 (- 0.657)	-0.012 (- 0.910)	-0.002 (- 0.410)	-0.007 (- 0.919)
+7	0.005 (0.539)	-0.001 (- 0.223)	-0.008 (- 0.856)	0.019 (1.449)	0.000 (0.089)	0.001 (0.203)
+8	0.000 (0.028)	0.004 (0.545)	0.003 (0.343)	0.005 (0.402)	0.007 (1.156)	-0.002 (- 0.305)
+9	-0.009 (- 0.856)	-0.006 (- 0.843)	0.002 (0.199)	0.015 (1.116)	0.002 (0.460)	-0.002 (- 0.243)

+10	-0.003 (-0.299)	-0.008 (-1.144)	0.006 (0.648)	0.000 (0.024)	0.001 (0.236)	0.001 (0.153)
<hr/>						
<i>China (USD)</i> <i>(continued)</i>	<i>AR Ind</i>	<i>AR IT</i>	<i>AR Mat</i>	<i>AR ReEs</i>	<i>AR Util</i>	
-10	0.004 (0.795)	-0.014 (-1.182)	0.001 (0.125)	-0.006 (-0.329)	0.013 (1.364)	
-9	0.006 (1.127)	-0.001 (-0.150)	0.005 (0.590)	0.007 (0.435)	0.001 (0.136)	
-8	0.007 (1.434)	-0.005 (-0.426)	-0.005 (-0.618)	0.010 (0.584)	0.000 (0.077)	
-7	-0.005 (-1.101)	0.002 (0.175)	0.008 (0.905)	-0.017 (-0.951)	0.002 (0.219)	
-6	0.004 (0.823)	-0.015 (-1.197)	0.009 (1.087)	0.005 (0.286)	0.013 (1.325)	
-5	0.001 (0.341)	0.001 (0.127)	-0.003 (-0.333)	0.005 (0.282)	-0.004 (-0.475)	
-4	-0.007 (-1.409)	-0.001 (-0.095)	-0.009 (-1.086)	-0.005 (-0.284)	-0.007 (-0.769)	
-3	-0.000 (-0.070)	-0.003 (-0.265)	0.002 (0.254)	0.002 (0.162)	0.003 (0.363)	
-2	-0.008 (-1.488)	0.002 (0.164)	0.000 (0.004)	-0.010 (-0.574)	0.005 (0.498)	
-1	0.001 (0.283)	-0.002 (-0.197)	0.001 (0.135)	0.006 (0.355)	0.009 (0.930)	
0	-0.001 (-0.266)	0.001 (0.107)	-0.008 (-0.920)	0.001 (0.063)	-0.006 (-0.593)	
+1	-0.001 (-0.364)	-0.011 (-0.952)	-0.009 (-1.056)	0.024 (1.341)	0.018 (1.781) *	
+2	0.007 (1.336)	-0.007 (-0.584)	-0.019 (-2.201) **	0.020 (1.145)	0.000 (0.005)	
+3	0.005 (1.093)	-0.033 (-2.666) ***	-0.001 (-0.133)	0.029 (1.588)	0.016 (1.596)	
+4	-0.002 (-0.376)	0.023 (1.900) *	-0.000 (-0.014)	0.038 (2.118) **	0.007 (0.721)	
+5	-0.006 (-1.177)	0.006 (0.503)	0.016 (1.850) *	-0.006 (-0.372)	-0.008 (-0.810)	
+6	-0.003 (-0.670)	0.019 (1.510)	0.001 (0.140)	-0.022 (-1.221)	-0.002 (-0.251)	
+7	-0.003 (-0.687)	0.000 (-0.005)	0.009 (1.055)	-0.006 (-0.339)	0.001 (0.099)	
+8	-0.001 (-0.274)	-0.012 (-1.016)	-0.010 (-1.158)	-0.006 (-0.379)	0.004 (0.426)	
+9	-0.001 (-0.242)	-0.002 (-0.179)	-0.001 (-0.167)	0.008 (0.450)	0.006 (0.601)	
+10	-0.001 (-0.266)	0.001 (0.098)	-0.002 (-0.318)	0.025 (1.371)	-0.002 (-0.277)	
<hr/>						
<i>Europe (EUR)</i>	<i>AR CSer</i>	<i>AR CDIs</i>	<i>AR CSta</i>	<i>AR En</i>	<i>AR Fin</i>	<i>AR HCare</i>
-10	-0.008 (-1.221)	0.001 (0.321)	-0.003 (-0.539)	0.014 (1.640)	-0.000 (-0.101)	-0.003 (-0.496)
-9	0.005 (0.842)	-0.007 (-1.525)	0.010 (1.676) *	0.005 (0.577)	0.005 (1.210)	0.004 (0.647)
-8	0.015 (2.172) **	-0.003 (-0.682)	0.003 (0.488)	0.001 (0.158)	0.003 (0.645)	-0.001 (-0.260)

-7	-0.008 (-1.166)	-0.000 (-0.161)	-0.012 (-1.952) *	-0.006 (-0.719)	0.006 (1.380)	-0.008 (-1.182)
-6	-0.002 (-0.400)	-0.000 (-0.079)	-0.005 (-0.866)	0.004 (0.528)	0.002 (0.540)	-0.005 (-0.764)
-5	0.010 (1.499)	-0.008 (-1.560)	0.003 (0.500)	0.019 (2.131) **	0.001 (0.268)	-0.009 (-1.311)
-4	0.002 (0.313)	-0.000 (-0.129)	0.006 (1.065)	0.001 (0.133)	-0.002 (-0.447)	-0.002 (-0.292)
-3	0.020 (2.862) ***	-0.005 (-1.077)	0.010 (1.719) *	-0.011 (-1.279)	0.002 (0.555)	0.008 (1.278)
-2	0.016 (2.371) **	-0.014 (-2.798) ***	0.002 (0.385)	0.012 (1.396)	-0.006 (-1.290)	-0.003 (-0.532)
-1	0.001 (0.189)	0.003 (0.637)	-0.000 (-0.077)	-0.006 (-0.687)	-0.001 (-0.403)	-0.000 (-0.114)
0	-0.004 (-0.672)	0.002 (0.413)	-0.000 (-0.028)	-0.000 (-0.095)	0.002 (0.591)	-0.012 (-1.817) *
+1	0.034 (4.822) ***	-0.026 (-5.140) ***	0.023 (3.814) ***	-0.031 (-3.423) ***	-0.002 (-0.550)	0.010 (1.429)
+2	0.017 (2.404) **	-0.008 (-1.596)	-0.000 (-0.057)	-0.031 (-3.492) ***	-0.007 (-1.553)	-0.006 (-0.898)
+3	0.009 (1.342)	-0.023 (-4.488) ***	-0.021 (-3.505) ***	-0.013 (-1.502)	-0.002 (-0.475)	-0.012 (-1.779) *
+4	-0.016 (-2.276) **	0.013 (2.562) **	0.014 (2.347) **	-0.007 (-0.864)	0.006 (1.378)	0.004 (0.606)
+5	0.016 (2.265) **	-0.011 (-2.217) **	-0.008 (-1.352)	-0.023 (-2.552) **	0.006 (1.262)	-0.032 (-4.584) ***
+6	-0.009 (-1.345)	0.018 (3.564) ***	-0.005 (-0.963)	-0.003 (-0.342)	0.009 (2.013) **	-0.002 (-0.288)
+7	-0.004 (-0.604)	-0.000 (-0.160)	0.010 (1.653) *	-0.011 (-1.231)	-0.003 (-0.771)	0.012 (1.733) *
+8	-0.000 (-0.122)	0.006 (1.219)	0.003 (0.607)	0.010 (1.182)	-0.008 (-1.657) *	0.008 (1.192)
+9	-0.001 (-0.145)	-0.009 (-1.742) *	0.002 (0.398)	0.001 (0.209)	0.003 (0.634)	-0.003 (-0.541)
+10	0.012 (1.755) *	-0.004 (-0.941)	0.007 (1.219)	0.013 (1.523)	-0.009 (-1.875) *	-0.003 (-0.500)

