Title: What Do We Learn from SARS-CoV-1 to SARS-Cov-2 Evidence from Global Stock Markets

Authors and Affiliations and Contact E-mails:
Hong Ru (Corresponding author): Nanyang Technological University; hongrucn@icloud.com;
Endong Yang: University of Macau; endongyang@em.edu.mo;
Kunru Zou: Nanyang Technological University; zouk0001@e.ntu.edu.sg;

Abstract:
This paper studies global stock market reactions to COVID-19 outbreaks caused by the virus SARS-CoV-2. The stock markets in countries that suffered from 2003 SARS diseases caused by a similar virus (SARS-CoV-1) react more quickly and strongly to the first COVID-19 outbreak in Wuhan China during late January 2020. This pattern lasted for weeks until a number of severe outbreaks outside of China (e.g., South Korea and Italy) began in late February, and the stock markets in countries without SARS experiences started to tumble. We document an important underreaction to COVID-19 in countries without the early experience of similar crises.

Data Description:
COVID-19 Cases Data: WHO situation reports and Wind;
SARS-CoV-1 Experience: WHO SARS report
Stock Market Reaction: Thomson Reuters Eikon

JEL Codes: G10, G14, D83, I10

Key-words: COVID-19, Underreaction, Early Experience, Stock Market