

La relevancia de utilizar fundamentos de contabilidad en la Bolsa Mexicana de Valores

[The Relevance of Using Accounting Fundamentals in the Mexican Stock Market]

[Dorantes Dosamantes, C.A.](#)

Graduate School of Business, Instituto Tecnológico, De Estudios Superiores de Monterrey (ITESM)
Campus Querétaro, Querétaro, México

This paper examines the value relevance of accounting fundamentals in the Mexican Stock Market ([BMV] - Bolsa Mexicana de Valores). The research question that motivated the paper was: Can accounting fundamentals provide relevant information to better understand firm value? More specifically, the paper examines whether the application of an accounting fundamental strategy to select stocks of a portfolio can systematically yield significant and positive excess market buy-and-hold returns after one and two years of portfolio formation. Based on valuation theory, accounting research and the maturity level of the BMV, a set of accounting fundamental signals is proposed that reflects information that influences security prices, but not necessarily in a timely manner. Using quarterly financial and market data from 196 BMV stocks from 1991 to 2011, it is shown that after controlling for earnings, book-to-market ratio and firm size, the fundamental strategy proposed here provides value information relevant to investors. The relationship between the accounting fundamental signals proposed and the buy-and-hold market future return (one-year and two-year returns) is significant and positive considering the 1991-2011 period. Portfolios formed with high scores of these signals show an average of 1.62% market excess annual return between 1991 and 2011, and about 9% between 1997 and 2011. Besides the practical implication of the findings -e.g. the possibility mispriced securities- this paper contributes to the scarce accounting research in Latin American capital markets by furthering understanding of the "post-earnings" drift phenomenon in the BMV. © 2013 Universidad ESAN.

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