

Accepted Manuscript

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PII: S1042-4431(17)30265-2
DOI: <http://dx.doi.org/10.1016/j.intfin.2017.06.001>
Reference: INTFIN 947

To appear in: *Journal of International Financial Markets, Institutions & Money*

Received Date: 2 June 2017
Accepted Date: 22 June 2017

Please cite this article as: N. Devpura, P.K. Narayan, S.S. Sharma, Is Stock Return Predictability Time-varying?, *Journal of International Financial Markets, Institutions & Money* (2017), doi: <http://dx.doi.org/10.1016/j.intfin.2017.06.001>

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This version: 2 June 2017

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Is Stock Return Predictability Time-varying?**ABSTRACT**

Using historical data (January 1927 to December 2014), this paper shows that stock return predictability is time-varying based on several well-known predictors from the literature. However, only 7 of 14 predictors exhibit this time-varying predictability pattern. For the remaining predictors, either there is no predictability or predictability is not time-dependent. We also examine the determinants of time-varying predictability. We show that (a) both expected and unexpected shocks emanating from financial variables, and (b) phases of predictability (which capture market volatility) explain return predictability.

Keywords: *Heteroskedasticity; Time-varying Predictability; Predictive Regression.*

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