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JEL Classifications: G1 · G18 · H1 · N23 · N24

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1 Introduction

In May 1981, when Socialist President, François Mitterrand, was elected, the French stock market suffered its worst monthly fall in history (-33%). But during his first mandate, stock prices increased by 250%, and rose to 450% by the time he left office at the end of his second mandate in May 1995. However, it is a commonly held belief that Right governments are more business oriented whereas the Left favors wealth redistribution often at the expense of firms. Assuming that governments manage according to this philosophical demarcation, this distinction should then impact the stock market. Therefore, we expect that stock returns should be higher under the power of the Right governments and lower under the Left.

Using a long-term, robust monthly series of French stock market data, we measure the performances under Left and Right governments beginning with the birth of the Third Republic in 1871. Dividend yields are quite similar between both types of governments, but stock prices increase by 5.90% a year under the Left governments versus only 2.12% under the Right. The inflation rate is slightly higher under the Right (5.61% versus 5.46%). As a result, the real total annualized return of French stocks is on average 4.40% under the Left governments and only 0.11% under the Right.² The excess return (total return minus short term rate) shows the same difference. Hence, these empirical results appear to contradict the conventional wisdom.

Several robustness checks are applied, showing that this difference is statistically significant and is not the result of simple chance, as indicated by a bootstrap test. Nor is this difference driven by few exceptional periods, such as would be demonstrated by the result of two alternative political investment strategies: to buy stocks under governments of the Left and invest the money at the short-term rate under Right, versus buying stocks under governments of the Right and short-term rate under Left. Additionally, this difference is not compensation for higher risk investments under Left governments.

² The average long term real return on French stocks is below the well-known case of US stocks (Le Bris and Hautcoeur 2010).

On the other hand, a more favorable macroeconomic context under the Left, can partially explain the difference. To control for this effect, monthly stock returns are decomposed into expected and unexpected parts according to several macroeconomic variables known to predict stock returns. The fitted values from the regression of stock returns on these macroeconomic variables represent the expected portion of the return, whereas the regression residuals represent the unexpected returns. We then analyze differences in each component under Left and Right governments. This unexpected part is negative (-1.48% annualized) under Right and positive (1.56% annualized) under Left. Thus, the difference remains strong after having control for the macro-economic context.

More crucially, a large part of the difference is concentrated during the three months prior to a political coloration change. Accepting the hypothesis that the market is able to anticipate coloration changes three months before they occur, we move the boundary separating Left-wing and Right-wing governments to three months before the actual change of government is instated. As a result, the higher returns observed under the Left diminish greatly. The difference between the two returns becomes small enough so that this hypothesis of correct anticipation may turn out to be the key effect.

Furthermore, in the short-term, the political factor causes price returns as are expected according to the theory of uncertain information (Brown et al. 1988): the stock market positively reacts to the appointment of all new governments (regardless his coloration), since a new government ends one uncertainty. The average monthly stock returns for the 150 months during which the government changes are three times higher than other months.³ But, there is no difference in monthly returns between the appointment of Left and Right governments, or when the coloration of the new government is different from the prior one. During the month of the appointment of a new government, the market does not react to the coloration of the government, but only to the end of the uncertainty.

Several studies have been undertaken in order to assess whether US presidents of either the Republican or Democratic parties are better for the stock

³ Four times if we exclude the exceptional result of the fall of May 1981 (election of socialist president, François Mitterrand).

market (Riley and Luksetich 1980; Huang 1985; Siegel 1994; Hensel and Ziemba 1995; Johnson et al. 1999).⁴ Santa-Clara and Valkanov (2003) provide a strong contribution to this debate. After an extensive battery of tests, they conclude that the higher performance under Democrat presidents is a puzzle; however, Powell et al. (2007) have demonstrated heavy statistical bias present in the work. Once the methodology is corrected, and extending the sample back to 1856, the difference in stock market returns becomes insignificant. Sy and Al Zaman (2011) explain the premium for Democrats in the US (1926- 2007) using a conditional version of the Fama French (1993) model that allows risk to vary across political cycles. For the German market, between 1960 and 2003, Döpke and Pierdzioch (2006) are unable to confirm the findings of a higher performance under Left governments. Bialkowski et al. (2006) provide a similar conclusion, studying 24 countries between 1980 and 2005.

This paper covers the entire period of democratic national elections in France (1871-2008 or 1,654 months).⁵ From the beginning of the period studied, economic ideology sharply distinguishes the Left and the Right in France. Whereas, in the case of the US, according to Santa-Clara and Valkanov (2003), ideologies of the Democratic and Republican parties were not clearly delineated before WWI; as a consequence, they only study the period 1927-1998, or 852 months. More interestingly, the study carried out here covers 150 French government changes, against only 18 in the US for Santa-Clara and Valkanov (2003) and no more than 36 for Powell et al. (2007). This is due to the often unstable French parliamentary regime, whereas the US exhibits a relatively stable presidential regime. This paper escapes the statistical bias identified by Powell et al. (2007) via the use of alternative statistical tools (bootstrap procedure). The last, but maybe the main, factor that supports the virtues of a French study is that, over the period studied, France experiments with several coalition governments (which have included the communist party) that were openly hostile to the stock market.

The paper is structured as follows: Section 2 presents the financial and political data. Section 3 explains the main findings, a test for an explanation by

⁴ See Sy and Al Zaman (2011) for extensive review of the literature on the US presidential puzzle.

⁵ Using Schwert's data on the stock market, despite the fact that Goetzmann et al. (2001) provide both, evidence of weaknesses in the older indices and a new one.

chance and the stability of the difference over time. Section 4 controls for the risk and the macro-economic context. Section 5 demonstrates that accepting the hypothesis of a market able to anticipate political changes three months before they occur, the higher performance of the stock market under governments of the Left disappears. Section 6 concludes.

2 Data

2.1 Political data

All governments are binary ranked as Left or Right.⁶ The criterion used is the coloration of the chief of government (Vice-Présidents du Conseil⁷, Présidents du Conseil⁸ and Premiers Ministres⁹), see Appendix 3. Between 1871 and 2008, France experiments with 157 governments headed by 142 different men (including one woman). Among these governments, seven exhibit duration of less than one month, and are, therefore, excluded from this study since the data on stock returns are only available at a monthly frequency. We have to note that one change of government is not always a consequence of an election but, in most cases, is the result of a parliament vote changing the coloration of the chief of government. Over the one hundred and fifty remaining governments, the average length is 11 months (8 excluding the Fifth Republic beginning in 1958) with a maximum of 75 months for the government of M. Pompidou (36 for the government of M. Waldeck-Rousseau excluding the Fifth Republic).

The Right-Left criterion respects the political equilibrium of the period without seeking to identify a “fundamental” political coloration. Historically, French society has moved to the Left over time. As an example, the socialist Aristide Briant opposed conferring the right to strike to public servants in 1910, and the Right parties were overtly hostile to the collection of income tax before

⁶ This work seems never have been done for France.

⁷ Term used before 1876 and during the Vichy Regime.

⁸ Term used before the Fifth Republic.

⁹ Term used under the Fifth Republic.

