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Analysing the Impact of Brexit on Stock Price, Market Value & Financial Performance of UK Companies

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Abstract: *This comprehensive research study delves into the intricate relationship between the United Kingdom's decision to exit the European Union (Brexit) and stock prices, with a specific focus on the London Stock Exchange (LSE) and the FTSE 250 index, which comprises 30 prominent manufacturing companies. The seismic impact of Brexit on global financial markets prompted us to investigate the nuanced effects of this historic event on stock prices within a sector renowned for its substantial economic contributions.*

This research employs a meticulously designed methodology that combines quantitative analysis with event study techniques to evaluate the influence of pivotal Brexit-related events on the stock prices of these 30 manufacturing firms. By closely examining stock price movements leading up to the Brexit referendum in June 2016, the formal exit from the EU in January 2020, and throughout the ensuing transition period, this study aims to offer invaluable insights into how the manufacturing sector, as exemplified by the FTSE 250 index, responded to the uncertainties ushered in by Brexit.

The results of this rigorous analysis challenge conventional wisdom. Contrary to prevailing beliefs, our findings reveal that the Brexit referendum itself did not exert a statistically significant impact on the stock prices of UK companies. This discovery challenges the prevailing notion that the referendum event had a direct and lasting effect on the overall performance of the UK stock market.

The research underscores the complexity of the relationship between geopolitical events like Brexit and stock prices, providing a nuanced perspective that can inform investors, policymakers, and financial analysts as they navigate the intricate landscape of global financial markets in an era of unprecedented change..

Keywords: Brexit, UK Stock Market, Stock Prices, Manufacturing Companies, FTSE 250, Event Study, Abnormal Returns, Market Volatility, London Stock Exchange, Brexit Referendum.

I. INTRODUCTION

The United Kingdom has had a complex and at times contentious relationship with the European Union (EU) spanning several decades. The UK has actively sought exemptions from key EU policies, including the adoption of the euro currency and participation in the border-free Schengen Area. Proponents of Brexit, the UK's departure from the EU, argued that by regaining national sovereignty, the UK could enhance its ability to manage immigration, reduce regulatory burdens, and stimulate economic growth.

The outcome of the June 2016 Brexit referendum, in which the Leave campaign secured victory, resulted in the resignation of Prime Minister David Cameron. Subsequently, Prime Minister Theresa May led efforts to negotiate a new relationship between the UK and the EU, a process that spanned several years. Notably, the UK's commitment to exiting the EU single market by October 2019 raised concerns about potential consequences, including the loss of advantageous

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access to its largest trading partner, disruptions in its significant financial sector, and the potential breakup of the UK itself.

Furthermore, there were concerns that the Brexit process could catalyse nationalist movements across various European regions, ranging from Scotland to Hungary. These movements had the potential to yield unforeseeable outcomes with implications for the stability and future of the EU

European Union

In the context of the European Union, it is essential to note that the EU comprises 27 member countries and governs shared economic, social, and security policies. Originally limited to Western Europe, the EU significantly expanded into Central and Eastern Europe during the early 21st century.

The European Union (EU) represents a culmination of efforts to foster European integration following World War II. In the aftermath of the war, several Western European nations sought to establish closer economic, social, and political bonds to achieve economic prosperity, ensure military security, and facilitate lasting reconciliation between France and Germany. To realize these objectives, the Treaty of Paris was signed in 1951 by the leaders of six countries: Belgium, France, Italy, Luxembourg, the Netherlands, and West Germany. This treaty, which came into effect in 1952, marked the founding of the European Coal and Steel Community (ECSC). Notably, the United Kingdom was invited to participate but declined membership, possibly due to various factors, including ministerial illnesses, a desire to maintain economic independence, and a failure to recognize the future significance of the community.

The ECSC was instrumental in establishing a free trade area for critical economic and military resources, including coal, coke, steel, scrap, and iron ore. The treaty's provisions led to the creation of several supranational institutions, including a High Authority for administration, a Council of Ministers for legislation, a Common Assembly for policy formulation, and a Court of Justice for treaty interpretation and dispute resolution. Over time, subsequent international treaties and revisions, largely based on this model, culminated in the formation of the EU.

