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**HERDING BEHAVIOR UNDER EXCESSIVE VOLATILITY IN CEE STOCK  
MARKETS**

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**Abstract.** This study investigates the herding behavior of investors in five CEE stock markets during the recent global financial crisis. We examine herding behavior at industry level by using daily data on stock prices from January 2, 2008 to December 31, 2010 in five industry-groups. Our aim is to test for the asymmetries of herding behavior under low and high market volatility. The results suggest weak evidence of herding behavior in CEE countries over the analyzed period.

**JEL Classification:** G01, G14, G15

**Keywords:** herding behavior, market volatility, financial crisis, CEE stock markets

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