<i>Europe (EUR)</i> <i>(continued)</i>	<i>AR Ind</i>	<i>AR IT</i>	<i>AR Mat</i>	<i>AR ReEs</i>	<i>AR Util</i>
-10	0.001 (0.358)	0.006 (0.598)	0.004 (0.692)	-0.005 (-0.510)	0.001 (0.124)
-9	-0.003 (-0.650)	-0.002 (-0.268)	0.000 (0.012)	0.012 (1.236)	0.010 (1.201)
-8	-0.004 (-0.997)	-0.000 (-0.073)	-0.003 (-0.590)	0.003 (0.362)	0.003 (0.393)
-7	0.001 (0.360)	0.013 (1.321)	0.003 (0.539)	-0.011 (-1.134)	-0.006 (-0.683)
-6	-0.001 (-0.388)	-0.002 (-0.284)	-0.003 (-0.571)	0.000 (0.075)	0.002 (0.262)
-5	0.001 (0.237)	-0.011 (-1.107)	0.004 (0.683)	0.006 (0.672)	0.008 (0.995)
-4	0.000 (0.009)	-0.005 (-0.585)	-0.007 (-1.205)	0.000 (0.076)	0.011 (1.277)
-3	-0.006 (-1.260)	-0.009 (-0.919)	-0.002 (-0.370)	0.021 (2.060) **	0.020 (2.305) **
-2	0.003 (0.715)	-0.000 (-0.080)	-0.008 (-1.365)	0.005 (0.502)	0.003 (0.342)

-1	-0.000 (-0.035)	0.003 (0.319)	-0.003 (-0.642)	0.002 (0.218)	0.001 (0.171)
0	0.000 (-0.015)	0.002 (0.296)	0.010 (1.726) *	-0.005 (-0.517)	0.004 (0.524)
+1	0.002 (0.520)	-0.010 (-1.072)	0.005 (0.860)	0.038 (3.741) ***	0.041 (4.666) ***
+2	0.016 (3.371) ***	0.028 (2.794) ***	0.009 (1.616)	-0.004 (-0.451)	-0.014 (-1.663) *
+3	0.029 (6.000) ***	0.013 (1.330)	0.006 (1.183)	-0.014 (-1.381)	-0.039 (-4.443) ***
+4	-0.005 (-1.194)	-0.004 (-0.494)	0.000 (0.005)	-0.000 (-0.069)	0.003 (0.402)
+5	0.023 (4.697) ***	0.008 (0.856)	0.014 (2.493) **	-0.016 (-1.557)	-0.005 (-0.585)
+6	-0.007 (-1.524)	-0.003 (-0.303)	-0.002 (-0.360)	0.014 (1.395)	0.008 (0.997)
+7	-0.010 (-2.098) **	-0.007 (-0.794)	0.005 (1.012)	0.021 (2.044) **	0.010 (1.238)
+8	-0.007 (-1.595)	-0.009 (-0.941)	-0.005 (-0.952)	0.001 (0.131)	0.002 (0.277)
+9	-0.003 (-0.620)	0.003 (0.352)	0.005 (0.971)	0.020 (1.943) *	0.013 (1.521)
+10	-0.006 (-1.266)	-0.018 (-1.833) *	-0.001 (-0.189)	0.005 (0.502)	0.013 (1.499)

<i>China (CNY)</i>	<i>AR CSer</i>	<i>AR CDIs</i>	<i>AR CSta</i>	<i>AR En</i>	<i>AR Fin</i>	<i>AR HCare</i>
-10	-0.029 (-2.687) ***	0.005 (0.725)	-0.000 (-0.040)	-0.001 (-0.089)	0.006 (1.067)	-0.000 (-0.018)
-9	-0.002 (-0.249)	0.004 (0.597)	-0.006 (-0.623)	0.009 (0.700)	-0.003 (-0.599)	-0.000 (-0.014)
-8	-0.000 (-0.067)	-0.003 (-0.509)	0.001 (0.171)	0.008 (0.628)	-0.000 (-0.153)	0.001 (0.179)
-7	0.000 (0.020)	0.005 (0.765)	-0.001 (-0.110)	0.002 (0.155)	0.000 (0.128)	-0.010 (-1.266)
-6	-0.010 (-0.998)	-0.003 (-0.399)	0.000 (0.052)	0.013 (0.967)	0.000 (0.070)	0.004 (0.511)
-5	0.001 (0.129)	0.006 (0.868)	0.007 (0.699)	0.004 (0.304)	-0.007 (-1.207)	0.004 (0.505)
-4	-0.005 (-0.502)	0.006 (0.842)	0.005 (0.559)	0.000 (-0.006)	0.001 (0.208)	0.019 (2.301) **
-3	0.002 (0.260)	-0.000 (-0.081)	0.000 (0.046)	-0.009 (-0.728)	0.000 (0.162)	0.001 (0.188)
-2	0.010 (0.927)	0.007 (0.965)	-0.003 (-0.381)	0.007 (0.536)	0.000 (0.023)	0.002 (0.236)
-1	-0.002 (-0.249)	-0.016 (-2.207) **	0.001 (0.151)	0.010 (0.786)	-0.004 (-0.760)	0.030 (3.572) ***
0	0.009 (0.880)	-0.001 (-0.152)	-0.002 (-0.211)	-0.001 (-0.146)	0.006 (1.028)	-0.012 (-1.440)
+1	-0.007 (-0.694)	-0.013 (-1.817) *	0.020 (2.019) **	0.003 (0.280)	0.004 (0.789)	0.001 (0.146)
+2	-0.036 (-3.318) ***	-0.008 (-1.078)	0.041 (4.070) ***	-0.035 (-2.608) ***	-0.003 (-0.508)	0.022 (2.651) ***
+3	-0.010 (-0.920)	0.005 (0.732)	0.016 (1.674) *	0.036 (2.719) ***	0.002 (0.479)	-0.015 (-1.796) *
+4	0.003 (0.351)	-0.003 (-0.451)	-0.000 (-0.093)	-0.007 (-0.576)	-0.008 (-1.309)	-0.010 (-1.224)

