

Appendix A. Descriptive Statistics and Variable Definitions

Table A1. Comparing our data to Brooks and Del Negro (2004a) and the S&P factbook (2001)

This table shows by country and by Datastream International level 3 industry the number of stocks, the market capitalization in billions of U.S. dollars, and the capitalization share in percent of the sample total as of December 2000 for the balanced panel used in this paper, for the full sample of Brooks and Del Negro (2004a), and the S&P Stock Market 2001 Factbook.

	Balanced Sample			Brooks and Del Negro (forthcoming)			S&P Stock Market Factbook 2001		
	No. of Firms	Mkt Cap (Bill. USD)	Share (%)	No. of Firms	Mkt Cap (Bill. USD)	Share (%)	No. of Firms	Mkt Cap (Bill. USD)	Share (%)
World	1239	11187328	100.00	8969	31486	100.00	37188	31852	100.00
United States	376	6671900	59.64	1309	15577	49.47	7524	15104	47.42
United Kingdom	150	808743	7.23	986	3114	9.89	1904	2577	8.09
France	14	187281	1.67	363	1438	4.57	808	1447	4.54
Germany	25	315951	2.82	404	1043	3.31	1022	1270	3.99
Italy	8	81593	0.73	219	750	2.38	291	768	2.41
Japan	467	1974602	17.65	1189	3052	9.69	2561	3157	9.91
Canada	57	358991	3.21	424	792	2.52	3977	841	2.64
Australia	26	143472	1.28	207	323	1.02	1330	373	1.17
Austria	4	3141	0.03	82	33	0.11	97	30	0.09
Belgium	6	15486	0.14	127	131	0.41	174	182	0.57
Denmark	9	19090	0.17	109	116	0.37	225	108	0.34
Hong Kong	21	88806	0.79	208	669	2.13	779	623	1.96
Ireland	10	31546	0.28	79	81	0.26	76	82	0.26
Netherlands	8	199974	1.79	183	688	2.18	234	640	2.01
Norway	5	16862	0.15	103	69	0.22	191	65	0.20
Sweden	11	46761	0.42	145	305	0.97	292	328	1.03
Switzerland	7	167945	1.50	185	830	2.64	252	792	2.49
Korea	0	0	0.00	168	136	0.43	1308	172	0.54
Malaysia	8	6641	0.06	168	97	0.31	795	117	0.37
Singapore	14	27467	0.25	164	164	0.52	418	153	0.48
South Africa	13	21074	0.19	189	153	0.49	616	205	0.64
Philippines	0	0	0.00	71	24	0.08	230	52	0.16
Luxembourg	0	0	0.00	31	41	0.13	54	34	0.11
New Zealand	0	0	0.00	69	23	0.07	144	19	0.06
Spain	0	0	0.00	135	387	1.23	1019	504	1.58
Finland	0	0	0.00	106	250	0.79	154	294	0.92
Thailand	0	0	0.00	78	29	0.09	381	29	0.09
Taiwan	0	0	0.00	165	270	0.86	531	248	0.78
Argentina	0	0	0.00	73	51	0.16	127	166	0.52
Greece	0	0	0.00	109	86	0.27	329	111	0.35
Mexico	0	0	0.00	117	106	0.34	179	125	0.39
Portugal	0	0	0.00	59	76	0.24	109	61	0.19
Turkey	0	0	0.00	72	223	0.71	315	70	0.22
Chile	0	0	0.00	92	54	0.17	258	60	0.19
Brazil	0	0	0.00	189	102	0.32	459	226	0.71
India	0	0	0.00	153	110	0.35	5937	148	0.46
Indonesia	0	0	0.00	77	6	0.02	290	27	0.08
China	0	0	0.00	152	48	0.15	1086	581	1.82
Peru	0	0	0.00	60	4	0.01	230	11	0.03
Poland	0	0	0.00	60	18	0.06	225	31	0.10
Colombia	0	0	0.00	31	3	0.01	126	10	0.03
Czech Republic	0	0	0.00	59	13	0.04	131	11	0.03
Basic Industries	210	664141	5.94	1059	1254	3.98			
General Industries	217	1620263	14.48	1140	2838	9.01			
Cyclical Consumer Goods	87	472653	4.22	457	853	2.71			
Non-Cyclical Consumer Goods	162	2784319	24.89	990	4558	14.48			
Cyclical Services	203	1346887	12.04	1455	3724	11.83			
Non-Cyclical Services	29	701701	6.27	376	2891	9.18			
Utilities	69	434491	3.88	345	1107	3.52			
Information Technology	58	1167270	10.43	815	4933	15.67			
Financials	151	1298311	11.61	1925	7414	23.55			
Resource Industries	53	697292	6.23	407	1915	6.08			

