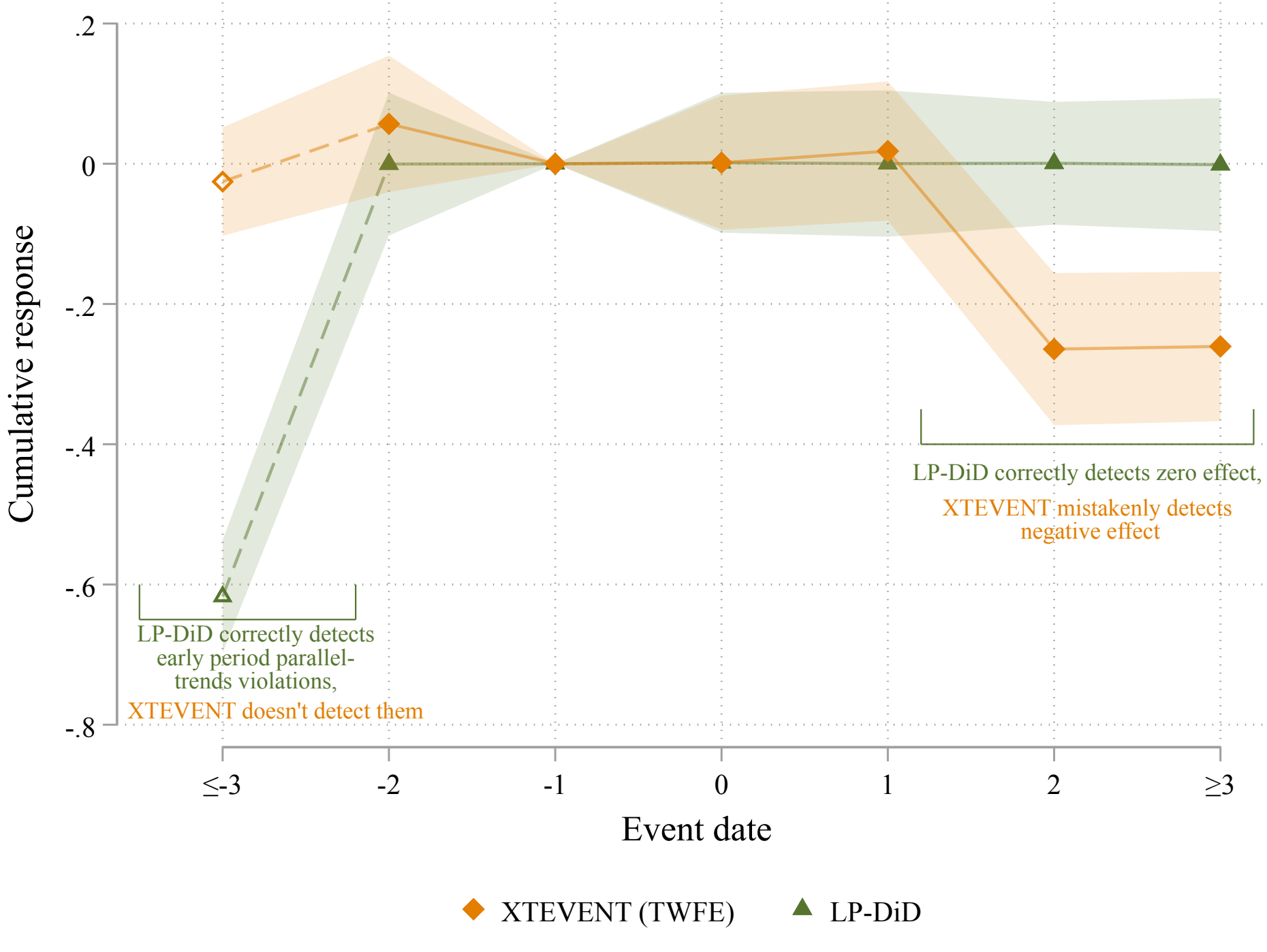
.2
0
-.2
-.4
-.6
-.8
Cumulative response
≤-3
-2
-1
0
1
2
≥3
Event date
LP-DiD correctly detects zero effect,
XTEVENT mistakenly detects negative effect
LP-DiD correctly detects early period parallel-trends violations,
XTEVENT doesn't detect them
XTEVENT (TWFE)
LP-DiD