IMPACT OF MERGER AND ACQUISITION ANNOUNCEMENT ON STOCK RETURNS: EVIDENCE FROM PAKISTAN

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ABSTRACT: *This study examines a sample of 18 Merger and Acquisition announcements in Pakistan during the period of 2006-2014 and investigates the impact of M&A announcements on stock returns and trading volume of participative firms. Event study methodology is used to calculate the abnormal returns and the volatility of trading volume of 36 listed and publicly traded financial and non-financial around 11days 21days and 31days event window. Analysis indicates significant positive abnormal returns of bidding firms for all three event windows, while target firms earn significant positive abnormal return of 6.7% for 31 day event window. At the same time, for 11day and 21 day window I found insignificant positive abnormal returns for target firms. Further, this study also finds an insignificant increase in trading volume of target firms within 5 days after the announcement date. While trading volume of bidding firms shows drop line after the announcement date for all three event windows.*

Keywords: Merger and Acquisition announcements, abnormal returns, trading volume, event study, volatility.

INTRODUCTION:

Worldwide Business Environment has been changing speedily because of deviations in a Global Environment, where technological advancements have reformed the way of doing business. Every organization wishes to be identified in worthwhile and adopt distinct strategies to be competitive in the market. Firms who do not have enough financial resources to meet the requirements of growing markets, usually quit from the market or get merged/acquired by financially sound firms. In today's globalized environment, organizations think Merger and Acquisition (M&A) is the best tool to be competitive in the market**.** This strategy helps to intense their market share by broadening their portfolio, getting into the new markets or Geographical Zone, reducing costs and improving profitability, quick build of market presence, capitalization and other synergies. However, not every combination creates merit for the shareholders of participative firms.

Moeller et al [1] defines a M&A transaction as a deal in which two individual business entities that previously has separate ownerships combine together and operates as one firm after M&A deal. "**Merger**" is defined as a combination of two companies into a single entity [2] this is the viral tool used by organizations to expand their business operations in terms of size and profitability. The merger is separated into different types: Horizontal, Vertical, Conglomerate and Concentric Merger. An **Acquisition** involves the purchase of one entity by another in which no new company is formed and the acquired entity continues to operate under the control of the acquirer. It is also known as takeover [2]. It could be the purchase of an asset, a division or an entire company. It may be friendly or hostile and usually refers to a purchase of a small firm by a larger one [3].

Merger and Acquisition transactions have not fully developed in Pakistan as it is developed globally. The main reason is the involvement of government through nationalization, which depressed the private corporate sector in Pakistan. According to information available at Karachi Stock Exchange (KSE), the total deals are very low in numbers as compared to developed countries. Hype was created in the year 2004, which is the result of the State Bank of Pakistan's (SBP) regulatory policies as in response of circular No.05 that requires to maintain a specific amount of paid up capital and general reserves. In response of this policy, several financial institutions get merged or acquired by the large banks because they could not meet the requirement.

This study investigates the stock price reaction to the M&A announcement of financial and nonfinancial Pakistan firms during 2006-2015. To measure the effect of an announcement on shareholder return, event study methodology is used given by [4] on three different event windows. I compute abnormal return, average abnormal return and cumulative abnormal return over 11 day, 21 day and 31 day event window around M&A announcements. To test the significance of the results, I apply independent sample t-test via using SPSS software.

LITERATURE:

Effects of Merger and Acquisition are so insightful that it directly affects the stock prices of both participative firms, but in different manners [5]. As M&A is a vigorous approach for the organizations to enter into new markets [6]. According to the first school of study about M&A announcement, it is evident that the market responds positively to the merger news [7]. Martynova and Renneboog [8] said the approach of shareholder wealth effect is based on the assumption that M&A announcements brings new information to the investors about the firm's prospects that reflects the share prices. Studies demonstrate that mergers create value for the shareholders, specifically to the target company [9]. According to [10], evidence indicates positive gains against the corporate takeovers. The shareholders of target firms benefited from the corporate takeovers while bidders do not lose. According to [11] M&A lay a positive impact on numerous financial parameters such as, Return on Investment (ROI), Profit Ratios, EBIT, and interest ratios.