+5	0.011 (1.090)	0.007 (1.021)	-0.010 (-1.071)	-0.008 (-0.656)	-0.001 (-0.292)	-0.003 (-0.373)
+6	-0.006 (-0.611)	0.004 (0.629)	-0.006 (-0.623)	-0.013 (-1.015)	-0.002 (-0.464)	-0.007 (-0.862)
+7	0.006 (0.566)	-0.001 (-0.258)	-0.008 (-0.873)	0.021 (1.551)	0.000 (0.146)	0.001 (0.151)
+8	0.000 (0.031)	0.004 (0.541)	0.003 (0.339)	0.005 (0.417)	0.007 (1.170)	-0.002 (-0.313)
+9	-0.009 (-0.870)	-0.006 (-0.835)	0.002 (0.217)	0.014 (1.072)	0.002 (0.441)	-0.001 (-0.219)
+10	-0.003 (-0.308)	-0.008 (-1.134)	0.006 (0.654)	-0.000 (-0.008)	0.001 (0.219)	0.001 (0.170)

<i>China (CNY)</i> <i>(continued)</i>	<i>AR Ind</i>	<i>AR IT</i>	<i>AR Mat</i>	<i>AR ReEs</i>	<i>AR Util</i>
-10	0.004 (0.781)	-0.014 (-1.195)	0.001 (0.130)	-0.006 (-0.333)	0.014 (1.393)
-9	0.005 (1.072)	-0.002 (-0.169)	0.005 (0.617)	0.007 (0.403)	0.002 (0.268)
-8	0.008 (1.555)	-0.005 (-0.415)	-0.005 (-0.623)	0.010 (0.575)	0.000 (0.042)
-7	-0.006 (-1.177)	0.002 (0.165)	0.008 (0.915)	-0.017 (-0.955)	0.002 (0.271)
-6	0.004 (0.811)	-0.015 (-1.210)	0.009 (1.093)	0.005 (0.279)	0.013 (1.359)
-5	0.001 (0.292)	0.001 (0.116)	-0.002 (-0.316)	0.004 (0.264)	-0.004 (-0.393)
-4	-0.007 (-1.418)	-0.001 (-0.094)	-0.009 (-1.090)	-0.005 (-0.278)	-0.008 (-0.792)
-3	-0.000 (-0.022)	-0.003 (-0.259)	0.002 (0.249)	0.002 (0.163)	0.003 (0.335)
-2	-0.007 (-1.399)	0.002 (0.182)	0.000 (-0.009)	-0.010 (-0.567)	0.004 (0.423)
-1	0.001 (0.192)	-0.002 (-0.217)	0.001 (0.157)	0.006 (0.335)	0.010 (1.047)
0	-0.001 (-0.241)	0.001 (0.112)	-0.008 (-0.925)	0.001 (0.066)	-0.006 (-0.620)
+1	-0.002 (-0.423)	-0.012 (-0.973)	-0.009 (-1.035)	0.024 (1.316)	0.019 (1.892) *
+2	0.008 (1.681) *	-0.006 (-0.555)	-0.019 (-2.186) **	0.019 (1.071)	0.000 (0.043)
+3	0.004 (0.757)	-0.034 (-2.749) ***	-0.000 (-0.072)	0.028 (1.548)	0.019 (1.917) *
+4	-0.002 (-0.528)	0.023 (1.889) *	0.000 (0.008)	0.038 (2.104) **	0.008 (0.846)
+5	-0.005 (-1.011)	0.006 (0.548)	0.016 (1.793) *	-0.005 (-0.311)	-0.011 (-1.098)
+6	-0.002 (-0.535)	0.019 (1.551)	0.000 (0.102)	-0.021 (-1.184)	-0.004 (-0.442)
+7	-0.004 (-0.856)	-0.000 (-0.037)	0.009 (1.092)	-0.006 (-0.369)	0.002 (0.283)
+8	-0.001 (-0.300)	-0.012 (-1.028)	-0.010 (-1.153)	-0.007 (-0.384)	0.004 (0.454)
+9	-0.001 (-0.189)	-0.002 (-0.168)	-0.001 (-0.184)	0.008 (0.466)	0.005 (0.522)
+10	-0.001 (-0.216)	0.001 (0.109)	-0.002 (-0.330)	0.025 (1.380)	-0.003 (-0.337)

Note: CSer stands for Communication Services; CDis is Consumer Discretionary; CSta is Consumer Staples; En is Energy Financials; HCare is Health Care; Ind is Industrials; IT is Information Technology; Mat is Materials; ReEs is Real Estate; Util is Utilities. t-statistics are in parentheses beneath the coefficients. * Statistical significance at the 10% level. ** 5% level. *** 1% level.

Source: author's calculations and analysis.

Table B2. Cumulative abnormal, and cumulative average abnormal returns with CAAR t-values across seven event windows for U.S., Europe, and China sectoral indexes (denoted in USD, EUR, CNY), percentages

<i>US</i>	<i>CAR CSer</i>	<i>CAR CDis</i>	<i>CAR CSta</i>	<i>CAR En</i>	<i>CAR Fin</i>	<i>CAR HCare</i>	<i>CAR Ind</i>
[0,+1]	0.27%	-0.60%	1.09%	-5.76%	-1.51%	1.46%	1.37%
[0,+2]	2.74%	0.62%	-2.66%	-12.15%	-5.19%	-1.88%	3.43%
[0,+3]	4.11%	0.31%	-3.84%	-12.93%	-5.22%	-2.38%	3.35%
[-1,+1]	0.89%	0.18%	1.29%	-5.27%	-1.96%	-0.42%	1.48%
[-3,+3]	2.95%	-1.03%	-2.33%	-11.05%	-5.51%	-3.07%	4.10%
[-5,+5]	1.29%	-0.10%	1.82%	-8.92%	-3.18%	-2.26%	2.39%
[-10,+10]	2.10%	1.02%	2.05%	-8.37%	-1.70%	-4.51%	3.90%

<i>US (continued)</i>	<i>CAR IT</i>	<i>CAR Mat</i>	<i>CAR ReEs</i>	<i>CAR Util</i>	<i>CAAR</i>	<i>t-CAAR</i>
[0,+1]	-3.29%	-0.76%	-0.45%	1.02%	-0.65%	(-0.920)
[0,+2]	-5.10%	-3.38%	-2.16%	-2.87%	-2.60%	(-2.367) **
[0,+3]	-4.63%	-4.88%	-4.48%	-4.41%	-3.18%	(-2.784) ***
[-1,+1]	-2.66%	-0.65%	-0.55%	1.14%	-0.59%	(-0.801)
[-3,+3]	-5.36%	-4.50%	-3.01%	-2.17%	-2.82%	(-2.314) **
[-5,+5]	-2.32%	-2.77%	-2.63%	-0.31%	-1.55%	(-1.015)
[-10,+10]	-3.94%	-2.63%	-1.84%	-1.03%	-1.36%	(-0.767)