The EU, as we know it today, evolved from the European Economic Community (EEC), established in 1957. The transition to the EU occurred in 1993. The EEC initially comprised six member states: France, West Germany, Italy, Belgium, the Netherlands, and Luxembourg. These nations had already begun cooperation by coordinating coal and steel

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production, viewing European integration as a means to promote reconciliation and economic growth following World War II. Additionally, during the Cold War era (up to approximately 1990), the EEC was seen as a crucial defense against external threats

In 1973, the EEC expanded with the inclusion of the UK, Ireland, and Denmark. The fall of authoritarian regimes in Southern Europe paved the way for Greece to join in 1981, followed by Spain and Portugal in 1986. The most significant wave of expansion occurred after the end of the Cold War in the early 1990s. German reunification in 1991 enlarged the EEC's geographical scope. Subsequently, previously neutral states like Austria, Finland, and Sweden joined in 1995. After protracted negotiations, eight former communist countries, including the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, and Slovenia, joined in 2004, along with Cyprus and Malta. Bulgaria and Romania joined in 2007. Croatia became an EU member in 2013, increasing the total number of member states to 28. Currently, Albania, Macedonia, Montenegro, Serbia, and Turkey are in the process of seeking EU membership.

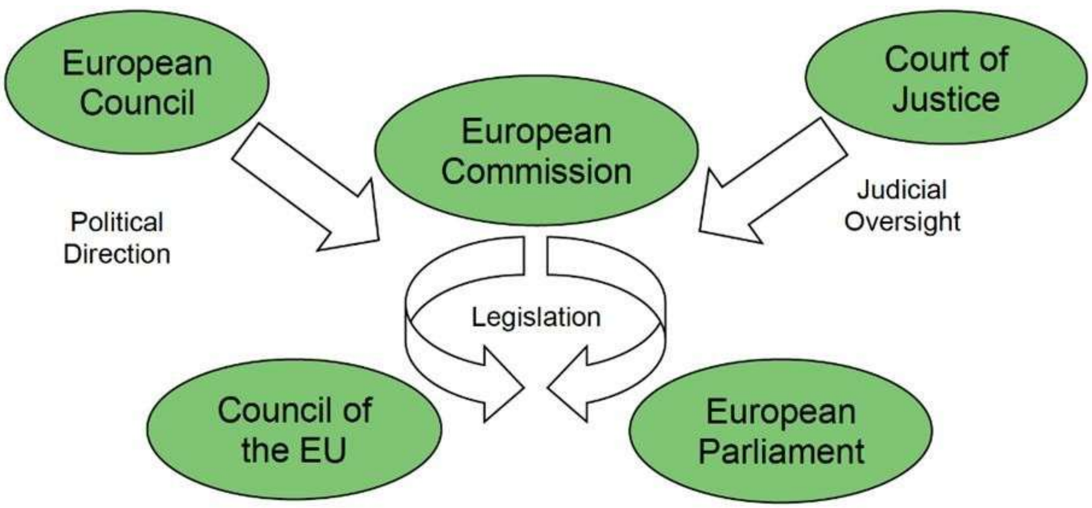
The European Union (EU) comprises four primary institutions:

The Council of the European Union: This institution convenes meetings of ministers from the national governments of all member states. When heads of state and government leaders gather, it is referred to as the European Council.

The European Parliament: Elected directly by EU citizens, the European Parliament plays a crucial role in the EU's decision-making process.

The European Commission: Serving as the EU's administrative body, the European Commission manages the day-to-day operations and initiatives of the EU, essentially functioning as its civil service.

The European Court of Justice (ECJ): The ECJ is responsible for resolving disputes within the EU.



These institutions collaborate to make decisions, although the specific decision-making processes vary depending on the policy area. Originally, the European Parliament served as a consultative body for proposals, but it has progressively acquired more authority, now requiring its approval before passing laws. Nevertheless, it doesn't possess the typical legislative powers of a traditional parliament, as it cannot independently propose new legislation or alter taxation policies. The implementation of most decisions is carried out by individual member states rather than the EU itself. The Commission oversees this implementation, ensuring that member states fulfil their commitments. In cases where compliance is lacking, grievances can be brought before the ECJ, which holds the authority to impose fines.

