

Alternative Factor Specifications, Security Characteristics, and the Cross-Section of Expected Stock Returns: Erratum

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We very much regret that owing to a programming oversight, in part driven by the fact that CRSP merged the NYSE and Nasdaq tapes beginning in 1995, certain NYSE stocks were mistakenly classified as Nasdaq stocks in that study. In fact, there is no volume data available on CRSP for Nasdaq stocks prior to 1982, yet the paper claims to do volume regressions for the entire (63-95) period for both NYSE and Nasdaq stocks. This is because of the misclassification in the pre-1982 period. While the NYSE-alone regressions are correct as is, the correct form of the Nasdaq-alone regressions appear in the Chordia et al. paper "Trading Activity and Expected Stock Returns" (January 2001), with the additional CVVOL variable, and the results are qualitatively unchanged.

We have also rerun the regressions that pool NYSE and Nasdaq stocks, and find that only one result is reversed. This result is that the negative dummy coefficient for Nasdaq stocks is now marginally positive and significant, so that controlling for other characteristics, there is evidence that Nasdaq stocks outperformed NYSE stocks during the 1982-1995 period. All other results are qualitatively unchanged.