In general, it is observed that there is an abundant deal of attention when the merger occurs in practice. Extensive research has been conducted for the merger waves and there is a worthy synopsis of the use of event studies in order to assess the effects of the merger on profit efficiency [12]. Putler [13] conceals the use of event studies for mergers and acquisitions. Serra [14] defines an event study approach as econometric technique, used to estimate the impact of an event in a particular period. This method is useful to determine whether there is an abnormal stock price effect in response to an unanticipated event, which helps to assess the significance of an event [15]. This approach is becoming popular in management literature because of its wide applicability, as this model provides a simple means to evaluate different strategic and informational events [16]. Mackinlay [17] did an in depth research about the event study methodology and said, event studies have a long history that is first introduced by James Dolley. Binder [18] said event study methodology has become a standard method to examine the stock price response to some event and frequently used to test market efficiency [4]. The objective of event study is to assess whether there is any abnormal return or excess return earned by shareholders in response of any specific event [19].

By initiating the emphasis at worldwide phase, there is a widespread work for the UK and US market on this particular issue. There is a considerable amount of indication that stakeholders of the participative firms comprehend on usual massive capital gains from M&A transactions. Nevertheless, the evidence on the response of the bidder firm's share price is uncertain and surely it depends on the connected merger wave [20]. They mention that shareholders of target firms realize large capital gains from corporate takeovers while the profitability of bidders firm is mixed. Georgen and Renneboog [21] conducted an in-depth research about the effects on shareholder capital of the fifth M&A wave and discovered highly substantial abnormal returns for unlike event windows. Lang, Stulz and Walkling [22] determined the positive cumulative abnormal return (CAR) of 40.3% of the US-market for 11 day event window through the 3rd takeover wave. Similarly, [23] derived CAR about 13.74% within the US - market for 11 day event window during third wave. 16.48% of CAR was found for a five day event window during the third wave from the announcement of French companies [24]. While discussing about the 4th takeover wave from 80's, positive CAR of 22.51% was observed on US-market for a 3 day event window that started one day before the M&A announcement [25]. [26] conduct their research on the fifth era which boost the banking sector around the world and explore the cost/profit efficiency impact of both pre and post-merger period of all Pakistan banks during 1998- 2006. Lowinski et al [27] conduct research on the Swiss market by using the data from 1999-2001 and conclude the significant positive cumulative abnormal return for small event windows. Andrade et al [9] played a vital role towards the short-window event study. They studied 4,256 merger and acquisition transactions where both participative firms are publicly traded and listed on the New York Stock Exchange, American Stock Exchange and NASDAQ and observe insignificant negative abnormal returns for acquiring firms.

Dilshad [28] studied profitability analysis of 18 European banks from year 2001-2010. The study analyzes the effect of bank merger announcements on stock prices of targets and acquirers by using event study methodology and conclude that the acquiring firm's abnormal return is short lived and target banks earned abnormal returns on the announcement date. Sebouh Aintablian [29] examines the mergers of Canadian financial institutions during 1990's and found significant positive average abnormal return for both firms. By using the data of Asian markets, Anson Wong [30] use market model to calculate the shareholder returns and results indicate that information about corporate takeover considered being good news for the shareholders of the bidding firms. Arun Kumar Gopalaswamy [31] studied stock price reaction of 25 participative firms during the period 2000-2007. They found an uptrend in CAAR for the entire sample before the announcement date.