Brexit

Brexit, a term formed by combining "British" and "exit," refers to the United Kingdom's decision, as determined by a referendum held on June 23, 2016, to withdraw from the European Union (EU). The formal Brexit process occurred at 11 p.m. Greenwich Mean Time on January 31, 2020.

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On December 24, 2020, the UK and the EU reached a provisional free-trade agreement aimed at enabling the exchange of goods without tariffs or quantity restrictions. However, numerous key aspects of their future relationship remained uncertain, particularly in the realm of trade in services, which constitutes a substantial portion of the UK's economy, at approximately 80%. This agreement prevented the potentially severe economic repercussions of a no-deal Brexit scenario.

The provisional agreement received approval from the UK Parliament on January 1, 2021, and it was subsequently endorsed by the European Parliament on April 28, 2021. This agreement, known as the Trade and Cooperation Agreement (TCA), facilitates tariff-free and quota-free trade in goods between the UK and the EU. Nevertheless, the presence of customs checks means that the flow of commerce is not as seamless as it was during the UK's EU membership.

II. LITERATURE REVIEW

Oehler A, Horn M, Wendt S (2017). They analysed an event study to discover short-term anomalous stock returns following the Brexit referendum. Furthermore, they investigate whether firm-level internationalisation contributes to the explanation of aberrant returns. Most observers were surprised by the outcome of the UK referendum on leaving the European Union on June 23, 2016, because opinion surveys previous to the vote overwhelmingly predicted a vote in favour of the UK remaining in the EU. As the so-called "Brexit" scenario has been universally seen as a bad signal for the UK economy's prospects. They discovered that equities with a larger share of domestic sales saw more negative anomalous returns than stocks with a higher proportion of international sales. While firm-level globalisation substantially explains aberrant returns on the trading day after the vote, it has little pricing influence in the days that follow. Researchers find that firm-level internationalisation was a key price driver on the day after the Brexit referendum.

Sathyanarayana S, Gargesha S (2016) The EU is England's most important trading partner. Almost half of British commerce is with the EU. Now, Britain's choice to exit the EU is a death blow to the EU. Today, Brexit is seen as the next major financial event following the 2008 subprime mortgage crisis, which harmed the global economy. History has shown that the stock market plays a significant role in any economy. Various macroeconomic and microeconomic issues have had an influence on stock markets. As a result, the primary goal of this empirical work is to explore the pricing behaviour of the selected benchmark indices (Sensex and Nifty) in response to a big political event (Brexit referendum) and its consequences for regulators, academics, and market players. Data for the study were collected from 24-06-2015 to 19-07-2016. The event research approach was used to determine the influence of the Brexit referendum on the Indian stock market. Their investigation validates the influence of the Brexit referendum on both the Sensex and the Nifty fifty, but only for the event day and the twelfth day. For the fifteen-day event window, there was volatility in both of the selected indexes. However, it was not statistically significant. The investigation proved the presence of the GARCH effect before to the event window, however, we later discovered that there was no GARCH or ARCH effect. This reflects the strength of the Indian economy.

Qiao K, Liu Z, Huang B, Sun Y, Wang S (2021) They use a unique interval approach to examine the impact of Brexit on the US stock market. The interval-valued dummy variables are presented to concurrently assess the direction and magnitudes of changes in the inter-day trend and the intra-day volatility of S&P500 returns. It has been shown that both the trend and volatility of S&P P500 returns rose prior to Brexit. Furthermore, Brexit had a negative influence on the trajectory of S&P500 returns in the near term following the event, but it had a favourable impact on market volatility, which gradually faded over time. Furthermore, a novel and intriguing result is that stock markets exhibit both short-term momentum effects and volatility clustering. Brexit, in which the United Kingdom voted to leave the European Union on June 23, 2016, has been one of the most damaging global political events since the 2008 Great Recession. The worldwide financial systems, particularly key international stock indices, were stunned by this surprise move. The FTSE 100 in the United Kingdom fell in response to the referendum. The shock of the Brexit decision travelled quickly to stock markets in commercial partners, particularly the United States. As one of the world's oldest and largest stock markets, the US stock market is vulnerable to black swan events such as Brexit. An ex- ante study using the ITS model reveals that Brexit enhanced the range and volatility of S&P500 returns prior to the event day. An ex-post study reveals that Brexit reduced

