

The Money Works Overtime: An Examination of the Yield Differentials between Days and Nights on the Tel Aviv Stock Exchange

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Abstract

This study deals with an interesting phenomenon, an anomaly, which exists in the Israeli capital market. Our study shows that there is a significant gap between yields obtained during trading hours versus those obtained during after trade hours. A simple comparison shows that yields obtained during non-trading hours are significantly higher than yields obtained during trading hours. This phenomenon has been documented in several markets around the world but has never been recorded in Israel's stock exchange. Considering this, the first objective of the study is to document the phenomenon in the stock exchange in Israel. In addition, the goals of the study are to compare the intensity of the phenomenon in various securities, as well as attempt to explain it and its non-disappearance over the years.