1914. Conversely, in the last couple of decades an ideological move to the Right can probably be distinguished.

Before 1950, and mainly before 1914, the Left-Right classification can, in a few cases, be problematic. “Sinistrisme” is the French term of the gradual substitution of Left parties by more Left oriented parties. Indeed, at the beginning of the Third Republic (1871) the Left wing was represented by Republicans opposed to Monarchists and Bonapartists but the successive emergence of a “radical Left”, then a “socialist Left” and a “communist Left” positions the Republicans and all the existing parties to the Right. Several years after the beginning of the Third Republic, the Republicans represent the Right, whereas the first expression of the Right-wing (the Monarchists and Bonapartists) became non-significant in terms of votes (Rémond 1954). As a consequence, one single man with the same ideas can move from the Left to the Right of the political spectrum. However, contested cases are rare, and thus, cannot deeply affect the results.

The temporal distribution is quite well-balanced with 844 months under Right governments (51% of the time) and 810 under the Left. 26 changes from the Right to the Left are observed against 25 in the opposite way.

2.2 Financial data

Between 1988 and 2008, the Euronext CAC 40 is used. Before 1988, a new monthly French stock index, a historical CAC 40 (HCAC 40), is used (Le Bris and Hautcoeur 2010). The HCAC 40 price variation is the average, weighted by market capitalizations, of the variation of the 40 biggest (in terms of market capitalization) firms indentified at the beginning of each year, which avoids any survival bias. The dividend yield is measured as the dividends distributed during the year divided by the stock price at the beginning of each month; to obtain a monthly series, this annual rate is divided by twelve to provide a monthly value.¹⁰

¹⁰ With D , the amount of dividend paid during the year, and P , the stock price at the beginning of the month, the monthly dividend yield = $D/P/12$.

Figure 1 displays the price of the index and the political situation from January 1871 to June 2008.

Other financial data are used, such as long-term interest rates on state bonds, which also come from Le Bris and Hautcoeur (2010). Short-term rates are the discount rate of the Banque de France (from NBER) available on monthly data except during 1914-1925 and 1940-1951 periods (in this case a linear interpolation is used to approximate monthly values). Since 1952, the short-term rate is the money market rate (from Banque de France). Inflation rates come from Lévy-Leboyer and Bourguignon (1985) before 1914 and, then from INSEE after 1914. A linear interpolation is performed to provide a monthly series from these two annual series of inflation.

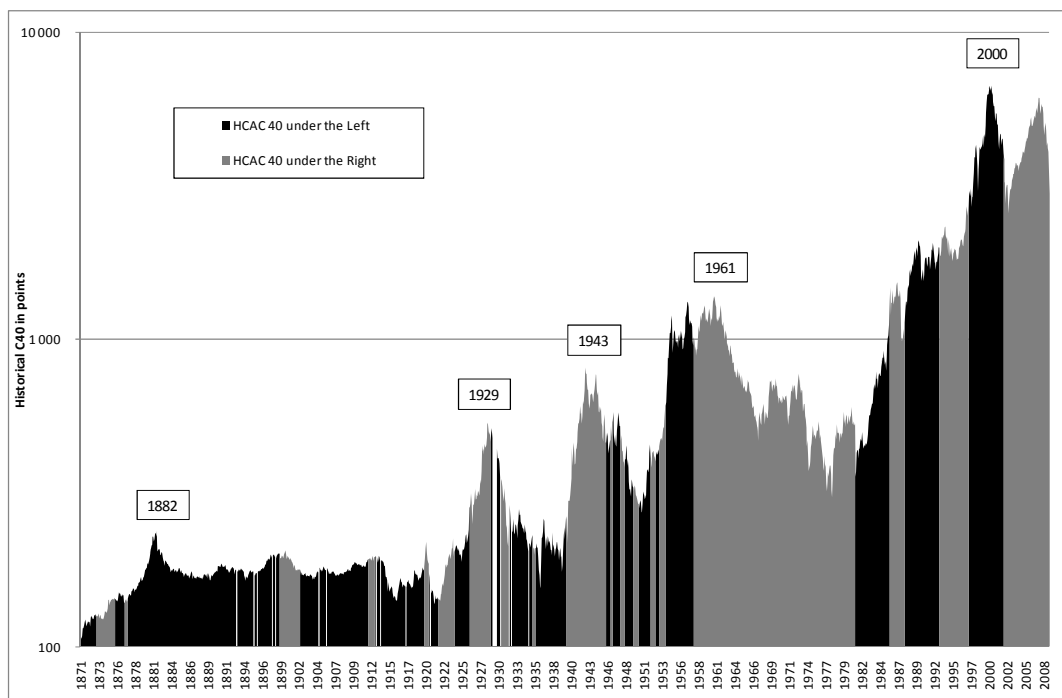


Fig. 1 HCAC 40 price under Left and Right governments

3 Main findings

3.1 The stock market appreciates with all new governments: return during the month of appointment

The first result is a very positive reaction in stock prices to the appointment of new governments. Since 1871, over 1,654 months, the average monthly price return is 0.33% (non-annualized) and 0.27% for 1,504 months without the appointment of a new government. During the 150 months characterized by the appointment of a new government, the average monthly stock return is 0.92 % and 1.15 % omitting May 1981.¹¹ In other words, the stock market exhibits a highly positive reaction in case of the appointment of a new government with a stock return three times higher than during the rest of the time (and even four times without May 1981, see Table 1). This result is based on a high number of observations (150).

Table 1 Stock price returns at appointment of new government

	all except	new	(II-I)	new governments			color change		
	new gvt (II)	gvt (I)		L	R	L-R	L	R	L-R
Panel A: 1871-2008									
average	0.27	0.92	0.65	0.82	1.06	-0.24	0.24	1.08	-0.83
standard deviation	4.85	6.57		5.19	6.91		8.10	5.36	
F-Test (p-value)			0.00			0.46			0.05
F-Test signification			diff.			=			diff.
T-test (p-value)			13.19			80.66			66.53
T-test (signification)			=			=			=
bootstrap test			6.39						
nb. observations	1504	150		87	63		25	26	
Panel B: 1871-2008 except May 1981									
average	0.27	1.14	0.87	1.19	1.06	0.13	1.55	1.08	0.47
standard deviation	4.85	5.95		5.19	6.91		4.29	5.36	
F-Test (p-value)			0.00			0.01			0.28
F-Test signification			diff.			diff.			=
T-test (p-value)			4.08			89.55			73.17
T-test (signification)			diff.			=			=
bootstrap test			1.87						
nb. observations	1504	149		86	63		24	26	

Common notes for Table 1, 2, 4, 5 and 6: L means Left governments; R means Right and L-R is the difference. The F-test is that of the null hypothesis that there is no difference in variances. t-test (adjusted for heteroscedasticity) is that of the null hypothesis that there is no difference on

¹¹ The election of the socialist president François Mitterrand in May 1981 caused the worst monthly price variation in French stock history with a fall of -32.79%, which was mainly due to the fact that the result of the election was unclear until the vote; additionally, the new Government's agenda, common with the communist party, was perceived to be very hostile to the stock market.

average. The bootstrap measures the probability that chance explains this difference. See Appendix 1 for formulas.