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the trend of S&P 500 returns for two days following the occurrence. Meanwhile, Brexit had a considerable beneficial influence on market volatility, and this impact lasted longer after the event than it did before.

Davies R B, Studnicka Z. (2018) Several studies have been conducted to simulate the impacts of the United Kingdom's vote to exit the EU. They employed a different method, investigating how Brexit news influenced expectations as contained in stock returns using a two-stage estimate procedure. While most companies saw negative returns in the aftermath of the referendum outcome, there was significant variation in their adjustments relative to forecasts. As a consequence, the market's reaction is consistent with investors reacting to prospective implications on a firm's worldwide value chain. Although the adjustments were predominantly reflected in market prices in the first two trading days following the announcement of the referendum result, the market's reaction remained sustained. They discovered that enterprises that rely on imported intermediates do badly as well. This is largely compensated by intra-firm trade in intermediates when Sterling declined compared to host currencies. These adjustments occurred predominantly in the first two trading days and were quite persistent. Understanding these dynamics helps us better comprehend the potential consequences of Brexit.

Arshad S, Rizvi S A R, Haroon O. (2020) Researchers investigated the volatility and efficiency of several industries in the aftermath of the Brexit vote. In this article, they evaluate the time-varying impact of Brexit uncertainty on key sectors of the London Stock Exchange (LSE). The political uncertainty produced by the Brexit decision has prompted a flurry of academic study into the social, political, and economic consequences. The study has been diversified, with a primary focus on financial market effects. The findings show that, while overall volatility decreased, certain sectors within the LSE performed differently. Furthermore, the British stock market's efficiency deteriorated dramatically during the uncertainty of the Brexit decision. This investigation yielded two new findings; To begin, our data indicate that, while overall volatility reduced during the Brexit vote, volatility in the banking, technology, and real estate sectors increased, while volatility in the oil and gas and financial sectors decreased. Second, the British stock market's efficiency deteriorated dramatically with the uncertainty of the Brexit vote.

Bloom N, Bunn, P, Chen S, Mizen P, Smietanka P, Thwaites G. (2019) This article examines the impact of the UK's vote to leave the European Union in the 23 June 2016 referendum (Brexit) using a large new poll of UK enterprises, the Decision Maker Panel (DMP). A Bank of England-Nottingham-Stanford research team developed the DMP, which collects data on thousands of enterprises each month. As such, this research investigates the impact of an unanticipated, substantial, and prolonged uncertainty shock - the Brexit process. The Brexit result was mainly unexpected, and the impact on companies has varied depending on their pre-referendum exposure to Europe. First, the UK's choice to exit the EU has resulted in a significant, widespread, and long-term rise in uncertainty. There is also ambiguity about how the UK will transition to its new post-Brexit position, how the partnership will appear at different times in time, and what each of these will entail for the future of particular firms. Brexit-related uncertainty has significantly impacted UK investment, reducing it by roughly 11% compared to what would have occurred otherwise. Surprisingly, this drop in investment took three years to completely materialise, with the investment consequences increasing gradually. Over the three years after the referendum, the Brexit process has lowered UK productivity by between 2% and 5%. Much of this decline is due to a negative within-firm effect, in part because businesses are devoting several hours per week of top-management time to Brexit preparedness. However, they discovered evidence of a smaller negative between-firm effect - more productive globally exposed enterprises are predicted to have declined relative to less productive domestically oriented firms.