Table AII. Excess returns in our balanced data and Brooks and Del Negro (2004a): Descriptive statistics for equal-weighted excess return across stocks (in % per month)

This table shows the mean and standard deviation of the equal-weighted excess return across all stocks in our balanced sample. It shows the same descriptive statistics for the dataset by Brooks and Del Negro (2004a). The comparison shows that our sample is comparable to the original data in terms of the means and standard deviations of international excess returns. In particular, there is little indication of a systematic bias in the standard deviation of excess returns, which is important because we focus on return variability and comovement.

	Balanced Sample	Brooks and Del Negro (2004a)
Time-Series Mean	0.30	0.30
Standard Deviation	4.38	4.32

Table AIII. Worldscope variable definitions

This table gives the definitions of the Worldscope variables used in this paper. These definitions are taken from the Worldscope definitions guide.

Variable	Worldscope Code	Definition
Total Sales in U.S. Dollars	Sales USD	Net sales or revenues of a company converted to U.S. dollars using the fiscal year end exchange rate.
International Sales	Foreign Sales Pct Sales	Sales generated by operations in foreign countries in percent of total sales (omits export sales).
International Assets	Foreign Assets Pct Total Assets	Total or identifiable assets of foreign operations before adjustments and eliminations, in percent of total assets.
International Income	Foreign Income Pct Total Income	Measures the importance of international operating income in total income. International operating income represents operating income generated from operations in foreign countries before adjustments and eliminations.

Appendix B. Robustness of Regression Results Over Time

Table B1. Cross-sectional regressions of the stock market betas on firm-level measures of international diversification: First sub-sample (January 1985–March 1989)

Panel A shows bivariate portfolio-level regression results of stock market betas on firm-level measures of international diversification (and a constant). It also shows multivariate regression results. Panel B shows the same estimates for firm-level data. Panels C and D show analogous regression results (respectively at portfolio level and at firm level) where the underlying data have been demeaned by country, to control for differences across countries in the interest rate at which future earnings are discounted. All variables are measured in percent. *t*-ratios are computed using robust standard errors as in White (1980) and shown in parentheses.

Panel A: Portfolio-Level Regressions							
	Global Stock Market Betas						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
International Sales	0.123 (6.617)					0.049 (2.880)	0.083 (1.679)
International Assets		0.221 (7.992)					-0.093 (-1.649)
International Income			0.172 (6.400)				0.133 (5.139)
Traded/Non-Traded				8.250 (4.607)		2.101 (1.890)	
Respective Sales Beta					0.634 (5.232)	0.161 (1.988)	
Adjusted R^2	0.708	0.720	0.736	0.552	0.420	0.666	0.696
Country Stock Market Betas							
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
International Sales	0.181 (4.051)					0.070 (2.523)	-0.059 (-0.435)
International Assets		0.204 (1.631)					0.126 (0.603)
International Income			0.235 (4.329)				0.024 (0.207)
Traded/Non-Traded				-0.056 (-2.292)		-0.285 (-0.218)	
Respective Sales Beta					0.794 (6.959)	0.426 (4.290)	
Adjusted R^2	0.335	0.178	0.470	0.232	0.630	0.526	0.131