<i>Europe (USD)</i>	<i>CAR CSer</i>	<i>CAR CDis</i>	<i>CAR CSta</i>	<i>CAR En</i>	<i>CAR Fin</i>	<i>CAR HCare</i>	<i>CAR Ind</i>
[0,+1]	2.74%	-1.13%	3.74%	-2.72%	-0.44%	0.23%	-1.20%
[0,+2]	4.68%	-1.66%	4.02%	-6.39%	-1.59%	-0.95%	0.06%
[0,+3]	5.81%	-3.61%	2.25%	-8.11%	-2.20%	-2.59%	2.54%
[-1,+1]	2.88%	-1.02%	3.46%	-3.36%	-0.53%	0.14%	-0.97%
[-3,+3]	9.71%	-5.17%	3.65%	-8.71%	-2.87%	-2.25%	2.09%
[-5,+5]	10.98%	-5.40%	5.73%	-9.73%	-1.88%	-6.13%	3.42%
[-10,+10]	10.32%	-5.36%	6.95%	-5.48%	-0.46%	-5.31%	-0.79%

<i>Europe (USD) (continued)</i>	<i>CAR IT</i>	<i>CAR Mat</i>	<i>CAR ReEs</i>	<i>CAR Util</i>	<i>CAAR</i>	<i>t-CAAR</i>
[0,+1]	-1.53%	1.06%	4.22%	5.99%	1.00%	(1.162)
[0,+2]	1.23%	2.34%	4.26%	5.04%	1.00%	(0.993)
[0,+3]	2.45%	3.27%	3.35%	1.69%	0.44%	(0.385)
[-1,+1]	-1.10%	0.71%	4.27%	5.89%	0.94%	(1.095)
[-3,+3]	1.72%	1.92%	6.38%	4.37%	0.99%	(0.791)
[-5,+5]	0.15%	3.02%	5.86%	6.76%	1.16%	(0.820)
[-10,+10]	-2.38%	2.58%	11.70%	12.62%	2.22%	(1.347)

<i>China (USD)</i>	<i>CAR CSer</i>	<i>CAR CDIs</i>	<i>CAR CSta</i>	<i>CAR En</i>	<i>CAR Fin</i>	<i>CAR HCare</i>	<i>CAR Ind</i>
[0,+1]	0.19%	-1.48%	1.86%	0.12%	1.11%	-1.08%	-0.34%
[0,+2]	-3.44%	-2.40%	6.18%	-3.43%	0.84%	1.22%	0.38%
[0,+3]	-4.49%	-1.79%	7.86%	0.02%	1.07%	-0.24%	0.97%
[-1,+1]	-0.10%	-3.12%	2.02%	1.10%	0.62%	1.99%	-0.19%
[-3,+3]	-3.47%	-2.80%	7.72%	0.82%	0.72%	3.17%	0.28%
[-5,+5]	-2.29%	-1.06%	7.74%	-0.38%	-0.87%	4.16%	-1.13%
[-10,+10]	-7.95%	-0.98%	6.95%	5.49%	0.37%	2.75%	-0.62%

<i>China (USD) (continued)</i>	<i>CAR IT</i>	<i>CAR Mat</i>	<i>CAR ReEs</i>	<i>CAR Util</i>	<i>CAAR</i>	<i>t-CAAR</i>
[0,+1]	-1.06%	-1.79%	2.57%	1.22%	0.12%	(0.265)
[0,+2]	-1.80%	-3.78%	4.66%	1.22%	-0.03%	(-0.037)
[0,+3]	-5.15%	-3.90%	7.56%	2.86%	0.43%	(0.412)
[-1,+1]	-1.31%	-1.67%	3.22%	2.17%	0.43%	(0.754)
[-3,+3]	-5.53%	-3.55%	7.46%	4.69%	0.86%	(0.766)
[-5,+5]	-2.46%	-3.17%	10.65%	3.32%	1.32%	(1.028)
[-10,+10]	-5.45%	-1.68%	10.47%	7.13%	1.50%	(0.998)

<i>Europe (EUR)</i>	<i>CAR CSer</i>	<i>CAR CDIs</i>	<i>CAR CSta</i>	<i>CAR En</i>	<i>CAR Fin</i>	<i>CAR HCare</i>	<i>CAR Ind</i>
[0,+1]	2.95%	-2.48%	2.35%	-3.20%	0.02%	-0.27%	0.25%
[0,+2]	4.66%	-3.31%	2.31%	-6.37%	-0.75%	-0.90%	1.92%
[0,+3]	5.62%	-5.67%	0.14%	-7.73%	-0.99%	-2.15%	4.90%
[-1,+1]	3.09%	-2.14%	2.30%	-3.82%	-0.18%	-0.35%	0.23%
[-3,+3]	9.47%	-7.36%	1.39%	-8.25%	-1.55%	-1.71%	4.61%
[-5,+5]	10.76%	-8.07%	2.98%	-9.30%	-0.33%	-5.62%	6.47%
[-10,+10]	10.59%	-8.17%	4.05%	-6.09%	0.67%	-5.94%	2.29%

<i>Europe (EUR) (continued)</i>	<i>CAR IT</i>	<i>CAR Mat</i>	<i>CAR ReEs</i>	<i>CAR Util</i>	<i>CAAR</i>	<i>t-CAAR</i>
[0,+1]	-0.78%	1.52%	3.33%	4.60%	0.75%	(0.972)
[0,+2]	2.02%	2.47%	2.86%	3.12%	0.73%	(0.788)
[0,+3]	3.36%	3.17%	1.44%	-0.81%	0.12%	(0.104)
[-1,+1]	-0.46%	1.14%	3.55%	4.75%	0.74%	(0.945)
[-3,+3]	2.68%	1.77%	4.31%	1.68%	0.64%	(0.533)
[-5,+5]	1.34%	2.93%	3.40%	3.53%	0.74%	(0.534)
[-10,+10]	-0.89%	3.26%	9.64%	9.59%	1.73%	(1.099)

<i>China (CNY)</i>	<i>CAR CSer</i>	<i>CAR CDIs</i>	<i>CAR CSta</i>	<i>CAR En</i>	<i>CAR Fin</i>	<i>CAR HCare</i>	<i>CAR Ind</i>
[0,+1]	0.20%	-1.48%	1.82%	0.18%	1.12%	-1.10%	-0.35%
[0,+2]	-3.42%	-2.29%	5.93%	-3.35%	0.80%	1.15%	0.54%
[0,+3]	-4.42%	-1.74%	7.62%	0.33%	1.10%	-0.37%	0.95%
[-1,+1]	-0.07%	-3.14%	1.98%	1.24%	0.65%	1.94%	-0.25%
[-3,+3]	-3.40%	-2.73%	7.44%	1.14%	0.75%	3.03%	0.29%
[-5,+5]	-2.23%	-1.02%	7.53%	-0.13%	-0.85%	4.06%	-1.13%
[-10,+10]	-7.88%	-0.93%	6.69%	5.80%	0.39%	2.62%	-0.63%