Muller A, Reuse S. (2022) By utilising a more sophisticated event study technique based on indexation and sub-indexation, this study fills a research vacuum regarding the examination of additional Brexit events and the focus on stock prices of European insurance businesses. The Insurance Index's coverage area includes 17 listed insurance companies with headquarters in the European Union or the United Kingdom. In the Brexit referendum, which was held on June 23, 2016, almost 52% of British citizens chose to leave the EU. Since then, there has been a lot of discussion over how Brexit would affect the global economy. One of the biggest shifts in UK economic history has been this choice. The Insurance Index is split into four sub-indices to assess any possible relationships between anomalous returns and a

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company's location (European Union or United Kingdom) or the percentage of insurance business written in the United Kingdom. The event window runs from June 16 to June 30, 2016, and its purpose is to examine how the Brexit vote has affected insurance company stock prices. One year before to the event, the estimated period begins. The findings demonstrate the Insurance Index's atypical returns, which can be either positive or negative. The sub-indices also respond to the events under investigation in distinct ways. The location and percentage of insurance business written in the UK, according to trends, may be related to considerable anomalous returns.

Maqsood H, Maqsood M, Yasmin S, Mehmood I, Moon J, Rho S. (2022) To evaluate the impact that attitudes about the topic have had on the stock markets of European Union (EU) countries, researchers in this study looked at a case study from the Brexit event. The European Union (EU)'s (Britain and other member nations) are affected by Brexit. However, the EU's contribution preferences and benefit disparity are frequently brought up for discussion. The Brexit event and its effects on stock markets for significant donors and countries with low donations must thus be carefully assessed. Big data analytics for a specific event based on social media sentiment analysis has received a lot of interest recently. Investors may make better plans and decisions by using social media sentiment research in relation to a certain event. In the suggested study, social media sentiment analysis is crucial for accurate stock exchange forecasting. This sentiment study examines the impact of sentiment on market development using Alex Davies' assertion list. More specifically, a list of 5000 words was employed and divided into groups for the positive, negative, and neutral. The tweets were then transformed into tokens by the original allocated procedure. In terms of root mean square values (RMSE), the results demonstrate that sentiment analysis of Brexit events using a deep learning model produces superior outcomes to machine learning models. The results of stock market analysis for the least-contributing countries in connection to the Brexit event might help them make stock market decisions that will ultimately benefit their country and strengthen their weak economies. Similar to this, the outcomes of stock market analysis for key donor countries may help to minimise the likelihood of loss in connection to investments and support them in making prudent selections.

Madhavi E, Reddy N R. (2018) India is now garnering a lot of attention worldwide and is one of the most lucrative rising economies for international investment. Given how globally integrated the Indian economy is, any significant shift elsewhere in the world would undoubtedly have an effect on it. Many economies were negatively impacted by Brexit. Because so many of its sectors were severely impacted, emerging countries like India suffered immensely. With the aid of forecasting, analysis of stock returns in such volatile situations enables us to take action to significantly reduce the risks for the safety of investors and enterprises. Brexit, the decision of Great Britain to leave the European Union (EU), took place in June 2016. Great Britain serves as the gateway for Indian firms to the EU, which is home to numerous businesses throughout the world that profit from trade and financial services as a result of several bilateral agreements and talks between the EU and other nations. This benefit will be somewhat diminished by Brexit, and some firms may decide to relocate their operations abroad in accordance with their marketing plans. This will have an adverse financial impact on their investments and enterprises. The current study examines the impact of Brexit on the Indian stock market before, during, and after the event. Based on the correlation test performed on all of the Nifty's sectors, the data of the Nifty 50 and seven sectoral indices returns were chosen based on the significantly impacted sectors. There is a considerable influence of Brexit on the Indian stock market, according to test findings for the last four years (983 observations) using the Autoregressive Conditional Heteroskedastic (ARCH) and Generalised Autoregressive Conditional Heteroskedastic (GARCH) models.