Usman and Obaidullah [32] studied Atlas Investment and Al-Faysal Investment Bank Ltd from Pakistan's financial institutions for the analysis of Pre and Post M&A financial performances using accounting ratios and further interpret that after the merger, firms performed well in terms of liquidity, efficiency and profitability. Arora P. S. [33] studied about the post effect of the M&A announcement on stock price of targeted and bidding firms in Asia-Pacific region by using the 2, 5, 7 and 10 days before and after the announcement date and conclude that bidding firms do not create any abnormal return as a result of the M&A announcement while target firms. Paul M. Healy [34] uses 50 largest acquisitions during the period of 1979-1983 by using accounting measures to test the post-merger operating performance and conclude with the strong positive relationship between operating cash flows and abnormal stock returns at merger announcements. Qamar Abbas A. I. [35] evaluate financial performance of 10 Pakistan banks after merger and acquisitions by using ratio analysis and ends up with the conclusion that M&A did not perform well in Pakistan. Kouser & Saba [36] also found that the financial performance of commercial banks in Pakistan decline after merger and acquisition. Kemal [37] investigates the merger of RBS and ABN AMRO bank to find the profitability of RBS after merger deal. He concludes that RBS merger is a failure in banking history because out of 20 ratios only 6 ratios result in a better score after the merger. Ahmed [38] investigated the effect of M & A on the liquidity, profitability, efficiency and capital performance of Pakistani manufacturing firms going through the mergers. The results indicate that the financial performance of acquiring firms insignificantly improved after the merger. Muneesh Kumar [39] studied the impact of M&A announcements on share prices, volatility and liquidity of Indian banks. Event study methodology was used to examine 13 bidder banks and found mixed results on the stock returns of bidder banks while limited impact of volatility in share prices was found.

Although the effect of Merger and Acquisition on the firm's performance has drawn large attention in Pakistan, relatively few studies on this literature could be found. Some of the studies use ratio analysis to measure performance [40], [41] and fewer use stock returns as profitability measures [42]. Therefore, there is a need to research further on the scenario of stock movements because stock movements can best express the response of news announcements.

HYPOTHESIS:

In the review of prior research some of following research questions has been formulated:

- To what extent public announcements affect shareholder value of the participative firms in Pakistan?

- Do stock prices of participative firms show an abnormal return around the event window in the context of the Pakistan stock market?

To answer the above mentioned questions I develop following hypothesis.

Hypothesis 1: *Merger and acquisition public announcements create a significant abnormal return to the shareholders of the targeted firm around the pre-post event window.*

Hypothesis 2: *Merger and acquisition public announcements create a significant abnormal return to the shareholders of the bidding firm around the pre-post event window.*

Hypothesis 3: *Shareholders of the target firm enjoy higher significant abnormal returns in contrast to acquirer's shareholders.*

Hypothesis 4: *Merger and acquisition announcements create a significant impact on trading volume of participative firms.*

MATERIAL AND METHODS:

The key assumption of efficient market theory is that the market is efficient and all available information reflects the prices of different securities [43]. In this research, I use daily stock prices to examine the stock price movements in response to the M&A announcement by using event study methodology defines by [17]. The event window used in this study includes some days prior and after the event date to analyze the broader view of shareholder response around the announcement date. I use three different event windows ranging from (+5,-5), (+10,-10) and (+15,-15) where the event is, when an organization makes official announcement in Stock Exchange regarding the intentions to buy another firm. According to Armitage [44] rule of thumb, in this study estimation window expands to 110 trading days before the event date to calculate α and β.

Change in price is called abnormal return and calculated by the difference between actual returns and predictive returns [45]. As [46], [17] and [44] I use abnormal stock returns to measure the impact of merger and acquisition announcements on stock prices of participative firms. Different methods have been suggested in prior researches to calculate abnormal returns like; Constant Mean Return Model (mean adjusted), economic and statistical model, Market Model [47], [48], [46], Capital Asset Pricing Model [17], and Constant Mean Return Model (Market-adjusted) [19]. In this research I use market model to test the abnormal return of participative firms around M&A announcement. Alexander et al [49] define a market model for estimating normal return in the following way:

Equation 1: $E\ (\boldsymbol{R_i}) = \boldsymbol{\alpha} + \boldsymbol{\beta R_m} + \boldsymbol{\varepsilon}$

Where,

E (R_i) = the expected return on security *i* for some given period

.

