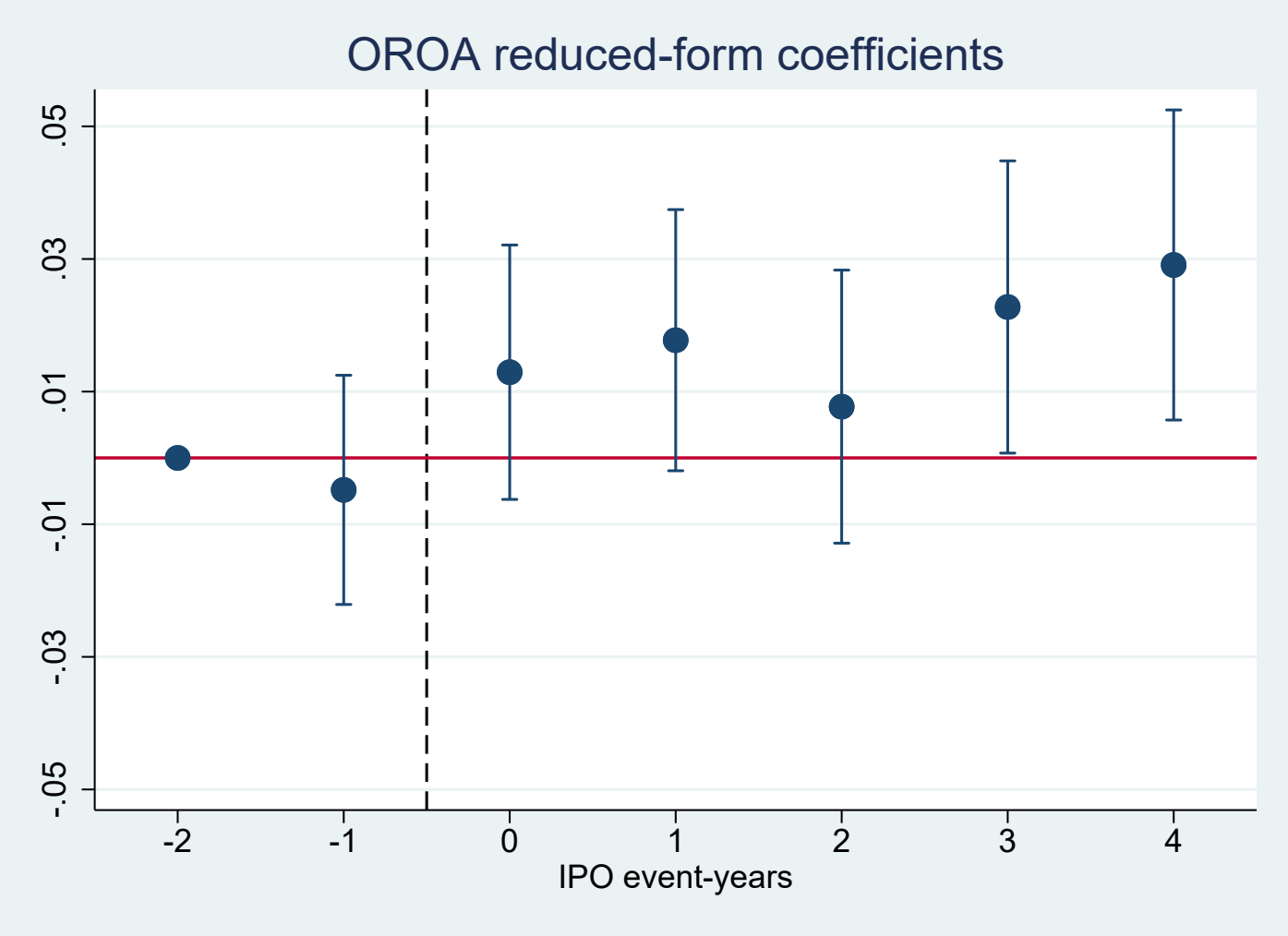
```
-------------------------------------------------------------------------------
> -------------------------
      name:  <unnamed>
       log:  C:\Users\sertsios\Dropbox\LPSU replication package RFS\Replication\Log files\
> Main Figures\Fig6.log
  log type:  text
 opened on:  21 Nov 2024, 06:18:26
.
. ***Program for figure
. ****Figure 6: Dynamics
.
. ***Now extended sample:
. cd "C:\Users\sertsios\Dropbox\LPSU replication package RFS\Data"
C:\Users\sertsios\Dropbox\LPSU replication package RFS\Data
. use LPSU_ExtendedSample_Sep2024, replace
. set matsize 10000
.
.
. ***Set of fixed effects
. egen sic1year=group(sic1 year)
. qui tabulate sic1year, generate(dsic1year)
. egen month_post= group(month post)
. qui tabulate month_post, generate(dmonth)
. qui tabulate year_around_ipo, generate(deventyear)
.
.
