

Table 3**AR and TAR Estimates - Contemporaneous Trading Days**

This table reports the per-country average half-life based on AR and TAR models, considering only the days where both the underlying stock and the DR were traded. The country estimates correspond to the simple average of the AR half-lives and TAR thresholds and half-lives of all the stocks in each country's portfolio. "All Stocks" is the simple average of the half-lives and thresholds of all stocks in the sample. Half-lives are equal to $\ln(0.5)/\ln(1-\beta)$. "Thres" stands for the threshold estimated by the TAR model. Thresholds are expressed in percentage terms and reflect both the lower and the upper band. Half-life of the TAR model reflects the half-life of a shock when outside the band of no-arbitrage. Both AR and TAR models are corrected for heteroskedasticity and serial correlation.

Country	AR Half-Life	TAR Thres	TAR Half-Life
Argentina	0.73	0.25	0.50
Brazil	0.77	0.24	0.59
Chile	1.07	0.35	0.64
Indonesia	1.64	0.17	1.42
Korea	1.22	0.22	1.65
Mexico	1.43	0.20	0.63
Russia	0.89	0.11	0.60
South Africa	1.06	0.22	0.93
Venezuela	1.05	0.68	0.91
All Stocks	1.05	0.26	0.69