Table B1. Cross-sectional regressions of the stock market betas on firm-level measures of international diversification: First sub-sample (January 1985–March 1989) (continued)

Panel B: Firm-Level Regressions							
	Global Stock Market Betas						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
International Sales	0.017 (9.071)					0.012 (6.035)	0.023 (2.158)
International Assets		0.026 (6.507)					−0.032 (−2.655)
International Income			0.020 (6.533)				0.032 (4.206)
Traded/Non-Traded				0.586 (7.017)		0.568 (5.584)	
Respective Sales Beta					0.024 (3.166)	0.034 (4.399)	
Adjusted R^2	0.080	0.071	0.079	0.039	0.011	0.131	0.136
	Country Stock Market Betas						
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
International Sales	0.008 (3.376)					0.010 (4.052)	0.010 (0.631)
International Assets		0.006 (1.329)					−0.006 (−0.352)
International Income			0.012 (3.995)				0.002 (0.245)
Traded/Non-Traded				−0.317 (−3.179)		−0.480 (−3.703)	
Respective Sales Beta					0.046 (5.643)	0.049 (5.089)	
Adjusted R^2	0.013	0.005	0.022	0.009	0.033	0.063	0.011

Table B1. Cross-sectional regressions of the stock market betas on firm-level measures of international diversification: First sub-sample (January 1985–March 1989) (continued)

Panel C: Portfolio-Level Regressions Demeaned							
	Global Stock Market Betas						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
International Sales	0.172 (11.232)					0.070 (5.804)	0.040 (0.603)
International Assets		0.233 (5.326)					−0.007 (−0.102)
International Income			0.182 (8.845)				0.104 (2.204)
Traded/Non-Traded				6.655 (6.315)		2.349 (3.045)	
Respective Sales Beta					0.484 (5.642)	0.128 (2.514)	
Adjusted R^2	0.875	0.657	0.726	0.724	0.297	0.769	0.635
	Country Stock Market Betas						
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
International Sales	0.073 (0.632)					−0.009 (−0.169)	0.101 (1.341)
International Assets		0.136 (1.994)					−0.255 (−2.426)
International Income			0.172 (3.038)				0.202 (2.043)
Traded/Non-Traded				2.096 (0.450)		1.902 (1.171)	
Respective Sales Beta					0.952 (5.189)	0.392 (3.197)	
Adjusted R^2	0.075	0.149	0.320	0.061	0.492	0.280	0.353

Table B1. Cross-sectional regressions of the stock market betas on firm-level measures of international diversification: First sub-sample (January 1985–March 1989) (continued)

Panel D: Firm-Level Regressions Demeaned							
	Global Stock Market Betas						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
International Sales	0.020 (8.932)					0.014 (6.117)	0.014 (1.775)
International Assets		0.025 (5.861)					-0.014 (-1.589)
International Income			0.020 (6.133)				0.021 (2.782)
Traded/Non-Traded				0.812 (10.570)		0.694 (7.416)	
Respective Sales Beta					0.023 (3.008)	0.041 (5.151)	
Adjusted R^2	0.092	0.062	0.072	0.084	0.010	0.172	0.107
	Country Stock Market Betas						
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
International Sales	0.000 (0.163)					0.000 (0.142)	0.012 (1.393)
International Assets		0.005 (1.365)					-0.019 (-2.147)
International Income			0.009 (3.248)				0.011 (1.504)
Traded/Non-Traded				-0.029 (-0.352)		-0.037 (-0.347)	
Respective Sales Beta					0.027 (3.567)	0.028 (2.995)	
Adjusted R^2	0.001	0.004	0.014	0.001	0.013	0.017	0.025

Table BII. Cross-sectional regressions of the stock market betas on firm-level measures of international diversification: Second sub-sample (April 1989–July 1993)

Panel A shows bivariate portfolio-level regression results of stock market betas on firm-level measures of international diversification (and a constant). It also shows multivariate regression results. Panel B shows the same estimates for firm-level data. Panels C and D show analogous regression results (respectively at portfolio level and at firm level) where the underlying data have been demeaned by country, to control for differences across countries in the interest rate at which future earnings are discounted. All variables are measured in percent. *t*-ratios are computed using robust standard errors as in White (1980) and shown in parentheses.

