

Table 3. Test of the Effect of Rule 80A on Market Linkage: The Speed of Adjustment of Futures to Fair Value Before and After 50-Point Dow Moves.

Test Events									
		Before 50 Points			After 50 Points			Before vs. After	
Category	No. of Events	Average "g"	Average t-stat.	Number Sig.	Average "g"	Average t-stat.	Number Sig.	Average F-stat.	Number Sig.
All Test Events	39	.131	2.614*	25	.073	1.989*	24	2.042**	19
Up Moves Only	19	.104	2.380*	13	.077	2.064*	11	1.789**	7
Down Moves Only	20	.157	2.837*	12	.070	1.917*	13	2.282**	12

Control Events									
		Before 50 Points			After 50 Points			Before vs. After	
Category	No. of Events	Average "g"	Average t-stat.	Number Sig.	Average "g"	Average t-stat.	Number Sig.	Average F-stat.	Number Sig.
All Control Events	27	.109	2.501*	15	.104	2.184*	16	1.363	6
Up Moves Only	13	.103	2.339*	6	.105	1.726*	7	1.211	2
Down Moves Only	14	.115	2.652*	9	.103	2.610*	9	1.505	4

This table presents a summary of coefficient estimates from equation (1) of the text. The columns labeled "Average 'g'" and "Average t-stat" list the average estimated adjustment speed coefficient (g) and its t-statistic for the explanatory variable, lagged basis error. The column labeled "Average F-stat" lists the average F-statistic to test for structural stability of the entire estimate between the before and after sample. The columns labeled "Number Sig." list the number of events with significant statistics for each category. Averages are equally weighted for all events within the category and exclude days when the CME circuit breakers were triggered. An asterisk (*) indicates that the speed of adjustment coefficient is significant at the 5 percent level. A double asterisk (**) indicates a significant difference (at the 5 percent level) in model structure between the "before" sample and the "after" sample.