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THE REACTION OF STOCK PRICES ON WSE TO THE U.S. MACROECONOMIC NEWS ANNOUNCEMENTS

We examine the reaction of trading volume and prices of most liquid stocks listed on the Warsaw Stock Exchange to U.S. macroeconomic data announcements. A fundamental assumption of market efficiency hypothesis is that investors react to new information as it arrives. Changes in investors' expectations result in changes in their trading activity and are reflected in stock prices. Using the event study methodology we investigate how differences between forecasts and the true value of main U.S. macroeconomic data (e.g. inflation, industrial production or unemployment) influence polish stock market in the period 2004-2012. The strength, direction and length of the impact are different with respect to the type of macroeconomic indicator.