Panel A: Portfolio-Level Regressions							
	Global Stock Market Betas						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
International Sales	0.088 (6.983)					0.060 (4.041)	-0.025 (-0.873)
International Assets		0.114 (7.410)					0.089 (2.008)
International Income			0.092 (8.587)				0.034 (1.305)
Traded/Non-Traded				5.593 (4.607)		1.966 (2.292)	
Respective Sales Beta					0.430 (5.232)	-0.017 (-0.228)	
Adjusted R^2	0.731	0.784	0.822	0.552	0.420	0.695	0.706
Country Stock Market Betas							
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
International Sales	-0.154 (-1.676)					-0.076 (-2.579)	0.156 (2.105)
International Assets		-0.255 (-4.241)					-0.409 (-5.002)
International Income			-0.125 (-1.706)				0.030 (0.414)
Traded/Non-Traded				24.282 (5.920)		6.828 (3.625)	
Respective Sales Beta					1.050 (8.941)	0.599 (6.942)	
Adjusted R^2	0.218	0.474	0.223	0.613	0.781	0.794	0.443

Table BII. Cross-sectional regressions of the stock market betas on firm-level measures of international diversification: Second sub-sample (April 1989–July 1993) (continued)

Panel B: Firm-Level Regressions							
	Global Stock Market Betas						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
International Sales	0.012 (9.878)					0.010 (7.942)	0.011 (2.502)
International Assets		0.020 (9.315)					0.005 (0.967)
International Income			0.013 (8.042)				0.002 (0.706)
Traded/Non-Traded				0.397 (7.017)		0.301 (5.237)	
Respective Sales Beta					0.016 (3.166)	0.016 (2.982)	
Adjusted R^2	0.090	0.115	0.093	0.039	0.011	0.118	0.138
	Country Stock Market Betas						
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
International Sales	-0.017 (-5.352)					-0.025 (-7.692)	0.009 (1.545)
International Assets		-0.045 (-9.675)					-0.064 (-8.980)
International Income			-0.021 (-6.246)				0.005 (1.113)
Traded/Non-Traded				0.812 (4.837)		1.256 (7.132)	
Respective Sales Beta					0.130 (8.884)	0.135 (8.023)	
Adjusted R^2	0.021	0.079	0.035	0.019	0.090	0.172	0.088

Table BII. Cross-sectional regressions of the stock market betas on firm-level measures of international diversification: Second sub-sample (April 1989–July 1993) (continued)

Panel C: Portfolio-Level Regressions Demeaned							
	Global Stock Market Betas						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
International Sales	0.114 (16.266)					0.065 (6.056)	0.018 (0.556)
International Assets		0.154 (13.480)					0.078 (1.741)
International Income			0.108 (6.879)				0.003 (0.106)
Traded/Non-Traded				4.511 (6.135)		1.770 (3.536)	
Respective Sales Beta					0.328 (5.642)	0.063 (1.657)	
Adjusted R^2	0.897	0.864	0.714	0.724	0.297	0.858	0.600
	Country Stock Market Betas						
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
International Sales	-0.019 (-0.149)					-0.032 (-0.550)	0.005 (0.083)
International Assets		0.122 (1.822)					-0.012 (-0.116)
International Income			0.129 (3.924)				0.082 (1.623)
Traded/Non-Traded				-2.752 (-0.382)		0.537 (0.197)	
Respective Sales Beta					1.207 (4.385)	0.472 (3.346)	
Adjusted R^2	0.055	0.161	0.266	0.070	0.477	0.236	0.222

Table BII. Cross-sectional regressions of the stock market betas on firm-level measures of international diversification: Second sub-sample (April 1989–July 1993) (continued)