. **Defining event-year x IPO and event-year x instrument
. foreach i of num 2/7 {
  2. set more off
  3. gen event_inst`i'=pos_returns*deventyear`i'
  4. gen event_ipo`i'=ipo*deventyear`i'
  5. }
.
. **Create a random variable with mean 0, to include as "benchmark" coefficient of 0 on t=
> -2. All other event-years will be relative to t=-2
. set seed 12345
. gen randnum = runiform()
. gen randnum2 = runiform()
. label var randnum "-2"
.
. **Program to save reduced-form coefficients
. capture program drop foo
. program foo, eclass
  1.         tempname bmat
  2.     tempname vmat
  3.         matrix `bmat' = e(b)
  4.         matrix `bmat'[1,1] = 0
  5.         matrix `vmat' = e(V)
  6.         matrix `vmat'[1,1] = 0
  7.         ereturn repost b = `bmat'
  8.         ereturn repost V = `vmat'
  9. end
.
. **Label event-years for the instrument
. label var event_inst2 "-1"
. label var event_inst3 "0"
. label var event_inst4 "1"
. label var event_inst5 "2"
. label var event_inst6 "3"
. label var event_inst7 "4"
```

```
.
. **Label event-years for IPOs
. label var event_ipo2 "-1"
. label var event_ipo3 "0"
. label var event_ipo4 "1"
. label var event_ipo5 "2"
. label var event_ipo6 "3"
. label var event_ipo7 "4"
.
.
. **Reduced form regression. Key variables are event-years x positive returns.
. set more off
. qui xtreg wroa randnum event_inst2 event_inst3 event_inst4 event_inst5 event_inst6 event
> _inst7 deventyear*  dsic1year* dmonth*, fe cluster(id)
. foo
. estimate store RF
.
. set scheme s2color
.
. **RF
. coefplot (RF,yline(0) clpattern(shortdash) msymbol(C) msize(large) level(95)),   ///keep
> (randnum  event_inst2 event_inst3 event_inst4 event_inst5 event_inst6 event_inst7) /// o
> rder(randnum  event_inst2 event_inst3 event_inst4 event_inst5 event_inst6 event_inst7) /
> // yline(0)  clpattern(shortdash)  ciopts(recast(rcap) clpattern(shortdash))  /// citop
> vertical  title(OROA reduced-form coefficients)   /// xline(2.5, lpattern(dash) lcolor(b
> lack)) ysc(r(-0.05 0.05)) ylab(-0.05(0.02)0.05) xtitle(IPO event-years)
(note:  named style C not found in class symbol, default attributes used)
.
. graph export "C:\Users\sertsios\Dropbox\LPSU replication package RFS\Figures\Dynamic RF
> ext.tif", as(tif) replace
(file C:\Users\sertsios\Dropbox\LPSU replication package RFS\Figures\Dynamic RF ext.tif wr
> itten in TIFF format)
```

Graphics omitted: file is not in .png, .pdf or .gph format.

