

ABSTRACT

The research titled "THE EFFECT OF MULTIFRACTAL DETRENDED FLUCTUATION ANALYSIS ON VALUE RELEVANCE - An Investigation of The Stock Market in The US and China" aims to explore multifractal properties and value relevance in these financial markets. Through the application of fractal and value relevance analysis, the study aims to assess the efficiency of the stock markets integrating latest development of multifractal analysis using python programming. By examining these aspects, the research aims to gain insights into weak and semi-strong form efficiency utilizing Empirical Mode Decomposition as detrended tools, and more efficient MF DFA software code. The samples are 343 companies from the US stock market and 7,889 observations over a 23-year period. For the Chinese market, 148 companies resulting in 3,404 observations. 230 of 343 exhibit monofractal in the US and 123 of 148 companies exhibit multifractal in the China Stock market. The value relevance analysis using this MF DFA results found that the value relevance is stronger in monofractal companies than multifractal companies in both Ohlson and Easton Harris model.

Keywords: Market Efficiency, Value Relevance, Monofractal, Multifractal, Ohlson, Easton Harris

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