<i>China (CNY) (continued)</i>	<i>CAR IT</i>	<i>CAR Mat</i>	<i>CAR ReEs</i>	<i>CAR Util</i>	<i>CAAR</i>	<i>t-CAAR</i>
[0,+1]	-1.08%	-1.77%	2.53%	1.30%	0.12%	(0.277)
[0,+2]	-1.77%	-3.75%	4.49%	1.34%	-0.03%	(-0.034)

[0,+3]	-5.20%	-3.82%	7.32%	3.30%	0.46%	(0.439)
[-1,+1]	-1.35%	-1.63%	3.14%	2.37%	0.44%	(0.775)
[-3,+3]	-5.57%	-3.46%	7.19%	5.14%	0.89%	(0.790)
[-5,+5]	-2.50%	-3.10%	10.45%	3.67%	1.34%	(1.045)
[-10,+10]	-5.49%	-1.60%	10.22%	7.57%	1.52%	(1.013)

Note: CSer stands for Communication Services; CDis is Consumer Discretionary; CSta is Consumer Staples; En is Energy Financials; HCare is Health Care; Ind is Industrials; IT is Information Technology; Mat is Materials; ReEs is Real Estate; Util is Utilities. t-statistics are in parentheses beneath the coefficients. * Statistical significance at the 10% level. ** 5% level. *** 1% level.

Source: author's calculations and analysis.

Table B3. Average abnormal returns (AAR) with t-values across 21 event days for U.S., Europe, and China sectoral indexes (denoted in USD, EUR, CNY), b.p.

Event window day	Local currency				
	U.S.	Europe (USD)	China (USD)	Europe (EUR)	China (CNY)
-10	0.001 (0.844)	0.000 (0.214)	-0.001 (-0.535)	0.000 (0.392)	-0.001 (-0.528)
-9	0.000 (0.081)	0.003 (1.868) *	0.001 (1.174)	0.003 (1.924) *	0.001 (1.203)
-8	-0.002 (-1.394)	0.001 (0.743)	0.001 (0.810)	0.001 (0.845)	0.001 (0.792)
-7	0.003 (1.441)	-0.002 (-1.072)	-0.001 (-0.573)	-0.002 (-1.067)	-0.001 (-0.548)
-6	-0.002 (-0.743)	-0.001 (-1.196)	0.002 (0.742)	-0.001 (-1.034)	0.002 (0.745)
-5	0.003 (1.291)	0.002 (0.827)	0.001 (1.030)	0.002 (0.879)	0.001 (1.114)
-4	0.000 (0.165)	0.000 (0.427)	-0.000 (-0.155)	0.000 (0.249)	-0.000 (-0.159)
-3	-0.001 (-0.373)	0.004 (1.209)	0.000 (0.081)	0.004 (1.195)	0.000 (0.059)
-2	0.004 (1.986) *	0.001 (0.414)	0.001 (0.569)	0.000 (0.334)	0.001 (0.552)
-1	0.000 (0.257)	-0.000 (-0.599)	0.003 (0.879)	-0.000 (-0.183)	0.003 (0.897)
0	0.001 (0.869)	0.000 (0.242)	-0.001 (-0.716)	-0.000 (-0.056)	-0.001 (-0.725)
+1	-0.007 (-1.160)	0.009 (1.137)	0.002 (0.623)	0.007 (1.014)	0.002 (0.640)
+2	-0.019 (-2.318) **	0.000 (0.017)	-0.001 (-0.204)	-0.000 (-0.044)	-0.001 (-0.212)
+3	-0.005 (-1.855) *	-0.005 (-1.056)	0.004 (0.782)	-0.006 (-1.032)	0.004 (0.797)
+4	-0.005 (-1.784)	0.000 (0.181)	0.003 (0.806)	0.000 (0.229)	0.003 (0.832)
+5	0.014 (1.868) *	-0.001 (-0.364)	-0.000 (-0.067)	-0.002 (-0.471)	-0.000 (-0.136)
+6	-0.007 (-1.276)	0.002 (0.760)	-0.003 (-1.150)	0.001 (0.582)	-0.003 (-1.186)
+7	0.005 (1.757)	0.003 (0.763)	0.001 (0.695)	0.001 (0.617)	0.001 (0.705)
+8	0.004 (1.793)	-0.000 (-0.253)	-0.000 (-0.425)	0.000 (0.043)	-0.000 (-0.411)
+9	-0.001 (-1.340)	0.002 (0.954)	0.001 (0.502)	0.003 (1.237)	0.000 (0.485)
+10	0.001 (0.303)	0.001 (0.434)	0.001 (0.587)	0.000 (0.253)	0.001 (0.565)

Note: t-statistics are in parentheses beneath the coefficients. * Statistical significance at the 10% level. ** 5% level. *** 1% level.

Source: author's calculations and analysis.

Table B4. Abnormal returns with t-values during the Event window for China and 31 European countries indexes (denoted in USD), b.p.

Event window day	CH	SZ	UK	NO	UA	IC
-8	-0.000 (-0.012)	-0.001 (-0.177)	0.001 (0.323)	0.009 (0.892)	0.000 (0.178)	-0.005 (-0.488)
-7	-0.009 (-0.685)	0.006 (1.042)	0.003 (0.799)	0.005 (0.505)	0.002 (0.682)	0.019 (1.666) *