```
.
. graph export Fig6A.pdf, replace
(file Fig6A.pdf written in PDF format)
```

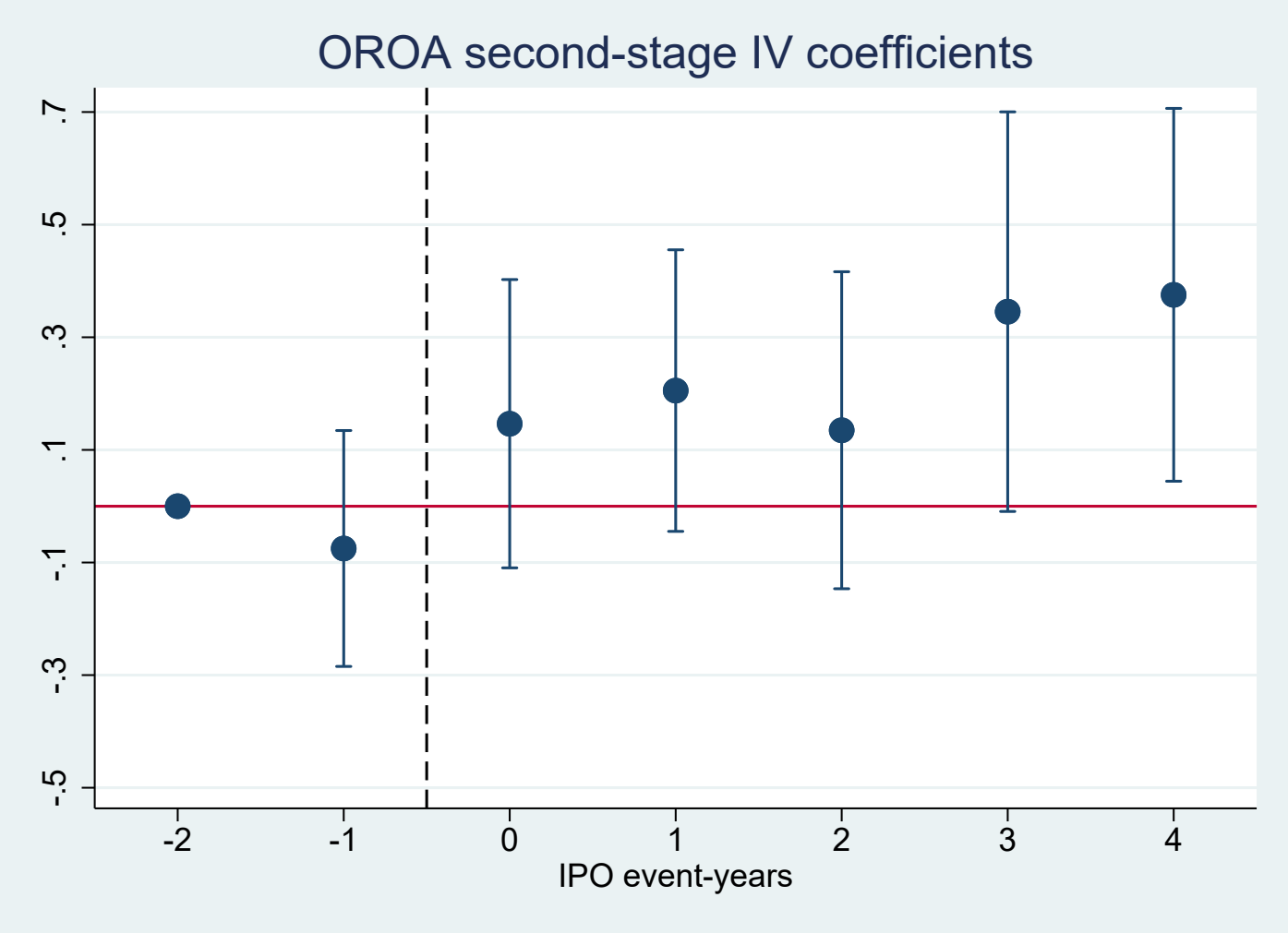



```
.
. **Program to save IV coefficients
. capture program drop f2
. program f2, eclass
  1.         tempname bmat
  2.     tempname vmat
  3.         matrix `bmat' = e(b)
  4.         matrix `bmat'[1,7] = 0
  5.         matrix `vmat' = e(V)
  6.         matrix `vmat'[7,7] = 0
  7.         ereturn repost b = `bmat'
  8.         ereturn repost V = `vmat'
  9. end
.
.
. **IV regression. Key variables are event-years x IPO. Instruments are event-years x posi
> tive returns.
. set more off
. qui xtivreg2 wroa randnum (event_ipo2 event_ipo3 event_ipo4 event_ipo5 event_ipo6 event_
> ipo7 = event_inst2 event_inst3 event_inst4 event_inst5 event_inst6 event_inst7) deventye
> ar* dsic1year* dmonth* ///, fe cluster(id)  partial(deventyear* dsic1year* dmonth*)
. f2
. estimate store SS
.
```

```
. coefplot (SS,yline(0) clpattern(shortdash) msymbol(C) msize(large) level(95)),   ///keep
> (randnum event_ipo2 event_ipo3 event_ipo4 event_ipo5 event_ipo6 event_ipo7) /// order(ra
> ndnum event_ipo2 event_ipo3 event_ipo4 event_ipo5 event_ipo6 event_ipo7) /// yline(0)  c
> lpattern(shortdash)  ciopts(recast(rcap) clpattern(shortdash))  /// citop vertical  titl
> e(OROA second-stage IV coefficients)   /// xline(2.5, lpattern(dash) lcolor(black)) ysc(
> r(-0.5 0.7)) ylab(-0.5(0.2)0.7) xtitle(IPO event-years)
(note:  named style C not found in class symbol, default attributes used)
.
. graph export "C:\Users\sertsios\Dropbox\LPSU replication package RFS\Figures\Dynamic IV
> ext.tif", as(tif) replace
(file C:\Users\sertsios\Dropbox\LPSU replication package RFS\Figures\Dynamic IV ext.tif wr
> itten in TIFF format)
```

Graphics omitted: file is not in .png, .pdf or .gph format.

```
.
. graph export Fig6B.pdf, replace
(file Fig6B.pdf written in PDF format)
```




```
.
. ***Log file
. cd "C:\Users\sertsios\Dropbox\LPSU replication package RFS\Replication\Log files\Main Fi
> gures"
C:\Users\sertsios\Dropbox\LPSU replication package RFS\Replication\Log files\Main Figures
```

```
. log close
      name:  <unnamed>
       log:  C:\Users\sertsios\Dropbox\LPSU replication package RFS\Replication\Log files\
> Main Figures\Fig6.log
  log type:  text
 closed on:  21 Nov 2024, 06:18:41
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> -------------------------
```