Two statistical tests are performed to validate the observations. A Student t-test rejects the possibility of an equal mean between months with and without new governments, but only if we exclude the month May 1981 (Table 1, Panel B). A second test using a bootstrap methodology is also run to test the probability that the difference is due to random chance. 150 months are randomly selected.¹² Then, the average of these 150 random months is calculated. The average of the 1,504 non-selected months is also calculated before this, to measure the difference. This manipulation is repeated 10,000 times. To obtain the probability that chance alone is driving the result, the number of cases with a difference, that is either higher or equal to the difference that has actually been observed, is divided by 10,000.

The higher price return observed in the case where a new government has formed only has a 6.39% probability of being due to chance. This possibility then falls to only 1.87% if May 1981 is excluded (Panel B in Table 1), *i.e.*, there is only a 1.87% probability that the higher return of 0.87% (87 basis points) observed during the 150 months of a new government is due to chance. In other words, by choosing 150 months randomly 10,000 times, only 1.87% of cases will exhibit a difference in average returns (compared to the 1,504 other months) equal or higher to the 87 basis points actually observed. This bootstrap test is very robust since it is free of any assumptions regarding the nature of the distribution of returns.

This higher return, independent of the coloration of the new government, is consistent with the idea that the appointment of a new government concludes a period of uncertainty, which reduces the risk for investors (Brown et al. 1988). Our findings confirm Pantzalis et al. (2000). They identified a positive stock market reaction during the period of election in 33 countries between 1974 and 1995.

¹² Without considering the elapsed time between appointments; on that point this bootstrap test is different from what will be performed in Table 2, 5 and 6.

Only a weak difference appears in the case of the appointment of the Right governments when compared to those of the Left (i.e. all new Left governments versus all new Right ones). But, this difference disappears when May 1981 is excluded from the sample (Table 1, Panel B). The same absence of difference is true for coloration changes (i.e. new Left governments after a Right one versus new Right governments after a Left one). But, in this last case, the sample is limited, since only 26 moves from Left to Right and 25 from Right to Left are observed. To sum-up, the market positively reacts to all new governments without distinction between Left and Right, or changes in coloration of the government.

3.2 The long-term stock return is higher under Left governments

The performances under Left and Right governments are measured through two different averages (arithmetic and geometric means) according to the political coloration at the beginning of each month¹³. Santa-Clara and Valkanov (2003) use a political dummy in regressions which leads to the bias identified by Powell et al. (2007). The bias was initially identified by Ferson et al. (2003): they demonstrate that a spurious regression can arise when stock returns are regressed with continuous explanatory variables that are persistent (i.e., highly auto-correlated) over time: which is obviously the case for a political dummy. Our study avoids this potential bias, using only observed returns. A bootstrap methodology is then applied to test the robustness of the result.

The total return to the stockholders has two components. The first is the dividend paid. This dividend yield is slightly higher under Left governments: 3.91%, versus 3.53% (annualized values). The second component is the price change (capital gains/losses). The capital gains difference is large: 5.90% under the Left versus only 2.12% under the Right (annualized value of arithmetic mean). The sum of these two parts constitutes the total return: 9.80% under the Left versus 5.65% under the Right (see Table 2).

¹³ The idea of a potential lag between political changes and their result upon stock markets can be rejected. According to the theory of market informational efficiency (Fama 1991), stock prices reflect all available information including political decisions.

The real return is probably more relevant for the stockholder. Therefore, the difference in real terms is computed. The inflation rate is slightly higher under Right governments (5.61 % versus 5.46 %).¹⁴ As a consequence, the difference between Left and Right governments is enhanced when measured in real terms. The total real return is 4.40% under the Left versus only 0.11% under Right governments.

Another relevant measure is the excess return. It is measured as the nominal total return minus the return of an asset which is hypothetically free of risk. The proxy for this risk-free asset is the short-term interest rate. The excess return is the compensation in terms of return provided as a counterpart to support the risk invested in stocks. This excess return avoids the problem of using inflation rates data which can contain large measurement errors when the inflation in question is higher than 50 % (such as between 1946 and 1948); especially when they are used to calculate monthly real returns using annual data only.

Similar to our results with the real return, the excess return is clearly larger under Left governments: 5.48% versus only 1.18% (see Table 2). The difference in excess returns is 4.3%. In the US, Santa-Clara and Valkanov (2003) found a difference of 9% in favor of the Democrats, but with a global average excess return that was higher in the US than in France.

A last important effect could be that caused by taxation. However, the impact of taxation is very difficult to take into account: rates and bases vary over time, the tax is often different for dividend or capital gains, and worse still, the tax rates depend on the individual situation. As a result most of financial studies neglect the fiscal impact. But, a correct measure of the tax effect would not change our result, since the return under Right governments is close to zero. Indeed, accepting the hypothesis that the tax level is higher under Left governments, it is better for an investor to pay a higher tax on a positive return than to pay a lower tax on a null return. Furthermore, the real tax level depends on the inflation rate. Indeed, the tax level is applied on the nominal return and then is paid even if the real return is negative. Since the inflation rate is higher under Right governments, this bias should also be higher under the Right.

¹⁴ This difference is not statistically significant.

3.3 The higher performance under a Left-wing government is not due to chance

When faced with such a counter intuitive a result, it is important to do a battery of robustness checks. The first check is to control whether the differences, observed between Left and Right, are statistically significant according to a Student t-test adjusted for heteroscedasticity: an equal average would mean that the coloration of the government is free of significant impact. The results of the t-tests show that the differences observed, between Left and Right, on stock price changes (capital gains), total return, real total return and excess return are statistically significant (both in arithmetic and in geometric mean). On the other hand, this difference is non-significant for the dividend yield.

The second control is another kind of bootstrap procedure, undertaken to measure the probability that chance explains the observed difference. Indeed, a difference, even significant according to a t-test, can be only the result of chance. For each of the performance series observed, 10,000 re-samples are taken. The 1,654 monthly observations are randomly attributed to Right or Left. Then, the difference of means is calculated for the 10,000 artificial combinations. The sum of random cases that exhibit a difference equal to, or higher than, the difference actually observed, is divided by 10,000 to calculate the probability that chance is the true explanation.

Contrasting with the prior bootstrap test (see 3.1), the re-sampling is performed while maintaining two main characteristics: the length of the government's tenure and the return series. First, we keep the length of the government's tenure unchanged: the number of political changes and the length of each government should remain constant. Secondly, since we will test cumulative performances and not only monthly variations, we need to respect the integrity of the series (i.e. no random re-sampling). Indeed, returns series could be characterized by some properties which could be broken down if monthly returns are randomly re-sampled.

