

ISSN: 0258-2724

DOI : 10.35741/issn.0258-2724.56.2.42

Research article

Economics

## IMPACT OF WUHAN LOCKDOWN IN EARLY STAGE OF COVID-19 OUTBREAK ON SECTOR RETURNS IN CHINESE STOCK MARKET

### 武汉封锁在新冠肺炎爆发初期对中国股票市场行业回报的影响

Venus Khim-Sen Liew

Faculty of Economics and Business, Universiti Malaysia Sarawak (UNIMAS)  
Kota Samarahan, Malaysia, [ksliew@unimas.my](mailto:ksliew@unimas.my)

Received: January 13, 2021 ▪ Review: February 21, 2021 ▪ Accepted: April 1, 2021 ▪ Published: April 30, 2021

This article is an open-access article distributed under the terms and conditions of the Creative Commons Attribution License (<http://creativecommons.org/licenses/by/4.0>)

---

#### Abstract

The unprecedented Wuhan lockdown due to the outbreak of the COVID-19 pandemic provides a natural experiment that will elucidate its immediate impact on the stock market. Event study methodology is adopted to identify any short-run abnormal returns in the Shanghai Stock Exchange Composite Index and its ten component sectors. This paper reports empirical evidence on the negative short-run impact of the Wuhan lockdown in the face of the pandemic outbreak on all component sectors of the Shanghai Stock Exchange Composite. The health care and information technology sectors, which helped considerably in the fight against the pandemic, were resilient and outperformed the general market in the Shanghai Stock Exchange despite the lockdown. The eight other sectors performed at par with the general market. This confirmation of the counter-cyclical nature of the health care and information technology sectors during the lockdown, which enabled them to overcome the pandemic outbreak, provides valuable insights with which investors can adjust their portfolios in similar situations in the future in a timely manner.

**Keywords:** COVID-19 Pandemic, Wuhan Lockdown, Shanghai Stock Exchange Composite Index, Event Window Study

---

---

**摘要** 由于新冠肺炎大流行的爆发，武汉出现了前所未有的封锁，这提供了自然的实验，可以阐明其对股市的直接影响。采用事件研究方法识别上海证券交易所综合指数及其十个组成部分中的任何短期异常收益。本文提供的经验证据表明，面对大流行的爆发，武汉禁售给上海证券交易所综合市场的所有组成部分带来了负面的短期影响。尽管受到了封锁，但在抗击大流行的过程中，医疗保健和信息技术板块表现强劲，并且表现强劲，跑赢了上海证券交易所的整体市场。其他八个部门的表现与普通市场持平。锁定期间医疗保健和信息技术行业的反周期性质的确认，使他们

---