Research Gap

The summaries of the provided articles underscore the presence of a significant research gap that warrants attention in the study of Brexit's impacts. This gap primarily pertains to the necessity for comprehensive investigations that delve into the long-term consequences of Brexit on elements such as stock markets, economic stability, and investor behaviour. Existing research predominantly concentrates on the short-term effects, indicating a need for a more profound exploration of Brexit's enduring influence. Additionally, the research community has yet to comprehensively examine the specific impacts of Brexit on various sectors within the UK and other nations, a topic that could offer valuable insights for both

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policymakers and investors. Furthermore, there is an evident gap in understanding the intricate global interconnections that emerged post-referendum, demanding a more in-depth analysis of the extent of these linkages and their implications for international markets. Research on how emerging markets, excluding India, responded to Brexit remains limited, leaving room for further investigation to assess any persistent effects on economic stability. Sentiment analysis, especially its role in shaping market behaviour before and after the Brexit vote, represents an underexplored avenue for research. The impact of sentiment in social and news media on stock markets requires closer scrutiny. Further inquiries into Brexit's effects on specific financial sectors, including insurance and banking, and the influence of regulatory changes in these domains, are imperative. The intricate dynamics of risk reliance and interdependence among European stock markets and Brexit demand more comprehensive exploration. Lastly, a promising area of research entails comparing the effectiveness and accuracy of different event study techniques in capturing market reactions and examining market responses to other major political events of similar magnitude. These research gaps collectively present fertile ground for scholars and researchers to deepen their understanding of Brexit's multifaceted impacts on financial markets and the broader economy, with a particular focus on the FTSE250 manufacturing companies listed on the London Stock Exchange.

III. RESEARCH METHODOLOGY

The study adopts a longitudinal research design to examine changes in UK manufacturing companies during the pre-Brexit, Brexit, and post-Brexit periods. The population comprises UK-listed companies, with a sample of 30 manufacturing companies selected from the FAME Database, including FTSE 250 companies listed on the London Stock Exchange. The study uses secondary data collected from sources such as Yahoo Finance and Investing.com for the period from 8 May 2015 to 11 August 2016. Descriptive statistics, event study analysis, regression analysis, t-test, and Cumulative Abnormal Announcement Return (CAAR) are used to analyse stock price movements and market reactions to Brexit events. Stock prices and market value are the dependent variables, while Brexit events, particularly the 23 June 2016 referendum, constitute the independent variable. The study tests the null hypothesis that Brexit events have no significant impact on UK stock prices against the alternative hypothesis that Brexit events significantly affect UK stock prices.

IV. RESULTS ANALYSIS AND DISCUSSION

Company	T Value	P Value
A.G. BARR	0.821542	0.411533
BODYCOTE	0.778173	0.436651
BRITVIC PLC	1.349302	0.177545
CHEMRING	-0.15648	0.875683
COATS GROUP	0.406558	0.68442
CRANSWICK PLC	0.585184	0.558556
DECHRA	-1.03135	0.302627
DISCOVERIE	1.103468	0.270089
ELEMENTIS	-0.58939	0.555732
ESSENTRA	0.09577	0.923723
GAMES	0.236493	0.813099
GENUIT	0.551369	0.581504
GREGGS PLC	0.176045	0.860294
HILL & SMITH	0.289476	0.772277
IMI PLC	-0.55137	0.581504

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INDIVIOR PLC	-0.88375	0.377042
MARSHALLS	-0.1134	0.909735
MORGAN	-0.01563	0.987535
OXFORD	-0.34771	0.728135
PREMIER	-1.79563	0.072855
PZ CUSSONS	0.980607	0.327024
QINETIQ	0.122092	0.902851
RENISHAW	-0.52559	0.599287
ROTORK	-0.56875	0.56965
SPECTRIS	-0.32939	0.74193
SYNTHOMER	0.551369	0.581504
TYMAN PLC	0.944365	0.345211
VESUVIUS	-0.48901	0.62494
VICTREX	1.399411	0.162
VOLUTION	-0.19962	0.841822
Overall	-1.64476	0.10005

For the majority of the companies, including A.G. BARR, BODYCOTE, BRITVIC PLC, CHEMRING, COATS GROUP, CRANSWICK PLC, DECHRA, DISCOVERIE, ELEMENTIS, ESSENTRA, GAMES, GENUIT, GREGGS PLC, HILL & SMITH, IMI PLC, INDIVIOR PLC, MARSHALLS, MORGAN, OXFORD, PZ CUSSONS, QINETIQ, RENISHAW, ROTORK, SPECTRIS, SYNTHOMER, TYMAN PLC, VESUVIUS, VOLUTION, there is no significant impact of Brexit events on their respective stock prices. This conclusion is drawn because their individual p-values are all greater than 0.05, indicating a lack of statistical significance. For VICTREX, the p-value (0.161999932) is less than 0.05 but still relatively close to it. This suggests that there may be some evidence to suggest an impact of Brexit events on VICTREX's stock prices, but it's not very strong.