To maintain these two characteristics, one series of returns is shifted by one month for each resample, whereas the series of government duration remains constant. As an example, for the first re-sampling, the return assigned to January

1871 is that observed in February 1871; therefore, all the series is shifted. The return assigned to December 2008 (last month of the study) is that of January 1871. The second re-sampling assigned to January 1871, the return observed in March 1871 and so on. 10,000 re-samplings are performed. Therefore, the series of 1,654 monthly returns observed “turn” several times since “only” 1,654 re-sampling series can be created in respect of the two conditions mentioned above.¹⁵

The probability that chance drives the actual difference is mentioned regardless of the direction of the difference. The number of cases divided by 10,000 are those of one random difference above the actually observed one whatever the direction. A more restrictive statistic would be derived by the measurement only of cases where the “random Left” out-performs the “random Right”. These cases are half as likely that the probabilities presented here, since we retain all cases of difference higher than the one observed (and not only the cases in favor of a random Left). This choice is motivated by the desire to simplify the presentation of the results. Indeed, in the case of one very weak difference that chance can easily be the explanation (see Table 6 for example), the percentage indicated by the bootstrap test is close to 100%. On the other hand, retaining only differences in the direction actually observed (in favor of the Left), the result of the bootstrap test cannot be higher than 50%; this 50% meaning that the chance can explained in 100% of the cases can bring confusion.

This method provides a strong test of the probability that chance is the explanation, without any hypothesis upon the nature of the distribution. For example, the geometric mean of real return is 4.64% (i.e., 464 basis points) higher under Left governments. Such a difference of 4.64% has 26.40% probability of being due only to chance. Such a difference of 4.61% *in favor of the Left* would have only half this probability (13.20%) of being due to chance. This probability, regardless of the direction of the difference, is reported in the “bootstrap test” line, the results of which are displayed in Table 2. This test shows that, despite a significant t-test (at the 1% level), chance cannot be totally excluded as an explanation. The relatively low probability of the “chance explanation” drives us to undertake additional investigations.

¹⁵ Despite that, 10,000 re-samples are performed to deal with a simple number.

Table 2 Performances of French stocks under Left and Right governments.

	Price changes			Dividend Yield			Total nominal return		
	L	R	L-R	L	R	L-R	L	R	L-R
standard deviation	16.49	18.36	-1.86	4.58	5.78	-1.20	16.38	18.39	-2.01
F-test (p-value)			0.00			0.00			0.00
F-test (signification)			diff.			diff.			diff.
arithmetic average	5.90	2.12	3.78	3.91	3.53	0.38	9.80	5.65	4.15
T-test (p-value)			0.00			13.77			0.00
T-test (signification)			diff.			=			diff.
bootstrap test			28.04			27.12			24.02
geometric average	4.54	0.44	4.10				8.45	3.97	4.47
T-test (p-value)			0.00						0.00
T-test (signification)			diff.						diff.
bootstrap test			24.58						20.52
nb. observations	810	844		810	844		810	844	
				Inflation rate			Real return		
				L	R	L-R	L	R	L-R
standard deviation				2.89	2.81	0.08	16.49	18.40	-1.91
F-test (p-value)						0.39			0.00
F-test (signification)						=			diff.
arithmetic average				5.46	5.63	-0.17	4.40	0.09	4.32
T-test (p-value)						28.89			0.00
T-test (signification)						=			diff.
bootstrap test						94.02			28.60
geometric average							3.05	-1.58	4.64
T-test (p-value)									0.00
T-test (signification)									diff.
bootstrap test									26.40
nb. observations				810	844		810	844	
				Short term rate			Excess return		
				L	R	L-R	L	R	L-R
standard deviation				0.93	0.79	0.13	16.51	18.42	-1.91
F-test (p-value)						0.00			0.00
F-test (signification)						diff.			diff.
arithmetic average				4.33	4.47	-0.14	5.48	1.18	4.29
T-test (p-value)						0.10			0.00
T-test (signification)						=			diff.
bootstrap test						62.08			23.18
geometric average							4.12	-0.50	4.62
T-test (p-value)									0.00
T-test (signification)									diff.
bootstrap test									20.78
nb. observations				810	844		810	844	

3.4 Political investment strategies illustrate the stability of the difference

The large difference of stock returns under Left and Right governments can be illustrated by an investment strategy based upon the political situation. Two opposing strategies are thus constructed:

Strategy 1) To buy stocks when the Left governs and to invest at the short-term rate when it is the Right.

Strategy 2) To buy stocks when the Right governs and to invest at the short-term rate when it is the Left.

Figure 2 displays the two opposing strategies. The divergence begins during the 19th century but remains low. Between 1878 and 1921, Strategy 1 (stocks under the Left) provides a performance only slightly higher. In December 1920, the cumulate difference is about 36%. After 1941, Strategy 2 (stocks under the Right) over-performs, but only for a short period. During WWII,¹⁶ stocks reach a very artificial maximum in 1943. This rise is due to the giant monetary creation undertaken to pay for the German Occupation. As a result, all real assets, what stocks partially are, are a highly attractive investment in order to escape inflation. The end of the 20th century is clearly more favorable to the strategy which buys stocks under Left (Strategy 1).

The final result of these two strategies shows a dramatic divergence. Investing in Strategy 1 in 1871, the final value of the Strategy 1 (stocks under the Left) is 6,693 versus only 299 for Strategy 2 (stocks under the Right). These measures are in nominal terms; since the inflation rate is slightly higher under the Right, the gap would be greater in real terms.

¹⁶ The Right-wing coloration is assigned to this period of governance despite the fact that the Vichy regime (mainly known for its collaboration with the Nazis) was a very special case: the government, for a long time, was largely popular regardless of its political coloration, the huge role given to the state in the formulation of economic policy and several decisions in favor of the working classes.