R_m = the market return for any given period

α = intercept term

β = slope term

ε = random error

As abnormal return is the difference between the actual return and estimated expected return.

Equation 2: $\boldsymbol{AR_{it} = R_{it} - (\hat{\alpha} + \hat{\beta}_i R_{mt})}$

Where α and β are the parameters of market model and marked with a cap, indicating that these are the estimations. AndAR_{it}, represents the abnormal return of the stock i on day t.

To justify that the measured outcomes are not just one-time effects, abnormal returns are aggregated across different event windows. By using the following method:

Equation 3: $\boldsymbol{\overline{AR}_t = \frac{1}{N}\sum_{i=1}^{N} AR_{\ it}}$

Cumulative abnormal return (CAR) cumulates abnormal return over a specified period around the event date. To examine the aggregate return over the event window, the cumulative abnormal return is calculated by following equation:

Equation 4: $\boldsymbol{CAR_{t1,t2} = \sum_{i=t1}^{t2} AR_t}$

$CAR_{t1,t2}$ = Cumulative Abnormal Return over the period t1-t2.

To test the significance of the computed abnormal returns that whether the returns are different from zero, this paper applies the t-test at 5%. As per Berry, Gallinger and Henderson [50] this is an appropriate instrument for event studies. Brow and Warner [46] said that t-test is a valid test that can be applied in an event study to measure the significance of the results.

This study considers all available M&A deals taken place in the Pakistan Stock Market during 2007-2014, whether they are successful or not. Statistics regarding Merger and Acquisition in Pakistan are available on the web site of KSE, but not all the firms operating in Pakistan listed on the KSE. Table 1 defines the sample of bidding and target firms used in this study, filtered by using the following criteria:

- Only consider companies listed on KSE.
- Companies whose common stocks traded in the KSE.
- Companies whose stock price data is available during the year 2006-2015.
- Only those deals considered who made a public announcement in KSE regarding M&A proposal.

This study is based on secondary data which is obtained from the official website of KSE and Pakistan Stock Exchange. Daily stock prices and daily trading volume of participative firms are collected from the website of KSE. The data on daily market prices are collected from the website of Yahoo Finance

RESULTS AND DISCUSSION:

On average bidding firms result negative abnormal return on the event day (-0.367%). When we test the abnormal return around pre and post window we comes up with the positive results. On ± 5 day window the average abnormal return of 18 bidders increases to 0.162%, which indicate that announcement creates positive impact on the bidding firm's shareholder return. When we expand the window to ±10 and ± 15 days it concludes the positive results as well. On ±10 day window on average bidding firm's abnormal return is 0.2623%, which is greater than ±5 day window. Computation of abnormal return around ± 15 window concluded a positive abnormal return of 0.212%, which is slightly lower than ±10 day window but it is positive. These results indicate that there is a positive impact of M&A announcements on stock returns of bidding firms.

