

Are retail or institutional investors' shareholdings and market turnover ratio determinants of the negativity of the security market line in the Taiwan stock?

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ABSTRACT

This study investigates the curvature of the Security Market Line (SML) and examines whether retail or institutional investors play a key role in shaping the SML in the Taiwan stock market. The empirical results of Fama-MacBeth regression reveal a negative SML slope in the Taiwan stock market. In addition, the overconfident hypotheses on market turnover ratio, retail investors, and three types of institutional investors are examined. The results indicate that unsophisticated (retail) investors are more influential than the market turnover ratio in shaping the negativity of the SML. By contrast, institutional investors tend to support a positive traditional SML in the Taiwan stock market.

Keywords:

Security market line, Investor overconfidence, Retail investor, Institutional investor, Market turnover.

散戶或機構投資者的持股比例和市場週轉率是否是臺灣股票市場中證券市場線負斜率的決定因素？

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摘要

本研究探討證券市場線（SML）的曲率，並檢視散戶或機構投資者是否在臺灣股票市場中扮演形塑 SML 的關鍵角色。經採用 Fama-MacBeth 回歸分析的實證結果顯示，臺灣股票市場的 SML 斜率為負。另外，亦檢驗市場週轉率、散戶投資者和三種類型機構投資者的過度自信假設。結果顯示，相比於市場週轉率，非精明的投資者（散戶）投資者在形塑 SML 的負斜率方面更具影響力。相反的，機構投資者則傾向於支持臺灣股票市場正向傳統的 SML。

關鍵字：

證券市場線、投資人過度自信、散戶投資人、機構投資人、股市週轉率