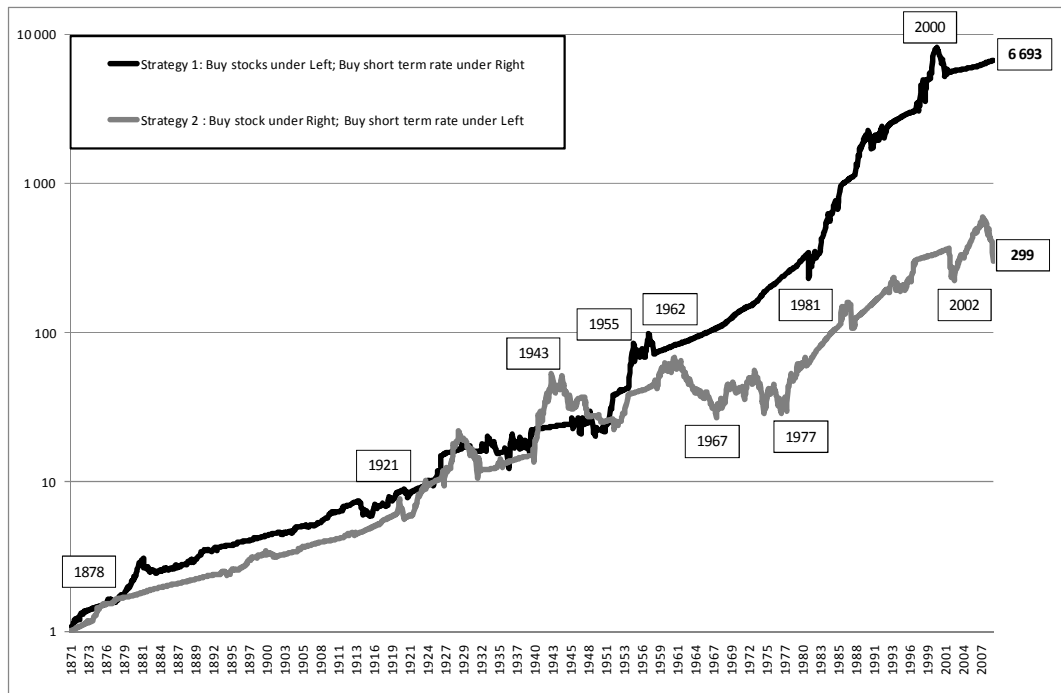


Fig. 2 Comparison of political investment strategies

4 Robustness tests for the level of risk and the macro-economic context

4.1 This higher return is not explained by higher risk

In Finance, risk is the common counterpart of returns. It is consistent to observe a higher return if the risk is also higher. The risk is commonly measured by the standard deviation of the returns. This potential explanation for the higher returns observed under Left governments can be rejected since the risk is higher under the Right. According to the F-test, the difference in risk is statistically significant (see Table 2) for all the measures of performance. In other words, the stock return is lower under the Right, whereas the risk supported by investors is higher. This higher risk leads to a stronger difference between Left and Right if we measure the compensation for the risk investors were exposed to and not only the observed returns.

The Sharpe ratio combines the returns and risk, giving a measure of the compensation for each unit of risk (see Appendix 1). As for the excess return, the observed total nominal return is minus by the short-term rate to provide the returns solely of the supported risk. Then, this return is divided by the supported

risk which is measured by the standard deviation of the total nominal returns. In this way, the poor performance under governments of the Right appears worse: the Sharpe ratio is 0.33 under Left and only 0.06 under the Right. As a consequence, the risk supported by stock-holders is, therefore, very poorly compensated under the Right.

4.2 The macroeconomic context partially explains the higher returns observed under the Left-wing governments

This higher return under the Left governments could simply be the result of a more favorable economic context. The coloration of the government could only be a "proxy" for overall economic activity. The stock returns are affected by changes in economic activity (Fama 1989; Campbell et al. 1997). If the coloration is correlated with the political business cycle, the correlation with stock market return can only be indirect (i.e. a proxy).

Different macroeconomic variables (available on a monthly basis) are known to partially predict stock prices: the dividend rate, the long-term interest rate, the inflation rate, the spread of terms on the rates (difference between long-term rate and short-term rate) and the relative short-term rate (the difference between the short-term rate and its moving average over the last twelve months). Cross-correlations exhibit a strong correlation between long-term rates and the term spread. Thus, the long-term rate is excluded because all information must be contained in the spread of terms variable.

Conversely, despite their strong correlation with the spread of terms and with inflation (negative correlation), the ratio D / P is maintained as it should contain different information. As a consequence, five variables are retained to control for the macroeconomic situation. Moreover, the goal of the following regression is to control for these variables, and not to identify explanatory variables (and, therefore, to seek significant results). For the same reason, the stationarity of variables is not relevant to the analysis; the regression can be fallacious because we do not look for significance in relationships.

Table 3 Variable Characteristics

	Exs return	LT rate	D/P	Term spread	Relat. ST rate	Inflation
Exs return	1					
LT rate	-0.00106	1				
D/P	0.07849	0.46304	1			
Term spread	0.00186	0.99918	0.46337	1		
Relat. ST rate	-0.04792	0.04289	-0.05007	0.02308	1	
Inflation	0.00854	0.07466	-0.22656	0.07543	0.08361	1
Average (annualized)	1.68%	5.30%	3.71%	4.94%	-0.01%	5.63%
Standard deviation (annualized)	17.56%	0.75%	0.44%	0.69%	0.27%	2.84%

The five macroeconomic variables used allow the stock returns to be decomposed into expected and unexpected parts. With a regression of macroeconomic variables on monthly returns (excess returns measured in logarithm) according to equation (1), we assume the expected return ($\alpha + \gamma' X_t$) to be the part of the return that is due to the macroeconomic context. The residual of the regression (u_{t+1}) is assigned to be the unexpected part.

$$r_{t+1} = \alpha + \gamma' X_t + u_{t+1} \quad (1)$$

Each month, the expected and unexpected parts are measured, and, then, attributed to either Left or Right governments according to whether the Left or the Right is in office during that month. However, the results of this analysis can, arguably, be criticized. In part, this is because the expected returns are only poorly captured by the macro-economic variables, with an R^2 of less than 0.1 (typical in this kind of exercise). Nevertheless, this test provides a useful indicator on account of the large number of months studied.¹⁷

The expected return under the Left is 2.56% and 0.98% under the Right. The unexpected return (the residual of the regression) is 1.56% under the Left and -1.48% under the Right. Finally, a global return of 4.12% is observed under governments of the Left and -0.50% under those of the Right. Thus, some aspect of the market's bad performance, observed when under Right governments, is due to a less favorable macroeconomic context. But, the unexpected part of the returns (that is not the result of the macroeconomic context) is best under Left rather than

¹⁷ See details of the regression in Appendix 2.

Right governments, with a difference of 304 basis points in favor of the Left. Two-thirds (3.04 / 4.62) of the global Left-Right difference is as a result of the unexpected returns, and, thus, only one third is as a result of the more favorable macro-economic environment experienced under the governance of the Left.

Tableau 4 Expected versus unexpected returns.

	Expected			Excess return			Observed		
	(I)			(II)			(I+II)		
	L	R	L-R	L	R	L-R	L	R	L-R
average (annualized)	2.56	0.98	1.58	1.56	-1.48	3.04	4.12	-0.50	4.62
standard-deviation (annualized)	1.72	1.91	-0.19	16.51	18.25	-1.75	16.51	18.42	-1.91
F-test (p-value)			0.14%			0.19%			0.08%
F-test (signification)			diff.			diff.			diff.
T-test (p-value)			0.00%			0.04%			0.00%
T-test (signification)			diff.			diff.			diff.

Observed returns are regressed via the forecasting variables: the fitted values of the regression are the expected returns (I) and the regression residuals are unexpected returns (II) attributed each month and to either the Left or the Right.

5 Can the market anticipations explain the over-performance under the Left?

5.1 Shocks before political coloration changes

Market reaction during the months preceding the coloration change is more consistent with common opinion. During the three months preceding the appointment of a Left government, stock prices fall by 7.44% (non-annualized) on average (Table 5).¹⁸ Conversely, when Right governments are set to replace the Left, the stock prices increase by 9.63% on average. This huge difference of 17.08% (1,708 basis points) of price variations (capital gains) is also observed on real returns and excess returns (1,567 and 1,683 basis points). In all cases, the difference is statistically robust. In addition, chance (line bootstrap test) has a very low probability of being the source of these differences.

It is important to note that this high return observed under the Left governments, just before the coloration change, is not inconsistent with the finding (presented in 3.1) that the market appreciates with all appointments.

¹⁸ According to a non-reported test, a length of three months provides the higher difference.

Indeed, with the increase during the month of the appointment of any new government, stock prices react to the end of the uncertainty that characterized the period preceding the fall of any government (as is predicted by the uncertain information theory of Brown et al. 1988). While here, the market gives one price, three months before the appointment, to a more or less business-friendly future government.