Table 1: List of Bidding and Target firms and date of announcements

Sr. No	Bidding Firms	Symbol	Date of announcement	Target Firms	Symbol
1	Faysal Bank Limited	FABL	06-Aug-10	Royal Bank Ltd	RBS
2	Fauji Fertilizer	FFC	19-Oct-12	Askari Bank Limited	AKBL
3	JS Bank Limited	JSBL	02-Oct-12	JS Investments Limited	JSIL
4	Pakistan State Oil Company Ltd.	PSO	30-Nov-10	Pak Refinery ltd	PRL
5	JS Bank Limited	JSBL	14-Mar-11	JS Global Capital Limited	JSGCL
6	Fauji Fertilizer Bin Qasim	FFBL	26-Mar-15	Noon Pak	NOPK
7	Nishat Mills	NML	11-Jun-12	ICI Pakistan	ICI
8	ICI Pakistan	ICI	12-Jun-12	Lucky Cement	LUCK
9	Bestway Cement	BWCL	06-May-14	Lafarge Pakistan Cement	LPCL
10	IGI Insurance Limited	IGIIL	25-Sep-12	American Life Insurance	ALICO
11	EFU Life Insurance	EFUL	02-Nov-12	American Life Insurance	ALICO
12	Muslim Commercial Bank	MCB	12-Aug-09	Royal Bank Ltd	RBS
13	NIB Bank Limited	NIB	25-May-07	PICIC Commercial Bank	PICIC
14	Askari Bank Limited	AKBL	23-Jun-09	My Bank	MYBL
15	Saritow Spinning Mills ltd	SSML	15-Mar-11	Azam Textile Mills ltd	AZAMT
16	Askari Bank Limited	AKBL	23-Jun-09	Askari leasing	ASKL
17	Habib Bank Ltd.	HBL	22-Mar-11	New Jubilee Insurance	NJICL
18	Dawood Hercules	DAWH	29-Mar-12	Hub Power	HUBC

On event date the average abnormal return of all target firms is positive with the value of 1.3113%. That means on the announcement date shareholders of the target firms were enjoying positive abnormal return. On ± 5 day widow there is a positive average abnormal return of 0.702%, which is quite lower than that of the returns of event day. When we expand the window to ± 10 and 15 days we get positive average abnormal returns for most of the firms with slightly lower value compared with ±5 day window.

Results reveal that, the average positive abnormal return of bidder's increases with the length of the event window. The AAR is 0.091% of the ± 5 day window and it is increased to 0.185% at ± 15 day window. The cumulative abnormal return is also increasing with the length of the event window that means the impact of the announcement on the returns of shareholders is intense for the larger window. These results clearly accept the hypothesis one that states, shareholders of bidding firms earn a significant abnormal return as each window shows significant t-value at 1% significance level - table 2 This shows that M&A announcements create significant impact on shareholder return of the bidding firms, as it supports the global findings of Arun Kumar Gopalaswamy [31], A. Bashir [51] also experience increase in acquirer's value during the 11 day window. Nick von Gersdorff [52] concluded an increase in stock returns of acquiring firms till day 30 after the announcement day. Dilshad [28] shows the upward trend of acquiring firm's significant return around day 16. These findings are also in contrast to the research of [53,54]. BENDAŞ [55] also not found significant results for acquiring firms around ±5 and ±2 day event window.

Table 2: AAR, CAR and t-values of bidding firms for three event windows

Bidders	± 5 day window	± 10 day window	± 15 day window
AAR	0.0009199	0.002209	0.001853
CAR	0.0101194	0.046397	0.057431
t-value	3.033317*	4.482651*	4.088331*

*significance at 1 %

For target firms, at ± 5 day window the average abnormal return is 0.75% and declines to 0.22% with the increase of the event window at ± 15 days. However, the abnormal return of 18 target firms is not significant for all three event windows. At ± 15 day window the average abnormal return 0.22% is significant as its p-value is below 0.01. These results indicate that in Pakistan scenario, significant impact of the M&A announcement on target firms is for larger event windows. - table 3 Thus we can conclude that M&A announcements create significant abnormal returns for longer windows. These results are consistent with the research of Carmelo Intrisano [56], while Dilshad [28] said target banks experience significant abnormal return on the day of the announcement and performance of target banks did not improve after the announcement. Akben-Selcuk [57] conclude significant positive abnormal return for ±1, ±2, ±5 and ±10 day window around the acquisition announcement.

Below mention table 4 explain some descriptive statistics in result of competitive analysis between the returns of both parties. After analyzing 5 days prior and after the announcement date, there is no significant difference of average abnormal return between involved parties. The average abnormal return of ± 5 days is negative 0.531% with the p-value of above 0.05 and for ± 10 days there is a positive difference of average abnormal return of the target firm with the p-value 0.125 which is not significant at a decent level. By expanding the event window to ± 15 days e get an average abnormal return of 0.024%, which is slightly lower. However, its t-value is significant at 5 percent, which indicate a significant difference of abnormal return.

