Referee Report

"Do Smoking Bans Always Hurt the Gaming Industry? Differentiated Impacts on the
Market Value of Casino Firms in Macao (China)"

This paper explores how smoking bans announced by the government affect the
gambling industry. It is an important research question for casino cities like Macao.
The authors discuss three unexpected announcements about smoking bans, and
employ an event study to examine the impact of announcements on the value change
of casinos.

I hereby share a few comments to help improve the value and strengthen the
conclusions of this study.

First, on Page 14, in Equation (4), the authors design a market model to estimate the
expected return of stocks. It includes a lagged market benchmark R_{t-1}. I suggest that
the authors add a brief explanation on the selection of lag length. In the paragraph
above on Page 14, the test windows for the event study are set up as [-3, 3]. So it
seems natural to select the lag length as three. The authors can briefly explain why the
final model is chosen as one-lagged.

Second, the paper introduces the data on Page 17. But it does not tell us at which
stock exchange venue the five firms other than Melco Crown go public. Since the
authors use Hang Seng Index, I assume the five firms are listed at Hong Kong. In
addition, the authors mentioned they use "NASDAQ index" (Page 18). It is
ambiguous and confusing because NASDAQ has diverse indices. So the study needs
to specify the exact name of the selected stock index.

Third, in Table 2 (Page 17), the authors provide summarized values about the returns
and market values across the six firms. I suggest the authors provide descriptive
statistics about the outstanding shares and stock prices for six firms as well, which can
give more information on the six firms.

In summary, it is an interesting study and I am very happy to read it. This study
provides valuable findings for policy making on the gambling industry. I recommend
the journal editor to accept the paper after some minor revision.