The huge difference in returns, observed during the three months prior to a coloration change, is consistent with the idea that a Right-wing government is more business friendly. The analytical strength of this difference implies that the market correctly forecasts the coloration of a future government. To summarize, a large discrepancy is observed over the three prior months (Table 5) but at the same time, the difference is weak during the month of actual governmental appointment (Table 1). In other words, the market reacts before the change of government, and, therefore, remains indifferent in respect to Left-Right political distinctions when the actual change occurs; the market only reacts to the end of uncertainty.

This finding is consistent with the theory of an efficient market that fully integrates all the available information, including the political equilibrium (Fama 1991). Indeed, it is reasonable to accept the idea that the market integrates the information of a political coloration change, since the change appears predictable. Political coloration changes are rarely unpredictable exogenous shocks. Consequently, financial market participants are partially able to integrate the news before the actual implementation.

Thus, a part of the higher return observed under the Left is due to the last three months, reflecting the forecast of a future Right government. Conversely, weak returns under the Right are partially explained by the three bad months preceding the arrival of the Left. This counter-effect likely explains some of the difference in favor of the Left as seen in Table 2.

Table 5 Stock performances during the last three months of Left and Right governments.

	Price changes			Dividend Yield			Total nominal return		
	L	R	L-R	L	R	L-R	L	R	L-R
standard deviation	17.33	15.82	1.51	4.68	4.62	0.06	17.71	15.69	2.02
F-test (p-value)			0.30			0.91			0.30
F-test (signification)			=			=			=
arithmetic average	9.63	-7.44	17.07	3.52	3.51	0.01	13.15	-3.93	17.08
T-test (p-value)			0.00			93.12			0.00
T-test (signification)			diff.			=			diff.
bootstrap test			9.18			59.30			9.54
geometric average	8.11	-8.69	16.80				11.62	-5.18	16.80
T-test (p-value)			0.00						0.00
T-test (signification)			diff.						diff.
bootstrap test			10.02						9.90
nb. observations	25	26		25	26		25	26	
				Inflation rate			Real return		
				L	R	L-R	L	R	L-R
standard deviation				4.04	3.47	0.57	18.01	15.89	2.11
F-test (p-value)						0.20			0.29
F-test (signification)						=			=
arithmetic average				7.23	5.85	1.38	6.05	-9.62	15.67
T-test (p-value)						2.73			0.00
T-test (signification)						diff.			diff.
bootstrap test						33.80			12.90
geometric average							4.54	-10.87	15.41
T-test (p-value)									0.00
T-test (signification)									diff.
bootstrap test									13.78
nb. observations				25	26		25	26	
				Short term rate			Excess return		
				L	R	L-R	L	R	L-R
standard deviation				0.69	0.66	0.03	17.28	15.83	1.45
F-test (p-value)						0.74			0.31
F-test (signification)						=			=
arithmetic average				3.82	3.57	0.25	9.33	-7.50	16.83
T-test (p-value)						0.00			0.00
T-test (signification)						diff.			diff.
bootstrap test						58.96			9.80
geometric average							7.80	-8.75	16.55
T-test (p-value)									0.00
T-test (signification)									diff.
bootstrap test									10.50
nb. observations				25	26		25	26	

5.2 The higher performance under the Left disappears after re-allocation of the last three months

According to the hypothesis that the market correctly anticipates the coloration of a new government three months before its appointment, it is appropriate to allocate the last three months of the Left to the Right, and vice versa. Thus, returns under Left and Right governments will not be measured according to the legal distinction (i.e. actual changes in government), but according to the date

when future coloration change can be predicted, and three months before legal changes seem reasonable. In this last test, we move the boundaries between Right and Left by three months.

The results obtained with a 3-month lag contrast with those previously discussed. Firstly, the differences in returns under the Left and the Right become very small (for example, the difference in real return decreases from 4.15 to 1.18%). Moreover, these differences are not statistically significant according to the t-test (with the exception of that measured on the real return in geometric mean). Finally, and most importantly, chance is likely to be the only explanation for the slight remaining premium of the Left. On price changes (capital gains), the difference in favor of the Left is found in 98.18% of cases in a random allocation (bootstrap test). Even for the performance measure for which the chance has the weakest probability to explain the difference observed (excess return measured by geometric mean), this probability is still very high (72.10%).

Certainly, the remaining, small, premium for the Left (which can easily be explained by chance) would completely disappear after controlling for macro-economic conditions. In contrast, the market "votes" three months before the results of an election.

Table 6 Performances of French stocks under Left and Right with a three-month lag

	Price changes			Dividend Yield			Total nominal return		
	L	R	L-R	L	R	L-R	L	R	L-R
standard deviation	16.42	18.45	-2.03	4.57	5.79	-1.22	16.26	18.52	-2.26
F-test (p-value)			0.00			0.00			0.04
F-test (signification)			diff			diff			diff
arithmetic average	4.14	3.79	0.35	3.90	3.54	0.37	8.04	7.32	0.72
T-test (p-value)			68.24			14.97			40.03
T-test (signification)			=			=			=
bootstrap test			98.18			31.18			89.38
geometric average	2.80	2.08	0.72				6.70	5.62	1.09
T-test (p-value)			40.39						0.00
T-test (signification)			=						diff.
bootstrap test			86.92						79.94
nb. observations	814	840		814	840		814	840	
				Inflation rate			Real return		
				L	R	L-R	L	R	L-R
standard deviation				2.82	2.87	-0.05	16.36	18.55	-2.19
F-test (p-value)						0.77			0.00
F-test (signification)						=			=
arithmetic average				5.31	5.77	-0.46	2.79	1.61	1.18
T-test (p-value)						0.11			17.10
T-test (signification)						=			=
bootstrap test						99.74			84.00
geometric average							1.46	-0.08	1.54
T-test (p-value)									7.34
T-test (signification)									=
bootstrap test									78.94
nb. observations				814	840		814	840	
				Short term rate			Excess return		
				L	R	L-R	L	R	L-R
standard deviation				0.93	0.79	0.13	16.43	18.51	-2.08
F-test (p-value)						0.00			0.00
F-test (signification)						diff.			diff.
arithmetic average				4.30	4.50	-0.20	3.74	2.82	0.92
T-test (p-value)						0.00			28.37
T-test (signification)						diff.			=
bootstrap test						85.80			83.00
geometric average							2.40	1.12	1.29
T-test (p-value)									13.46
T-test (signification)									=
bootstrap test									72.10
nb. observations				814	840		814	840	

6 Conclusion

Using data for France between 1871 and 2008, this article shows that the political factor affects the stock returns in two ways. First, stock price variations (capital gains) are three times higher during the months of governmental appointment

(regardless the coloration) than during other periods. This premium for political change is consistent with the hypothesis that political uncertainty is costly for investors. This large premium for new governments is significantly positive over the 130 years sample period.

Second, over the long run, stock returns are much higher under the Left than under the Right. Several alternative hypotheses are tested to explain this counter-intuitive observation. This higher return does not originate from a few exceptional episodes, it is not due to a higher risk, and bootstrap tests show that this finding is not due to chance. Once we control for the macroeconomic environment, this difference in returns is reduced by approximately one third, but still is on average more favorable under Left wing governments.