In response to above hypothesis, which states that shareholders of the target firm enjoy higher total abnormal return, this research accepts this hypothesis at ± 15 day window. As according to the findings of hypothesis two, it is clear that target firms did not get significant abnormal return at short window, while we found significant results for extended window.

Table 3: AAR, CAR and t-values of target firms for three event windows

Target	± 5 day window	± 10 day window	± 15 day window
AAR	0.0074841	0.002519	0.002182
CAR	0.0823256	0.052898	0.067639
t-value	-0.734836	1.140861	3.614350*

*significance at 1% level

**significance at 5 %

Table 4: Comparative AAR and t-values for three event windows

	DAY ± 5	DAY ± 10	DAY ± 15
AAR	-0.00531	0.000633	0.000236
Mean Difference	0.003747	0.005776	0.006519
t-value	0.692493	1.539882	2.128291**

Figure 1 demonstrates the movement of trading volume for 15 days, 10 days and 5 days before and after the announcement date. I found decreasing trend in trading volume of 18 target firms near the announcement date, while 11 days before the event there are a maximum number of target firm stocks traded in the market. This decline in trading volume before the event shows the effect of rumors about M&A deal and upsurge immediately after the announcement date and it remains for two days after the event as [58] and [59]. This movement of stocks indicates that the M&A announcements create an immediate impact on trading volume of target firms for two days after the announcement. As below table 5 indicate a negative mean difference for ± 10 and ±15 day window. These results illustrate that there is no significant impact of the M&A announcement on stock trading volume of 18 target firms after the event date.

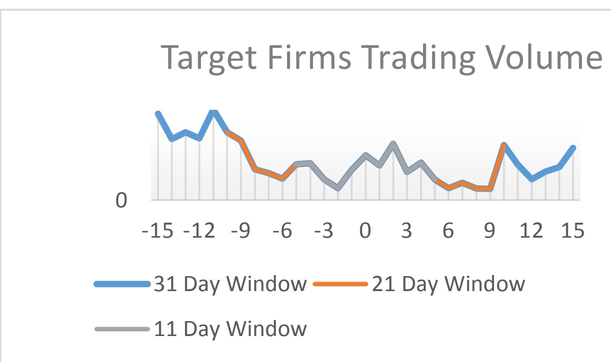

Figure 1: Trading volume of Target firms around three event windows

Figure 2 depicts the decline in stock trading volume of 18 bidding firms after the announcement date. I examine a maximum number of stocks traded on the 8th day before the event and this goes decline near to the event day. I found a bit increase in bidders trading volume within two days after the event and it declines afterward. Whether, I found a slight increase in trading activity for 6th, 9th and 13th day after the announcement date. As table 6 indicates that for each event window there is a negative mean difference between trading volume before and after the event. While this mean difference is significant for ±10 days and ± 15 days at 10 percent and 5 percent level of significance respectively. Therefore, we can conclude the significant decrease in trading volume of bidding firms in response to M&A announcement.

CONCLUSION AND RECOMMENDATION:

In this study, I examine the impact of the M&A announcement on stock returns of participative firms. By using event study methodology for three event windows, I analyze 36 publicly traded financial and non-financial firms of Pakistan who made M&A announcements during 2006-2015. This research conclude that bidding firms receive a positive and significant abnormal return for (+15,-15) days (+10,-10) days and (+5,-5) days window. Cumulative Abnormal Return of 18 bidding firms increases to 5.7 % for ±15 day window. I also find a positive increase in average abnormal return of all bidders with the length of the event window. The significance of these results indicates that the findings have 99 percent probability of being true. These findings are quite similar to the international literature of M&A announcement's impact on bidding firms, but are opposed to the results of Pakistan base literature.

