



Corporate Transparency on Market-Timing Ability through Dutch Auction Stock Repurchase

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Abstract: In this paper, we examine whether low transparency (LT) firms with more information asymmetry problems are able to earn higher market-timing profits through Dutch auction stock repurchase. The results show that the market is aware of the information price discount of LT firms. Therefore, the market reacts more positively to LT firms' Dutch auction repurchase announcements. However, the more positive market reactions will not eliminate the market timing profits completely. Therefore, LT firms outperform HT firms and earn higher market-timing profits in the long run because information asymmetry problems slow down information discovery. The findings indicate LT firms are more successful at timing Dutch auction than HT firms.

JEL: G10, G14, G34.

Keywords: Stock Repurchase; Dutch Auction; Market-timing; Corporate Transparency; Disclosure; Corporate Finance, Behavioral Finance; Market Efficiency and Anomalies