The t-values for individual companies indicate the difference between the sample mean of their stock prices and the population mean. Most companies show t-values suggesting relatively small differences between sample and population means. Some companies, like BRITVIC PLC and DISCOVERIE, have t-values indicating moderate differences. A few companies, such as DECHRA, IMI PLC, and PREMIER, have negative t-values, suggesting potential decreases in stock prices.

The overall p-value is greater than 0.05 (assuming a 0.05 significance level), indicating that there isn't enough evidence to reject the null hypothesis for the combined analysis of all companies. This means that, when considering all the companies together, there is no significant impact of Brexit events on the stock prices of these companies in the UK.

The overall t-value for all companies combined is -1.64476. This overall t-value suggests a moderate negative difference between the sample mean of all companies' stock prices and the population mean when considering them together.

The majority of the analysed companies do not show a significant impact of Brexit events on their stock prices when evaluated individually. The combined analysis also does not provide enough evidence to conclude a significant impact at the 0.05 significance level. However, BRITVIC PLC and PREMIER show some evidence of potential impacts, but they are not strong enough to reach conventional significance levels. VICTREX has some evidence as well, but it's also not very strong. the t-values provide insights into the differences between sample and population means for each company. Most companies show relatively small differences, while a few exhibits moderate differences, and some even suggest potential decreases. When analysing all companies together, there is a moderate negative difference between their collective sample mean and the population mean.

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V. CONCLUSION

To summarize, this thesis has conducted a comprehensive examination of the Brexit vote's impact on stock returns within the UK's manufacturing sector. The findings, in line with expectations, have revealed that the Brexit event did not exert a significant influence on the stock prices of companies. It's important to note that our study specifically focused on a sample comprising 30 manufacturing firms selected from the FTSE250 index.

The analysis of t-values and p-values for a diverse set of companies in the UK, concerning the impact of Brexit events on their stock prices, yields mixed results. For the majority of the companies, the t-values suggest relatively small differences between their sample stock prices and the population mean. While some companies exhibit moderate differences, particularly BRITVIC PLC, DISCOVERIE, and VICTREX, their results do not consistently meet conventional significance levels. Additionally, a few companies show negative t-values, hinting at potential stock price decreases, albeit not strongly supported by the data. When all companies are considered together, the overall t-value indicates a moderate negative difference, but the overall p-value does not provide sufficient evidence to reject the null hypothesis. Consequently, the analysis does not establish a significant and consistent impact of Brexit events on these companies' stock prices.

In conclusion, the results derived from our meticulous analysis strongly suggest that the Brexit referendum did not register a statistically significant impact on the stock prices of British companies. This particular conclusion challenges the prevailing belief that the referendum event, in and of itself, wielded a direct and enduring effect on the overall performance of the UK's stock market.

While it remains crucial to acknowledge that individual companies and sectors may have encountered varying degrees of turbulence and uncertainty following the Brexit referendum, the aggregate stock market data pertaining to UK companies did not demonstrate substantial or sustained deviations from its established patterns. This implies that, over time, investors may have successfully adapted to the uncertainties associated with Brexit, and the market as a whole displayed a remarkable degree of resilience.

Building upon the outcomes of this meticulous analysis, it can be confidently asserted that investors exhibit a notable capacity to swiftly adjust to instances of political uncertainty. Consequently, occurrences of this nature do not appear to generate long-lasting structural disruptions within the observed equity markets. This resilience of the market underscores the adaptability and robustness of the financial landscape in the face of significant geopolitical events.

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