This counter intuitive observation can be explained accepting the market is able to anticipate changes in the political coloration of the governments about three months in advance. Indeed, stocks offer a higher return in the last three months of a Leftwing government when the market expects the appointment of a Right government; and vice versa, returns measured under the Right suffer three months before the appointment of a Left administration. To control for this effect, the transition between Left and Right is assumed to be known three months in advance. The boundaries between Left and Right are moved three months in advance to measure again the stock returns according to the coloration of the governments. With this new dating choice, the difference in favor of the Left largely disappears and becomes insignificant.

It appears that, at least, the Right does not generate better stock performance: it is unrealistic to expect greater economic success from a government that is considered to be more business-friendly.

Appendix 1: Formulas

$$\text{Dividend Yield} = \frac{\text{dividend}}{P_t} \quad (1)$$

$$\text{Price variation} = \frac{P_{t+1} - P_t}{P_t} \quad (2)$$

$$\text{Total nominal return} = \frac{\text{dividend} + P_t - P_t}{P_t} \quad (3)$$

$$\text{Total real return} = \frac{(\text{Total nominal return} + 1)}{(\text{Inflation rate} + 1)} - 1 \quad (4)$$

$$\text{Excess Return} = \text{Total nominal return} - \text{Short term rate} \quad (5)$$

$$\text{Sharpe} = \frac{\text{Total nominal return} - \text{Short term rate}}{\text{Standard deviation of total nominal return}} \quad (6)$$

Appendix 2: Regression of excess return on macro-economic variables

	<i>coefficients</i>	<i>standard error</i>	<i>T-stat</i>	<i>p-value</i>
Constant	-0.0078333	0.0037195	-2.1060017	3.54%
D/P	4.3474431	1.1555010	3.7623881	0.02%
term spread	-1.2992757	0.7250139	-1.7920701	7.33%
relative TSR	-2.8832229	1.5871535	-1.8165999	6.95%
Inflation	0.2508693	0.1584622	1.5831491	11.36%
R ²	0.0109490			
adjustedR ²	0.0085499			
Observations	1654			