Panel D: Firm-Level Regressions Demeaned							
	Global Stock Market Betas						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
International Sales	0.014 (9.748)					0.011 (7.539)	0.013 (3.319)
International Assets		0.018 (7.756)					0.002 (0.460)
International Income			0.011 (6.394)				0.001 (0.260)
Traded/Non-Traded				0.550 (10.570)		0.439 (8.146)	
Respective Sales Beta					0.016 (3.008)	0.018 (3.385)	
Adjusted R^2	0.103	0.088	0.065	0.084	0.010	0.159	0.113
	Country Stock Market Betas						
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
International Sales	-0.003 (-1.192)					-0.004 (-1.568)	-0.011 (-1.904)
International Assets		0.005 (1.692)					0.008 (1.336)
International Income			0.006 (3.016)				0.012 (2.716)
Traded/Non-Traded				-0.044 (-0.461)		0.081 (0.754)	
Respective Sales Beta					0.024 (3.318)	0.026 (3.082)	
Adjusted R^2	0.002	0.004	0.008	0.001	0.009	0.013	0.020

Table BIII. Cross-sectional regressions of the stock market betas on firm-level measures of international diversification: Third sub-sample (August 1993–October 1997)

Panel A shows bivariate portfolio-level regression results of stock market betas on firm-level measures of international diversification (and a constant). It also shows multivariate regression results. Panel B shows the same estimates for firm-level data. Panels C and D show analogous regression results (respectively at portfolio level and at firm level) where the underlying data have been demeaned by country, to control for differences across countries in the interest rate at which future earnings are discounted. All variables are measured in percent. *t*-ratios are computed using robust standard errors as in White (1980) and shown in parentheses.

Panel A: Portfolio-Level Regressions							
	Global Stock Market Betas						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
International Sales	0.079 (7.286)					0.063 (5.700)	−0.006 (−0.182)
International Assets		0.118 (7.669)					0.056 (1.868)
International Income			0.087 (9.609)				0.040 (1.627)
Traded/Non-Traded				5.251 (4.607)		1.581 (2.244)	
Respective Sales Beta					0.403 (5.232)	−0.027 (−0.565)	
Adjusted R^2	0.786	0.799	0.820	0.552	0.420	0.765	0.750
Country Stock Market Betas							
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
International Sales	−0.123 (−2.480)					−0.067 (−4.435)	0.310 (3.337)
International Assets		−0.242 (−3.604)					−0.608 (−5.626)
International Income			−0.156 (−2.969)				0.013 (0.174)
Traded/Non-Traded				22.158 (11.034)		5.481 (5.055)	
Respective Sales Beta					0.628 (8.972)	0.357 (6.166)	
Adjusted R^2	0.298	0.472	0.380	0.755	0.698	0.820	0.551

Table BIII. Cross-sectional regressions of the stock market betas on firm-level measures of international diversification: Third sub-sample (August 1993–October 1997) (continued)

Panel B: Firm-Level Regressions							
	Global Stock Market Betas						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
International Sales	0.012 (10.820)					0.010 (9.122)	0.011 (3.232)
International Assets		0.017 (10.225)					0.002 (0.578)
International Income			0.013 (9.836)				0.003 (1.047)
Traded/Non-Traded				0.373 (7.017)		0.268 (5.014)	
Respective Sales Beta					0.015 (3.166)	0.011 (2.184)	
Adjusted R^2	0.107	0.110	0.108	0.039	0.011	0.129	0.141
	Country Stock Market Betas						
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
International Sales	-0.015 (-6.437)					-0.020 (-8.579)	0.004 (0.609)
International Assets		-0.026 (-7.660)					-0.026 (-3.847)
International Income			-0.018 (-6.879)				-0.006 (-1.106)
Traded/Non-Traded				0.516 (4.095)		0.818 (6.274)	
Respective Sales Beta					0.107 (9.244)	0.113 (8.746)	
Adjusted R^2	0.032	0.049	0.041	0.014	0.108	0.191	0.058

