

## **IPOs long-term returns of listed Companies in MENA Countries**

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***Abstract:***

*This paper examine a comprehensive set of 171 MENA initial public offering of companies launched between June 1997 and June 2012 excluding those for the financial institutions industry analyzing post-listing returns. Constructing the portfolios return on the equally-weighted bases, the study tests the asymmetry hypothesis and the manipulation hypothesis by investigating the short-run as well as long-run returns in IPOs located in the Middle East and North African Countries. Abnormal returns after the offerings are significant and positive in the GCC exchanges increasing over the years till 3 years period subsequent to listing date. However, such results contradicting somehow with the reported results in other MENA countries covered on the short run (i.e. periods subsequent to listing date on-year or less) where the benchmark portfolio over-perform but such over performance shifted to be underperformance over the long run although neither the long run nor the short run results are significant. Over all MENA results show that IPO portfolio over-perform increasing over the time till 3 years post-floatation but insignificantly over the short-run and significant over the long-run. The results are consistent with the asymmetry hypothesis that the IPO under/over-perform on the short/long run depends on the information risk reduction, where such under/over-performance will be vanished over the long-run making the all process as a zero sum game.*

**Keywords:** IPO, Asymmetry Hypothesis, Emerging Stock Market