

Summary

Betzer, André, and Limbach, Peter

“Announcement Effects of High-Yield Bond Issues in Europe”

This article examines for the still young European corporate high-yield bond market in what way bond-issue announcements affect the issuing companies' share prices and which determinants can explain the share price responses observed. On the basis of all events identifiable for the period 1998 - 2006, this study suggests the existence of a significant, negative cumulated abnormal return of -1.14% on the three days around the date the issue was announced. This study, like the US studies hitherto made (Huffman/Ward (1996) *inter alia*), is not able to identify determinants of abnormal return levels.