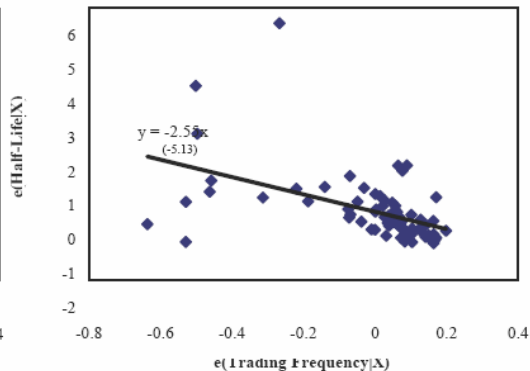
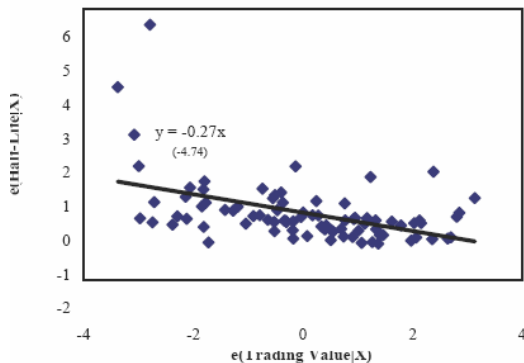


## Figure 3 Liquid versus Illiquid Stocks - AR model

The scatters show the partial regression plots from regressing the estimated AR half-life on stock liquidity, country dummies and a constant. In the left-hand side scatters, liquidity is measured by the trading value which equals the log of the average of the mean value traded of the underlying stock and the DR. In the right-hand side scatters, liquidity is measured by trading frequency calculated as the ratio of the number of contemporaneous trading days to the total number of days during the sample period. In the top panel, the half-lives are estimated taken into account all days in the sample period; in the bottom panel, only days in which both the underlying stock and the DR are traded are used. Half-lives are equal to  $\ln(0.5)/\ln(1-\beta)$ . The trendlines represent the regression estimates, t-values are presented in parentheses.

### All Days



### Contemporaneous Trading Days

