

Current Status Inquire Europe Project: Dispersion, Equity Returns Correlations and Market Integration

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This short note discusses the current status of the paper. According to the original time schedule of the proposal, the paper was to be completed in May 2007. While the project is a bit behind schedule, we plan to complete it within the next few months, in the fall of 2007.

The current version (see attachment) includes revisions in the text as well as an additional robustness check in Section 5.3. In this section an alternative nonparametric measure of monthly cross-country correlations is explored. We find that the general results are robust. In order to complete the project, we will include results of regressions of the correlation and integration measures on structural economic variables. In addition, we plan to shorten the paper slightly.

We have presented the paper at a number of occasions: the AFA meetings in January 2007 in Chicago, the Chicago Quantitative Alliance Spring meetings in April 2007 in Amsterdam, and during seminars at Robeco Quantitative Strategies, Tilburg University and Maastricht University. In addition, the paper has been accepted for the EFA meetings in Ljubljana, August 2007, and for the NFA meetings in Toronto, September 2007.

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