

Summary

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“Usefulness of Stock Trading during Evening Hours from an Investor Point of View”

This study analyses the implications that have emanated for non-anonymous floor trading at the Frankfurt stock exchange from the fact that the closing hour of electronic stock trading at the German stock exchange system XETRA has been advanced from 20.00 hrs to 17.30 hrs. effective as of 03 November 2003. The results obtained show that the floor trading quality has profited from this measure. There are not any indications suggesting that negative effects have emerged for the network as a whole; trading has become significantly more liquid during evening hours. Since XETRA trading hours now end earlier, mainly uninformed investors have been found to switch to floor trading in the time from 17.30 hrs. to 20.00 hrs. This suggests that information-based stock-exchange floor trading has become less probable than before the closing hours for electronic stock trading were advanced. Floor trading has thus become more attractive especially for individual investors.