The outcomes of target firms are in contrast with beforehand studies regarding the stock returns of target firms in response of M&A announcements. I found a positive cumulative abnormal return for all three event **windows. While near to** the announcement date, target firms earn a higher cumulative abnormal return of 8.2 %, which is greater than the return of bidding firms. The average abnormal return goes decline with the length of the event window. However the abnormal returns of target firms are positive for all three windows, but only significant for a 31 day window. These findings uncover some particular behavior of target firms in Pakistan market.

Table 5: Target firms Avg. Volume, mean difference and t-values for all event windows

Target	Avg. Volume	Mean Value		t-value
		Before	After	
±15 Day	1717101	2094342.8	1339858.4	-2.249**
±10 Day	1383843	1510554.8	1257131.9	-0.738
±5Day	1382538	1194842.6	1570233	1.101

**significance at 5 %

Table 6: Bidding firms Avg. Volume, mean difference and t-values for all event windows

Bidder	Avg. Volume	Mean Value		t-value
		Before	After	
±15 Day	943642.2	1099804.13	787480.2	-2.459**
±10 Day	964533.6	1111535.1	817532	-.936***
±5 Day	840188.8	870008.4	810369.2	-0.441

**' ***significance at 5, 10 %

Although the estimates of 11 days and the 21 day window are positive that indicates an increase in abnormal return after the announcements, but they are not reliable because these estimates are not significant. Therefore, we cannot claim that the target firm's shareholders earn significant positive abnormal return in response of M&A announcements.

The significant variations in trading volume of target firms are found for 31 day event window while the positive mean difference is shown in a 11 day window. This indicates that there is a significant decrease in trading volume of target firms after 15 days of announcement. While there is a spike in trading volume after the announcement date and remains for two days. Bidding firms experience significant variation in trading volume for 21 day and 31 day window while mean values of the trading volume is lower after the announcement date. This indicates a significant decline in trading volume of bidding firms in response to M&A announcement.

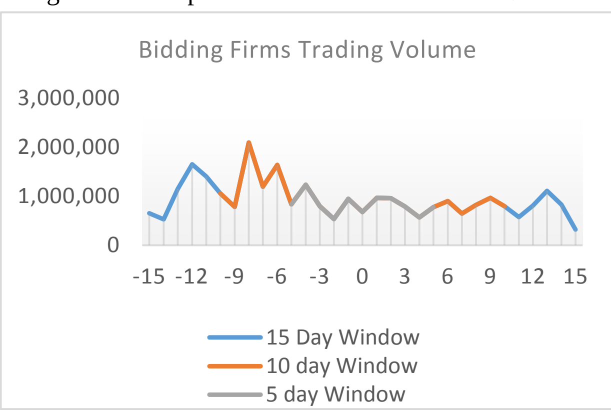

Figure 2: Trading volume of Bidding firms around three event windows

Finally, the findings of this thesis are not in line with the existing Pakistan based literature because researchers do not find any positive improvement in financial performance of participative firms after the M&A. However, I found positive abnormal returns for both participative firms which indicate that Pakistan Stock Market is efficient.

This research investigates few questions regarding shareholder wealth effect and M&A announcements, but there are some issues that could need to be considered for insight analysis. International literature on stock price dynamic in response of M&A announcements practice multivariate frameworks. Other than using market model, event study could be implemented by using other models For measuring normal returns as [17] describes in his research. Use of new model could alter the results or might support the findings of this research. These results can be improved by investigating comprehensive information about the characteristics of transaction that either the transaction will be executed on a cash / stock, the transactions are friendly or hostile etc. This study examines short term shareholder wealth effect of participative firms by using the sample of 18 transactions and there is rare research about the long term study to focus on Pakistan market. While the literature relevant to this study is also insufficient for Pakistan market. Therefore, I recommend to analyze the impact of M&A impact on Pakistan Stock Market for longer event windows as this is an important area of finance.

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