Table BIII. Cross-sectional regressions of the stock market betas on firm-level measures of international diversification: Third sub-sample (August 1993–October 1997) (continued)

Panel C: Portfolio-Level Regressions Demeaned							
	Global Stock Market Betas						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
International Sales	0.096 (14.790)					0.062 (6.895)	0.029 (1.049)
International Assets		0.137 (10.111)					0.050 (1.607)
International Income			0.098 (13.527)				0.018 (0.728)
Traded/Non-Traded				4.235 (6.135)		1.272 (3.362)	
Respective Sales Beta					0.308 (5.642)	0.063 (1.974)	
Adjusted R^2	0.891	0.889	0.865	0.724	0.297	0.868	0.790
	Country Stock Market Betas						
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
International Sales	-0.025 (-0.290)					-0.058 (-1.392)	-0.131 (-1.517)
International Assets		-0.016 (-0.197)					0.070 (1.012)
International Income			-0.005 (-0.071)				0.089 (1.510)
Traded/Non-Traded				-1.290 (-0.282)		1.339 (0.709)	
Respective Sales Beta					0.729 (4.174)	0.485 (3.912)	
Adjusted R^2	0.061	0.055	0.053	0.063	0.390	0.353	0.174

Table BIII. Cross-sectional regressions of the stock market betas on firm-level measures of international diversification: Third sub-sample (August 1993–October 1997) (continued)

Panel D: Firm-Level Regressions Demeaned							
	Global Stock Market Betas						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
International Sales	0.015 (11.044)					0.012 (8.747)	0.014 (3.983)
International Assets		0.018 (10.003)					−0.000 (−0.103)
International Income			0.014 (9.454)				0.003 (0.972)
Traded/Non-Traded				0.517 (10.570)		0.395 (7.914)	
Respective Sales Beta					0.015 (3.008)	0.014 (2.952)	
Adjusted R^2	0.128	0.107	0.109	0.084	0.010	0.177	0.142
	Country Stock Market Betas						
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
International Sales	−0.002 (−1.385)					−0.003 (−1.734)	−0.011 (−2.471)
International Assets		−0.002 (−0.881)					0.005 (1.257)
International Income			−0.001 (−1.043)				0.005 (1.720)
Traded/Non-Traded				−0.047 (−0.723)		0.048 (0.641)	
Respective Sales Beta					0.015 (2.852)	0.020 (3.039)	
Adjusted R^2	0.003	0.002	0.002	0.001	0.007	0.015	0.012

Table BIV. Cross-sectional regressions of the stock market betas on firm-level measures of international diversification: Fourth sub-sample (November 1997–February 2002)

Panel A shows bivariate portfolio-level regression results of stock market betas on firm-level measures of international diversification (and a constant). It also shows multivariate regression results. Panel B shows the same estimates for firm-level data. Panels C and D show analogous regression results (respectively at portfolio level and at firm level) where the underlying data have been demeaned by country, to control for differences across countries in the interest rate at which future earnings are discounted. All variables are measured in percent. *t*-ratios are computed using robust standard errors as in White (1980) and shown in parentheses.

Panel A: Portfolio-Level Regressions							
	Global Stock Market Betas						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
International Sales	0.280 (9.378)					0.211 (6.268)	0.250 (2.753)
International Assets		0.443 (7.211)					-0.171 (-1.908)
International Income			0.373 (11.861)				0.131 (1.426)
Traded/Non-Traded				18.755 (4.607)		4.422 (1.436)	
Respective Sales Beta					1.440 (5.232)	-0.052 (-0.221)	
Adjusted R^2	0.825	0.729	0.881	0.552	0.420	0.732	0.819
Country Stock Market Betas							
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
International Sales	-0.191 (-5.604)					-0.099 (-5.740)	-0.200 (-2.396)
International Assets		-0.270 (-3.212)					0.078 (0.502)
International Income			-0.168 (-1.826)				0.063 (0.793)
Traded/Non-Traded				13.827 (4.240)		3.897 (2.795)	
Respective Sales Beta					0.911 (8.159)	0.381 (4.222)	
Adjusted R^2	0.517	0.382	0.239	0.363	0.789	0.764	0.281

