



**University of
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Market Efficiency: Fundamental Analysis and Stock Returns in Times of Quantitative Easing

MASTER'S THESIS

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Executive Summary

The present study examines the significance and impact of reported fundamental data on the stock returns during the time of Quantitative Easing. A set of different key financial indicators, profitability ratios, liquidity ratios, leverage ratios and market-based ratios has been chosen to undergo the analysis. The paper is divided by the two major empirical approaches, which will be conducted: a linear panel data analysis and a non-linear multi-layer perceptron model. The first methods offers a variety of benchmarking studies to be compared with. The results presented, indicate a deviation from the predominant view on the explanatory variables. The second model emphasizes those findings, since it produces similar results for the irregular behaviour of the variables in question. The study concludes that market efficiency is weakened in times of Quantitative Easing.