-6	-0.012 (-0.885)	0.004 (0.794)	-0.002 (-0.608)	0.008 (0.852)	0.000 (0.081)	-0.009 (-0.808)
-5	0.000 (0.041)	-0.003 (-0.567)	0.000 (0.201)	-0.001 (-0.182)	-0.002 (-0.512)	0.005 (0.498)
-4	-0.000 (-0.057)	-0.000 (-0.054)	0.006 (1.602)	0.012 (1.176)	0.000 (0.237)	0.015 (1.286)
-3	0.002 (0.190)	-0.004 (-0.737)	0.001 (0.356)	-0.000 (-0.094)	0.001 (0.257)	-0.020 (-1.728) *
-2	-0.001 (-0.078)	0.003 (0.560)	0.002 (0.601)	-0.002 (-0.254)	0.002 (0.616)	-0.022 (-1.891) *
-1	0.001 (0.112)	-0.009 (-1.598)	0.002 (0.523)	0.007 (0.749)	0.004 (1.087)	-0.016 (-1.365)
0	-0.007 (-0.499)	-0.005 (-0.931)	0.002 (0.484)	-0.008 (-0.868)	6.092 (0.014)	-0.007 (-0.641)
1	-0.004 (-0.302)	0.008 (1.421)	-0.001 (-0.330)	-0.008 (-0.797)	0.003 (0.898)	-0.010 (-0.854)
2		-0.003 (-0.538)	-0.018 (-4.434) ***	-0.044 (-4.314) ***	0.010 (2.584) ***	-0.029 (-2.459) **
3	-0.027 (-1.920) *	-0.008 (-1.467)	-0.017 (-4.206) ***	0.017 (1.670) *	0.006 (1.673) *	-0.017 (-1.475)
4	0.012 (0.851)	0.015 (2.460) **	0.004 (1.117)	-0.017 (-1.661) *	-0.005 (-1.274)	0.015 (1.274)
5	0.014 (1.030)	-0.024 (-3.979) ***	0.002 (0.637)	0.016 (1.565)	0.001 (0.260)	-0.018 (-1.585)
6	0.002 (0.168)	0.023 (3.835) ***	-0.005 (-1.250)	-0.024 (-2.330) **	-0.009 (-2.218) **	0.024 (2.039) **
7	-0.005 (-0.355)	-0.002 (-0.345)	0.003 (0.932)	0.010 (1.053)	0.001 (0.298)	0.015 (1.314)
8	-0.007 (-0.510)	0.001 (0.252)	0.008 (2.024) **	0.005 (0.534)	-0.000 (-0.222)	0.005 (0.428)
9	-0.008 (-0.589)	-0.009 (-1.630)	0.008 (2.021) **	-0.005 (-0.578)	0.001 (0.336)	0.003 (0.282)
10	0.010 (0.705)	0.004 (0.696)	-0.003 (-0.722)	-0.003 (-0.320)	-0.003 (-0.951)	0.010 (0.897)

<i>Event window day</i>	<i>AU</i>	<i>BE</i>	<i>BU</i>	<i>HR</i>	<i>CY</i>
-8	-0.005 (-0.732)	-0.002 (-0.501)	-0.001 (-0.147)	-0.005 (-0.723)	-0.001 (-0.070)
-7	-0.008 (-1.078)	0.000 (-0.007)	-0.002 (-0.382)	-0.007 (-1.029)	0.019 (1.380)
-6	0.000 (-0.010)	0.002 (0.404)	0.004 (0.625)	0.001 (0.213)	-0.000 (-0.052)
-5	0.009 (1.272)	-0.000 (-0.145)	-0.004 (-0.619)	-0.002 (-0.334)	-0.006 (-0.425)
-4	-0.004 (-0.599)	-0.009 (-1.681) *	-0.004 (-0.635)	0.004 (0.605)	-0.003 (-0.272)
-3	0.000 (0.045)	0.003 (0.663)	0.005 (0.762)	0.000 (0.123)	0.003 (0.273)
-2	-0.013 (-1.813) *	8.448 (0.014)	0.011 (1.538)	0.002 (0.357)	-0.012 (-0.848)
-1	-0.008 (-1.139)	-0.003 (-0.642)	-0.006 (-0.829)	-0.004 (-0.620)	-0.005 (-0.396)
0	0.005 (0.704)	-0.003 (-0.516)	0.001 (0.182)	-0.004 (-0.711)	-0.004 (-0.282)
1	-0.003 (-0.513)	0.013 (2.368) **	0.020 (2.670) ***	0.013 (1.987) **	0.006 (0.445)
2	-0.006 (-0.884)	-0.004 (-0.841)	-0.015 (-1.998) **	-0.015 (-2.284) **	-0.007 (-0.545)

3	0.011 (1.460)	-0.001 (-0.313)	-0.007 (-1.020)	-0.030 (-4.323) ***	-0.014 (-1.018)
4	-0.007 (-0.977)	0.007 (1.213)	0.011 (1.543)	0.030 (4.346) ***	0.011 (0.815)
5	0.008 (1.179)	-0.017 (-3.004) ***	0.004 (0.612)	-0.002 (-0.371)	0.006 (0.428)
6	-0.010 (-1.349)	0.002 (0.339)	0.013 (1.709) *	0.034 (4.912) ***	0.000 (0.066)
7	-0.000 (-0.073)	0.012 (2.188) **	0.010 (1.326)	0.009 (1.293)	0.004 (0.348)
8	0.003 (0.475)	0.001 (0.336)	-0.013 (-1.742) *	-0.011 (-1.707) *	-0.008 (-0.626)
9	0.001 (0.239)	-0.000 (-0.159)	-0.010 (-1.325)	-0.001 (-0.234)	-0.002 (-0.206)
10	0.001 (0.165)	0.003 (0.629)	0.016 (2.146) **	-0.002 (-0.423)	0.002 (0.191)

<i>Event window day</i>	<i>EZ</i>	<i>DA</i>	<i>EN</i>	<i>FI</i>	<i>FR</i>
-8	0.000 (0.102)	-0.001 (-0.099)	-0.003 (-0.434)	-0.001 (-0.345)	0.005 (1.336)
-7	-0.006 (-0.850)	0.000 (0.007)	-0.000 (-0.095)	0.001 (0.219)	-0.003 (-0.813)
-6	0.000 (0.084)	-0.019 (-1.166)	-0.000 (-0.068)	-0.006 (-1.193)	0.001 (0.305)
-5	0.021 (2.752) ***	-0.009 (-0.555)	-0.002 (-0.377)	-0.002 (-0.517)	-0.000 (-0.077)
-4	0.007 (0.914)	-0.019 (-1.204)	-0.010 (-1.392)	-0.009 (-1.851) *	0.002 (0.580)
-3	0.003 (0.481)	-0.016 (-1.023)	0.060 (8.236) ***	-0.005 (-0.976)	0.000 (-0.021)
-2	-0.006 (-0.792)	0.000 (0.036)	0.013 (1.848) *	-0.000 (-0.127)	-0.000 (-0.084)
-1	0.001 (0.164)	-0.003 (-0.197)	0.004 (0.612)	-0.000 (-0.190)	0.001 (0.392)
0	-0.004 (-0.520)	-0.006 (-0.407)	0.009 (1.287)	-0.004 (-0.832)	0.002 (0.590)
1	-0.003 (-0.430)	0.004 (0.244)	0.014 (1.955) *	0.004 (0.898)	-0.004 (-1.066)
2	-0.030 (-3.961) ***	-0.020 (-1.258)	0.002 (0.305)	0.017 (3.271) ***	0.015 (3.528) ***
3	0.002 (0.322)	0.026 (1.598)	-0.002 (-0.303)	0.001 (0.289)	0.003 (0.822)
4	0.022 (2.883) ***	-0.004 (-0.283)	0.007 (0.986)	-0.009 (-1.846) *	-0.005 (-1.216)
5	0.007 (0.988)	-0.034 (-2.109) **	0.000 (0.040)	0.004 (0.765)	0.006 (1.465)
6	0.015 (1.955) *	0.010 (0.648)	0.016 (2.251) **	-0.004 (-0.858)	-0.005 (-1.168)
7	-0.006 (-0.854)	0.020 (1.264)	0.009 (1.316)	0.006 (1.216)	-0.003 (-0.691)
8	-0.000 (-0.038)	0.011 (0.708)	-0.006 (-0.924)	-0.003 (-0.588)	-0.005 (-1.276)
9	-0.003 (-0.471)	-0.009 (-0.556)	-0.008 (-1.165)	-0.002 (-0.469)	-0.008 (-1.901) *
10	0.002 (0.386)	-0.003 (-0.198)	0.008 (1.132)	0.002 (0.533)	0.000 (0.168)

