

This work studies the impact of an introduction of a new car model on the stocks of the introducing company and its rivals and also the impact of an earnings announcement on the stocks of the introducing company. I use two different approaches to explore these effects, one focusing on the stock returns through the CAPM and the other focusing on the volatility of stocks using GARCH model. I found that the new model introduction has a significant positive effect on the returns of stocks of the announcing company but I found no definite effect on the returns of stocks of the competition. Moreover, I found that the new model introduction has no effect on the volatility of stocks of the announcing company and similarly I found no definite effect on the volatility of stocks of the competition. Furthermore, I found that the earnings announcement has no definite effect on the stock returns of the announcing company but that it has a significant positive effect on the volatility.