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The effects of ownership structure on analyst following: A study of Chinese listed firms.

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Abstract

This paper investigates the relationship between ownership structure and financial analyst following in China. The data contains the corporations' information of 1,389 Chinese listed unique firms from 2004 to 2009 which includes 8,333 firm-year observations.

From the analysis, I find that there is a negative association between the State-owned firms (SOE) and the analyst following, but a positive relationship between the Non State-owned firm (Non-SOE) and the analyst following; Further, Local SOE have a stronger negative correlation with analyst following than Central SOE; As the prior research, firm size, profitability and market expense are associated with analyst following positivity. On the contrary, the analyst following correlates with leverage and intangible assets negatively.

Key Words: Analyst following; SOE; Central SOE; Local SOE.

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