<i>Event</i>	<i>GM</i>	<i>GR</i>	<i>HU</i>	<i>IR</i>	<i>IT</i>
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<i>window</i> <i>day</i>					
-8	-0.006 (-1.493)	-0.007 (-0.613)	0.001 (0.168)	-0.003 (-0.376)	0.002 (0.446)
-7	-0.007 (-1.720) *	0.002 (0.247)	0.006 (0.735)	-0.008 (-1.044)	-0.007 (-1.341)
-6	0.002 (0.533)	-0.002 (-0.227)	-0.000 (-0.104)	0.001 (0.200)	0.003 (0.563)
-5	-0.000 (-0.159)	0.022 (1.946) *	0.004 (0.525)	-0.012 (-1.508)	-0.000 (-0.020)
-4	-0.000 (-0.034)	0.016 (1.474)	0.001 (0.199)	-0.009 (-1.173)	0.003 (0.517)
-3	-0.003 (-0.813)	0.001 (0.137)	0.004 (0.489)	-0.003 (-0.370)	0.005 (0.883)
-2	-0.001 (-0.400)	-0.005 (-0.445)	-0.002 (-0.312)	-0.008 (-1.023)	-0.000 (-0.160)
-1	0.004 (0.951)	-0.027 (-2.419) **	-0.026 (-3.085) ***	-0.005 (-0.629)	-0.000 (-0.078)
0	0.002 (0.490)	0.015 (1.358)	0.004 (0.551)	0.012 (1.483)	0.003 (0.550)
1	-0.002 (-0.545)	6.054 (0.005)	-0.004 (-0.472)	0.007 (0.939)	-0.008 (-1.394)
2	0.010 (2.572) **	-0.015 (-1.332)	-0.014 (-1.658) *	-0.001 (-0.171)	-0.007 (-1.221)
3	0.012 (2.941) ***	-0.039 (-3.450) ***	0.015 (1.755) *	0.000 (0.058)	0.000 (0.070)
4	-0.009 (-2.134) **	0.043 (3.783) ***	0.023 (2.655) ***	0.011 (1.318)	-0.007 (-1.343)
5	0.010 (2.584) ***	0.003 (0.345)	0.003 (0.411)	0.001 (0.204)	0.012 (2.217) **
6	-0.003 (-0.883)	0.003 (0.321)	0.003 (0.405)	-0.013 (-1.566)	0.000 (0.079)
7	-0.011 (-2.718) ***	0.001 (0.168)	-0.015 (-1.754) *	0.010 (1.263)	-0.008 (-1.479)
8	-0.004 (-0.946)	0.006 (0.569)	-0.009 (-1.036)	0.004 (0.580)	-0.002 (-0.409)
9	-0.004 (-1.121)	0.006 (0.599)	-0.002 (-0.308)	0.008 (0.956)	0.005 (0.947)
10	0.002 (0.521)	-0.002 (-0.198)	0.001 (0.136)	-0.000 (-0.082)	0.006 (1.119)

<i>Event</i> <i>window</i> <i>day</i>	<i>LG</i>	<i>LH</i>	<i>LU</i>	<i>NL</i>	<i>PL</i>
-8	-0.001 (-0.076)	-0.006 (-1.055)	-0.001 (-0.142)	0.010 (1.564)	-0.006 (-0.513)
-7	0.002 (0.123)	0.004 (0.746)	-0.010 (-1.108)	0.001 (0.246)	-0.005 (-0.503)
-6	-0.001 (-0.086)	-0.003 (-0.582)	0.003 (0.313)	0.000 (0.141)	0.001 (0.089)
-5	-0.001 (-0.076)	0.004 (0.705)	0.008 (0.843)	0.002 (0.368)	0.018 (1.574)
-4	-0.002 (-0.149)	-0.003 (-0.590)	0.009 (0.967)	0.004 (0.656)	0.001 (0.121)
-3	0.006 (0.307)	0.019 (3.271) ***	-0.016 (-1.640)	-0.002 (-0.399)	0.006 (0.542)
-2	0.005 (0.257)	0.006 (1.102)	0.001 (0.130)	-0.004 (-0.679)	-0.000 (-0.027)
-1	0.002 (0.135)	0.006 (1.106)	-0.004 (-0.475)	0.000 (0.051)	-0.004 (-0.364)
0	0.001 (0.091)	0.005 (0.944)	-0.006 (-0.699)	-0.002 (-0.385)	0.018 (1.534)
1	0.020 (1.021)	0.015 (2.673) ***	-0.010 (-1.050)	-0.021 (-3.105) ***	-0.021 (-1.819) *
2	0.003 (0.189)	0.006 (1.072)	0.001 (0.122)	-0.004 (-0.727)	-0.006 (-0.550)
3	0.000 (0.024)	-0.007 (-1.301)	0.026 (2.642) ***	-0.017 (-2.546) **	0.031 (2.685) ***

4	0.002 (0.131)	0.013 (2.374) **	0.000 (0.010)	0.008 (1.209)	0.000 (0.041)
5	0.008 (0.441)	-0.003 (-0.576)	0.007 (0.721)	-0.011 (-1.695) *	0.024 (2.049) **
6	0.008 (0.435)	0.013 (2.270) **	-0.018 (-1.908) *	-0.008 (-1.170)	-0.010 (-0.872)
7	0.005 (0.286)	0.006 (1.100)	0.006 (0.607)	-0.007 (-1.162)	-0.015 (-1.287)
8	-0.000 (-0.041)	-0.006 (-1.115)	-0.002 (-0.221)	0.007 (1.161)	-0.001 (-0.139)
9	0.000 (0.047)	-0.014 (-2.515) **	-0.006 (-0.621)	0.014 (2.145) **	-0.017 (-1.485)
10	0.009 (0.497)	0.004 (0.749)	-0.004 (-0.476)	-0.009 (-1.369)	0.003 (0.278)

