Online-Appendix

„The Idiosyncratic Volatility Puzzle – Anomaly or Data Mining?“

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Junior Management Science 7(4) (2022) 945-985

Appendices

Appendix A Further Summary Statistics

Table A.1: Cross-Sectional Summary Statistics for adjusted IVOL measures

This table presents summary statistics for all IVOL measures that result from the adjustments in section 6.1. The sample covers the period from July 1963 until December 2020 and includes all stocks traded on the NYSE/AMEX/NASDAQ. $IVOL_{12m}$, $IVOL_{1y}$, $IVOL_{5y}$ are the idiosyncratic volatilities computed relative to the FF3 model but using a window of the past 12 month of daily data as well as of the past 1 and 5 years of monthly data respectively. $IVOL^{FF6}$, $IVOL^{SY4}$ and $IVOL^{HOU5}$ refer to the IVOL computed based on daily data over the current month but using the FF6, SY4 and the HOU5 model for risk-correction instead. Panel A presents the time-series means of the monthly mean (*Mean*), standard deviation (*SD*), skewness (*Skew*), excess kurtosis (*Skew*), minimum (*Min*), fifth percentile (*5%*), 25th percentile (*25%*), median (*Median*), 75th percentile (*75%*), 95th percentile (*95%*), and maximum (*Max*) values of the cross-sectional distribution for each variable. The column labeled *n* indicates the average number of stocks for which the corresponding variable is available. Panel B reports the time-series averages of the monthly cross-sectional Pearson product-moment and Spearman rank pairwise correlations between each of the variables. Here the above-diagonal entries present the average Pearson product–moment correlations, whereas the below-diagonal entries present the average Spearman rank correlations.

Panel A: Cross-Sectional Distribution

	Mean	*SD*	*Skew*	*Kurt*	*Min*	*5%*	*25%*	*Median*	*75%*	*95%*	*Max*	*n*
$IVOL_{12m}$	46.650	32.883	3.321	37.012	2.844	14.714	25.291	38.483	58.512	104.727	579.794	5311
$IVOL_{1y}$	149.242	118.230	4.476	68.272	5.104	40.875	77.596	120.055	185.928	347.456	2387.188	5293
$IVOL_{5y}$	177.227	111.261	2.888	31.391	16.564	60.649	102.133	151.085	223.719	374.048	1887.019	4740
$IVOL^{FF6}$	36.594	33.780	5.543	109.552	0.703	8.200	17.269	27.963	45.400	91.851	739.640	5690
$IVOL^{SY4}$	39.770	35.478	5.049	91.426	0.812	9.182	19.083	30.693	49.407	98.960	740.364	5686
$IVOL^{HOU5}$	38.638	35.591	5.579	111.060	0.717	8.563	18.293	29.609	48.006	96.715	782.079	5922

Panel B: Correlations

	$IVOL_{12m}$	$IVOL_{1y}$	$IVOL_{5y}$	$IVOL^{FF6}$	$IVOL^{SY4}$	$IVOL^{HOU5}$
$IVOL_{12m}$		0.731	0.713	0.722	0.735	0.717
$IVOL_{1y}$	0.823		0.747	0.513	0.518	0.510
$IVOL_{5y}$	0.843	0.814		0.515	0.520	0.509
$IVOL^{FF6}$	0.807	0.654	0.673		0.987	0.987
$IVOL^{SY4}$	0.808	0.648	0.668	0.985		0.989
$IVOL^{HOU5}$	0.807	0.655	0.674	0.985	0.988	