Table BIV. Cross-sectional regressions of the stock market betas on firm-level measures of international diversification: Fourth sub-sample (November 1997–February 2002) (continued)

Panel B: Firm-Level Regressions							
	Global Stock Market Betas						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
International Sales	0.041 (10.879)					0.035 (9.125)	0.060 (6.057)
International Assets		0.044 (7.516)					-0.034 (-2.776)
International Income			0.044 (9.406)				0.012 (1.440)
Traded/Non-Traded				1.333 (7.017)		0.878 (4.549)	
Respective Sales Beta					0.053 (3.166)	0.040 (2.352)	
Adjusted R^2	0.104	0.054	0.094	0.039	0.011	0.124	0.144
	Country Stock Market Betas						
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
International Sales	-0.015 (-6.453)					-0.019 (-8.061)	-0.017 (-3.220)
International Assets		-0.013 (-3.625)					0.007 (0.976)
International Income			-0.009 (-3.342)				0.002 (0.385)
Traded/Non-Traded				0.198 (1.519)		0.455 (3.223)	
Respective Sales Beta					0.008 (7.842)	0.094 (7.613)	
Adjusted R^2	0.030	0.013	0.011	0.003	0.069	0.126	0.022

Table BIV. Cross-sectional regressions of the stock market betas on firm-level measures of international diversification: Fourth sub-sample (November 1997–February 2002) (continued)

Panel C: Portfolio-Level Regressions Demeaned							
	Global Stock Market Betas						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
International Sales	0.322 (12.468)					0.225 (6.905)	0.270 (3.657)
International Assets		0.518 (7.795)					-0.117 (-1.092)
International Income			0.386 (12.435)				0.082 (1.141)
Traded/Non-Traded				15.127 (6.135)		2.279 (1.161)	
Respective Sales Beta					1.100 (5.642)	0.316 (3.138)	
Adjusted R^2	0.896	0.826	0.889	0.724	0.297	0.839	0.808
	Country Stock Market Betas						
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
International Sales	-0.118 (-0.911)					-0.028 (-0.713)	-0.128 (-1.281)
International Assets		-0.087 (-0.541)					-0.064 (-0.542)
International Income			0.031 (0.300)				0.192 (2.226)
Traded/Non-Traded				-0.441 (-0.052)		0.098 (0.033)	
Respective Sales Beta					1.147 (5.131)	0.562 (3.724)	
Adjusted R^2	0.121	0.080	0.056	0.053	0.440	0.333	0.177

Table BIV. Cross-sectional regressions of the stock market betas on firm-level measures of international diversification: Fourth sub-sample (November 1997–February 2002) (continued)

Panel D: Firm-Level Regressions Demeaned							
	Global Stock Market Betas						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
International Sales	0.050 (11.232)					0.039 (8.837)	0.061 (6.484)
International Assets		0.048 (7.645)					−0.037 (−2.930)
International Income			0.046 (9.328)				0.015 (1.830)
Traded/Non-Traded				1.846 (10.570)		1.310 (7.281)	
Respective Sales Beta					0.053 (3.008)	0.061 (3.639)	
Adjusted R^2	0.126	0.059	0.097	0.084	0.010	0.171	0.150
	Country Stock Market Betas						
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
International Sales	−0.004 (−1.645)					−0.005 (−1.996)	−0.006 (−1.228)
International Assets		−0.004 (−1.281)					−0.005 (−0.827)
International Income			0.000 (0.170)				0.008 (1.875)
Traded/Non-Traded				−0.042 (−0.432)		0.051 (0.463)	
Respective Sales Beta					0.028 (3.340)	0.035 (3.696)	
Adjusted R^2	0.004	0.003	0.001	0.001	0.011	0.021	0.008