Appendix 3: List of chief of government, party and Left/Right ranking

Start	End	Name	Party	L	R	Start	End	Name	Party	L	R
19/02/1871	24/05/1873	Jules-Armand Dufaure	Centre Gauche			29/07/1929	03/11/1929	Aristide Briand	Parti Républicain Socialiste		
24/05/1873	24/11/1873	Albert de Broglie	Centre Droit			03/11/1929	21/02/1930	André Tardieu	Alliance Démocratique		
26/11/1873	18/05/1874	Albert de Broglie	Centre Droit			21/02/1930	02/03/1930	Camille Chautemps	Parti Radical		
22/05/1874	10/03/1875	Ernest Courtot de Cissey	Centre Droit			02/03/1930	13/12/1930	André Tardieu	Alliance Démocratique		
10/03/1875	23/02/1876	Louis-Joseph Buffet	Centre Droit			13/12/1930	27/01/1931	Théodore Steeg	Parti Radical		
09/03/1876	12/12/1876	Jules-Armand Dufaure	Centre Gauche			27/01/1931	13/06/1931	Pierre Laval	non-inscrit		
12/12/1876	17/05/1877	Jules Simon	uche Républicain			13/06/1931	14/01/1932	Pierre Laval	non-inscrit		
17/05/1877	23/11/1877	Albert de Broglie	Centre Droit			14/01/1932	20/02/1932	Pierre Laval	non-inscrit		
23/11/1877	13/12/1877	G. de Grimaudet de Rochebouët				20/02/1932	10/05/1932	André Tardieu	Alliance Démocratique		
13/12/1877	04/02/1879	Jules-Armand Dufaure	Centre Gauche			10/05/1932	03/06/1932	André Tardieu	Alliance Démocratique		
04/02/1879	28/12/1879	William Henry Waddington	Centre Gauche			03/06/1932	17/12/1932	Édouard Herriot	Parti Radical		
28/12/1879	23/09/1880	Charles de Freycinet	uche Républicain			17/12/1932	30/01/1933	Joseph Paul-Boncour	Parti Républicain Socialiste		
23/09/1880	14/11/1881	Jules Ferry	uche Républicain			30/01/1933	24/10/1933	Édouard Daladier	Parti Radical		
14/11/1881	30/01/1882	Léon Gambetta	nion Républicain			26/10/1933	25/11/1933	Albert Sarraut	Parti Radical		
30/01/1882	07/08/1882	Charles de Freycinet	uche Républicain			25/11/1933	30/01/1934	Camille Chautemps	Parti Radical		
07/08/1882	29/01/1883	Charles Duclerc	uche Républicain			30/01/1934	09/02/1934	Édouard Daladier	Parti Radical		
29/01/1883	21/02/1883	Armand Fallières	nion Démocratique			09/02/1934	08/11/1934	Gaston Doumergue	Parti Radical		
21/02/1883	06/04/1885	Jules Ferry	nion Démocratique			08/11/1934	01/06/1935	Pierre-Étienne Flandin	Alliance Démocratique		
06/04/1885	07/01/1886	Henri Brisson	Gauche Radicale			07/06/1935	24/01/1936	Pierre Laval	non-inscrit		
07/01/1886	11/12/1886	Charles de Freycinet	uche Républicain			24/01/1936	04/06/1936	Albert Sarraut	Parti Radical		
11/12/1886	30/05/1887	René Goblet	nion des Gauches			04/06/1936	22/06/1937	Léon Blum	Section Française de l'Internationale Ouvrière		
30/05/1887	12/12/1887	Maurice Rouvier	nion des Gauches			22/06/1937	18/01/1938	Camille Chautemps	Parti Radical		
12/12/1887	03/04/1888	Pierre Tirard	nion des Gauches			18/01/1938	14/03/1938	Camille Chautemps	Parti Radical		
03/04/1888	22/02/1889	Charles Floquet	Gauche Radicale			14/03/1938	10/04/1938	Léon Blum	Section Française de l'Internationale Ouvrière		
22/02/1889	17/03/1890	Pierre Tirard	uche Républicain			10/04/1938	11/05/1939	Édouard Daladier	Parti Radical		
17/03/1890	27/02/1892	Charles de Freycinet	uche Républicain			11/05/1939	14/09/1939	Édouard Daladier	Parti Radical		
27/02/1892	06/12/1892	Émile Loubet	uche Républicain			14/09/1939	21/03/1940	Édouard Daladier	Parti Radical		
06/12/1892	11/01/1893	Alexandre Ribot	nion des Gauches			21/03/1940	07/06/1940	Paul Reynaud	Alliance Démocratique		
11/01/1893	04/04/1893	Alexandre Ribot	nion des Gauches			15/06/1940	12/07/1940	Philippe Pétain	-		
04/04/1893	03/12/1893	Charles Dupuy	. de Gouvernement			10/07/1940	13/12/1940	Pierre Laval			
03/12/1893	30/05/1894	Jean Casimir-Perier	. de Gouvernement			13/12/1940	09/02/1940	Pierre-Étienne Flandin			
30/05/1894	01/07/1894	Charles Dupuy	. de Gouvernement			09/02/1941	18/04/1942	François Darlan			
01/07/1894	26/01/1895	Charles Dupuy	. de Gouvernement			18/04/1942	19/08/1944	Pierre Laval			
26/01/1895	01/11/1895	Alexandre Ribot	. de Gouvernement			19/08/1944	26/01/1946	Charles de Gaulle	non-inscrit		
01/11/1895	29/04/1896	Léon Bourgeois	radical-Socialist			26/01/1946	24/06/1946	Félix Gouin	Section Française de l'Internationale Ouvrière		
29/04/1896	28/06/1898	Jules Méline	. de Gouvernement			24/06/1946	16/12/1946	Georges Bidault (par interim)	Mouvement Républicain Populaire		
28/06/1898	01/11/1898	Henri Brisson	uche Démocratique			16/12/1946	22/01/1947	Léon Blum	Section Française de l'Internationale Ouvrière		
01/11/1898	18/02/1899	Charles Dupuy	ép. Progressiste			22/01/1947	19/11/1947	Paul Ramadier	Section Française de l'Internationale Ouvrière		
18/02/1899	22/06/1899	Charles Dupuy	ép. Progressiste			24/11/1947	19/07/1948	Robert Schuman	Mouvement Républicain Populaire		
22/06/1899	07/06/1902	Pierre Waldeck-Rousseau	nion Républicain			26/07/1948	27/08/1948	André Marie	Parti Radical		
07/06/1902	24/01/1905	Émile Combes	Parti Radical			11/09/1948	05/10/1949	Henri Queuille	Parti Radical		
24/01/1905	18/02/1906	Maurice Rouvier	nion Républicain			28/10/1949	24/06/1950	Georges Bidault	Mouvement Républicain Populaire		
18/02/1906	14/03/1906	Maurice Rouvier	nion Républicain			12/07/1950	28/02/1951	René Pleven	Union Démocratique et Socialiste de la Résistance		
14/03/1906	25/10/1906	Ferdinand Sarrien	Parti Radical			10/03/1951	04/07/1951	Henri Queuille	Parti Radical		
25/10/1906	24/07/1909	Georges Clémenceau	Parti Radical			11/08/1951	07/01/1952	René Pleven	Union Démocratique et Socialiste de la Résistance		
24/07/1909	03/11/1910	Aristide Briand	Républicain Soc			20/01/1952	28/02/1952	Edgar Faure	Parti Radical		
03/11/1910	02/03/1911	Aristide Briand	Républicain Soc			08/03/1952	23/08/1952	Antoine Pinay	Centre National des Indépendants et Paysans		
02/03/1911	27/06/1911	Ernest Monis	Parti Radical			08/01/1953	21/05/1953	René Mayer	Parti Radical		
27/06/1911	14/01/1912	Joseph Caillaux	Parti Radical			27/06/1953	12/06/1954	Joseph Laniel	Centre National des Indépendants et Paysans		
14/01/1912	21/01/1913	Raymond Poincaré	iance Démocratique			18/06/1954	05/02/1955	Pierre Mendès France	Parti Radical		
21/01/1913	18/02/1913	Aristide Briand	Républicain Soc			01/02/1955	01/12/1955	Edgar Faure	Parti Radical		
18/02/1913	22/03/1913	Aristide Briand	Républicain Soc			01/12/1955	21/05/1957	Guy Mollet	Section Française de l'Internationale Ouvrière		
22/03/1913	09/12/1913	Louis Barthou	iance Démocratique			12/06/1957	30/09/1957	Maurice Bourgès-Maunoury	Parti Radical		
09/12/1913	09/06/1914	Gaston Doumergue	Parti Radical			06/11/1957	15/04/1958	Félix Guillard	Parti Radical		
13/06/1914	26/08/1914	René Viviani	Républicain Soc			13/05/1958	28/05/1958	Pierre Pflimlin	Mouvement Républicain Populaire		
26/08/1914	29/10/1915	René Viviani	Républicain Soc			01/06/1958	08/01/1959	Charles de Gaulle	Cailliste		
29/10/1915	12/12/1916	Aristide Briand	non-inscrit			08/01/1959	14/04/1962	Michel Debré	Union pour la Nouvelle République		
12/12/1916	20/03/1917	Aristide Briand	non-inscrit			14/04/1962	10/07/1968	Georges Pompidou	Union pour la Nouvelle République		
20/03/1917	12/09/1917	Alexandre Ribot	nion Républicain			10/07/1968	16/06/1969	Maurice Couve de Murville	Union pour la Défense de la République		
12/09/1917	16/11/1917	Paul Painlevé	Républicain Soc			20/06/1969	05/07/1972	Jacques Chaban-Delmas	Union pour la Défense de la République		
16/11/1917	20/01/1920	Georges Clemenceau	Parti Radical			07/07/1972	27/05/1974	Pierre Messmer	Union des Démocrates pour la République		
20/01/1920	18/02/1920	Alexandre Millerand	Républicaine Nat			28/05/1974	25/08/1976	Jacques Chirac	Union des Démocrates pour la République		
18/02/1920	24/09/1920	Alexandre Millerand	Républicaine Nat			27/08/1976	13/05/1981	Raymond Barre	non-inscrit		
24/09/1920	16/01/1921	Georges Leygues	iance Démocratique			22/05/1981	19/07/1984	Pierre Mauroy	Parti Socialiste		
16/01/1921	15/01/1922	Aristide Briand	Républicain Soc			23/07/1984	20/03/1986	Laurent Fabius	Parti Socialiste		
15/01/1922	29/03/1924	Raymond Poincaré	iance Démocratique			20/03/1986	30/04/1988	Jacques Chirac	Rassemblement pour la République		
29/03/1924	09/06/1924	Raymond Poincaré	iance Démocratique			22/05/1988	15/05/1991	Michel Rocard	Parti Socialiste		
14/06/1924	17/04/1925	Édouard Herriot	Parti Radical			15/05/1991	31/03/1992	Édith Cresson	Parti Socialiste		
17/04/1925	29/10/1925	Paul Painlevé	Républicain Soc			02/04/1992	28/03/1993	Pierre Bérégovoy	Parti Socialiste		
29/10/1925	28/11/1925	Paul Painlevé	Républicain Soc			29/03/1993	16/05/1995	Édouard Balladur	Rassemblement pour la République		
28/11/1925	09/03/1926	Aristide Briand	Républicain Soc			16/05/1995	02/06/1997	Alain Juppé	Rassemblement pour la République		
09/03/1926	23/06/1926	Aristide Briand	Républicain Soc			02/06/1997	06/05/2002	Lionel Jospin	Parti Socialiste		
23/06/1926	19/07/1926	Aristide Briand	Républicain Soc			06/05/2002	31/05/2005	Jean-Pierre Raffarin	Union pour un Mouvement Populaire		
23/07/1926	11/11/1928	Raymond Poincaré	iance Démocratique			02/06/2005	15/05/2007	Dominique de Villepin	Union pour un Mouvement Populaire		
11/11/1928	29/07/1929	Raymond Poincaré	iance Démocratique			15/05/2007		François Fillon	Union pour un Mouvement Populaire		

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