<i>Event window day</i>	<i>PO</i>	<i>RO</i>	<i>LO</i>	<i>SI</i>	<i>SP</i>	<i>SW</i>
-8	-0.005 (-0.631)	-0.001 (-0.208)	-0.002 (-0.237)	-0.009 (-1.083)	0.001 (0.213)	0.001 (0.213)
-7	-0.003 (-0.351)	0.001 (0.181)	-0.000 (-0.060)	-0.008 (-1.055)	-0.003 (-0.504)	-0.003 (-0.504)
-6	-0.004 (-0.521)	-0.001 (-0.129)	0.006 (0.620)	0.000 (0.014)	0.009 (1.358)	0.009 (1.358)
-5	-0.002 (-0.303)	0.006 (0.638)	0.000 (0.021)	0.005 (0.632)	-0.001 (-0.181)	-0.001 (-0.181)
-4	0.016 (1.753) *	0.000 (0.047)	0.001 (0.179)	-0.004 (-0.584)	0.008 (1.192)	0.008 (1.192)
-3	0.005 (0.646)	0.007 (0.799)	0.005 (0.458)	0.005 (0.697)	0.002 (0.433)	0.002 (0.433)
-2	0.014 (1.552)	0.009 (0.965)	-0.003 (-0.286)	0.001 (0.167)	-0.001 (-0.163)	-0.001 (-0.163)
-1	0.000 (0.055)	0.004 (0.456)	0.003 (0.341)	0.003 (0.475)	0.002 (0.361)	0.002 (0.361)
0	0.008 (0.942)	0.000 (0.101)	0.006 (0.605)	-0.009 (-1.119)	0.009 (1.357)	0.009 (1.357)
1	0.027 (2.957) ***	0.009 (1.026)	0.025 (2.377) **	0.002 (0.268)	0.015 (2.239) **	0.015 (2.239) **
2	-0.005 (-0.576)	-0.003 (-0.377)	0.014 (1.358)	-0.004 (-0.556)	-0.005 (-0.766)	-0.005 (-0.766)
3	-0.018 (-2.038) **	-0.003 (-0.318)	0.015 (1.396)	-0.038 (-4.573) ***	-0.003 (-0.543)	-0.003 (-0.543)
4	0.004 (0.491)	0.022 (2.436) **	-0.006 (-0.624)	0.023 (2.849) ***	-0.006 (-0.942)	-0.006 (-0.942)
5	0.001 (0.190)	-0.013 (-1.429)	0.009 (0.896)	0.006 (0.734)	0.014 (2.201) **	0.014 (2.201) **
6	-0.005 (-0.587)	0.017 (1.863) *	0.000 (0.027)	0.034 (4.080) ***	0.001 (0.153)	0.001 (0.153)
7	0.020 (2.218) **	0.011 (1.264)	0.009 (0.898)	0.008 (1.000)	-0.002 (-0.366)	-0.002 (-0.366)
8	-0.014 (-1.539)	-0.013 (-1.381)	-0.010 (-0.936)	-0.006 (-0.819)	-0.003 (-0.456)	-0.003 (-0.456)
9	0.003 (0.366)	-0.008 (-0.885)	-0.017 (-1.602)	-0.008 (-0.993)	0.003 (0.508)	0.003 (0.508)
10	0.008 (0.940)	0.003 (0.334)	0.019 (1.792) *	-0.002 (-0.282)	0.005 (0.798)	0.005 (0.798)

Note: t-statistics are in parentheses beneath the coefficients. * Statistical significance at the 10% level. ** 5% level. *** 1% level.

Source: author's calculations and analysis.

Table B5. Cumulative abnormal-, and cumulative average abnormal returns with CAAR t-values across four event windows for China's and 31 European countries' indexes (denoted in USD), percentages

<i>Event window</i>	<i>CAR CH</i>	<i>CAR SZ</i>	<i>CAR UK</i>	<i>CAR NO</i>	<i>CAR UA</i>	<i>CAR IC</i>
[0,+1]	-1.14%	-1.23%	-3.69%	-2.72%	1.77%	-4.67%
[0,+2]	0.00%	0.28%	-3.22%	-4.44%	1.24%	-3.15%
[0,+3]	-3.87%	-2.15%	-2.94%	-2.82%	1.35%	-5.03%
[0,+4]	-2.66%	0.19%	-3.48%	-5.23%	0.43%	-2.62%

<i>Event window</i>	<i>CAR AU</i>	<i>CAR BE</i>	<i>CAR BU</i>	<i>CAR HR</i>	<i>CAR CY</i>	<i>CAR EZ</i>
[0,+1]	0.43%	-0.68%	-2.31%	-4.60%	-2.22%	-2.80%
[0,+2]	-0.30%	0.03%	-1.13%	-1.57%	-1.06%	-0.58%
[0,+3]	0.59%	-1.74%	-0.66%	-1.83%	-0.45%	0.18%
[0,+4]	-0.43%	-1.54%	0.65%	1.59%	-0.36%	1.69%

<i>Event window</i>	<i>CAR DA</i>	<i>CAR EN</i>	<i>CAR FI</i>	<i>CAR FR</i>	<i>CAR GM</i>
[0,+1]	0.56%	0.00%	1.86%	1.91%	2.35%
[0,+2]	0.09%	0.72%	0.90%	1.37%	1.44%
[0,+3]	-3.36%	0.75%	1.30%	2.01%	2.54%
[0,+4]	-2.30%	2.39%	0.85%	1.50%	2.16%

<i>Event window</i>	<i>CAR GR</i>	<i>CAR HU</i>	<i>CAR IR</i>	<i>CAR IT</i>	<i>CAR LG</i>
[0,+1]	-5.48%	0.08%	-0.10%	-0.67%	0.43%
[0,+2]	-1.14%	2.40%	1.02%	-1.46%	0.69%
[0,+3]	-0.75%	2.75%	1.19%	-0.16%	1.58%
[0,+4]	-0.38%	3.11%	-0.13%	-0.12%	2.45%

<i>Event window</i>	<i>CAR LH</i>	<i>CAR LU</i>	<i>CAR NL</i>	<i>CAR PL</i>	<i>CAR PO</i>	<i>CAR RO</i>
[0,+1]	-0.13%	2.73%	-2.24%	2.52%	-2.39%	-0.66%
[0,+2]	1.26%	2.74%	-1.41%	2.57%	-1.94%	1.64%
[0,+3]	0.92%	3.46%	-2.58%	4.98%	-1.77%	0.29%
[0,+4]	2.25%	1.57%	-3.38%	3.95%	-2.31%	2.05%

<i>Event window</i>	<i>CAR LO</i>	<i>CAR SI</i>	<i>CAR SP</i>	<i>CAR SW</i>	<i>CAAR</i>	<i>t_CAAR</i>
[0,+1]	3.01%	-4.31%	-0.89%	-0.89%	-0.81%	(2.257) **
[0,+2]	2.33%	-1.91%	-1.53%	-1.53%	-0.18%	(-0.067)
[0,+3]	3.31%	-1.30%	-0.04%	-0.04%	-0.01%	(-0.469)
[0,+4]	3.34%	2.13%	0.07%	0.07%	1.29%	(0.747)

Note: t-statistics are in parentheses beneath the coefficients. * Statistical significance at the 10% level. ** 5% level. *** 1% level.

Source: author's calculations and analysis.