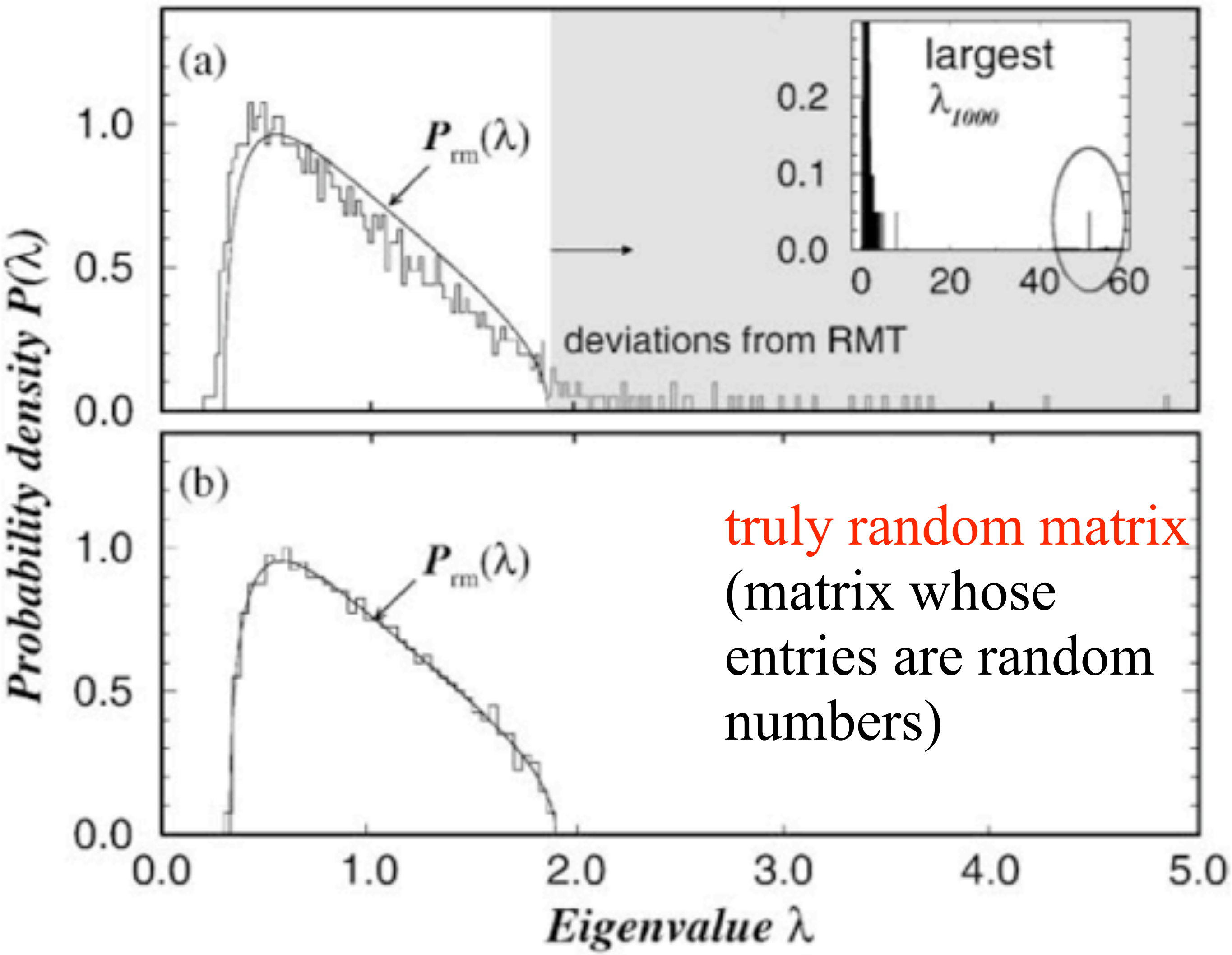
Question: How to recognize true from apparent return-return correlations?
Answer (Wigner): Eigenvalue distribution of covariance matrix VERSUS that of a random distribution. 1000 TAQ stocks (hence 1000 eigenvalues)



Question: Which stocks dominate the eigenvectors corresponding to the 20 deviating eigenvalues?

Laloux et al;

Plerou et al [PRL & PRE]

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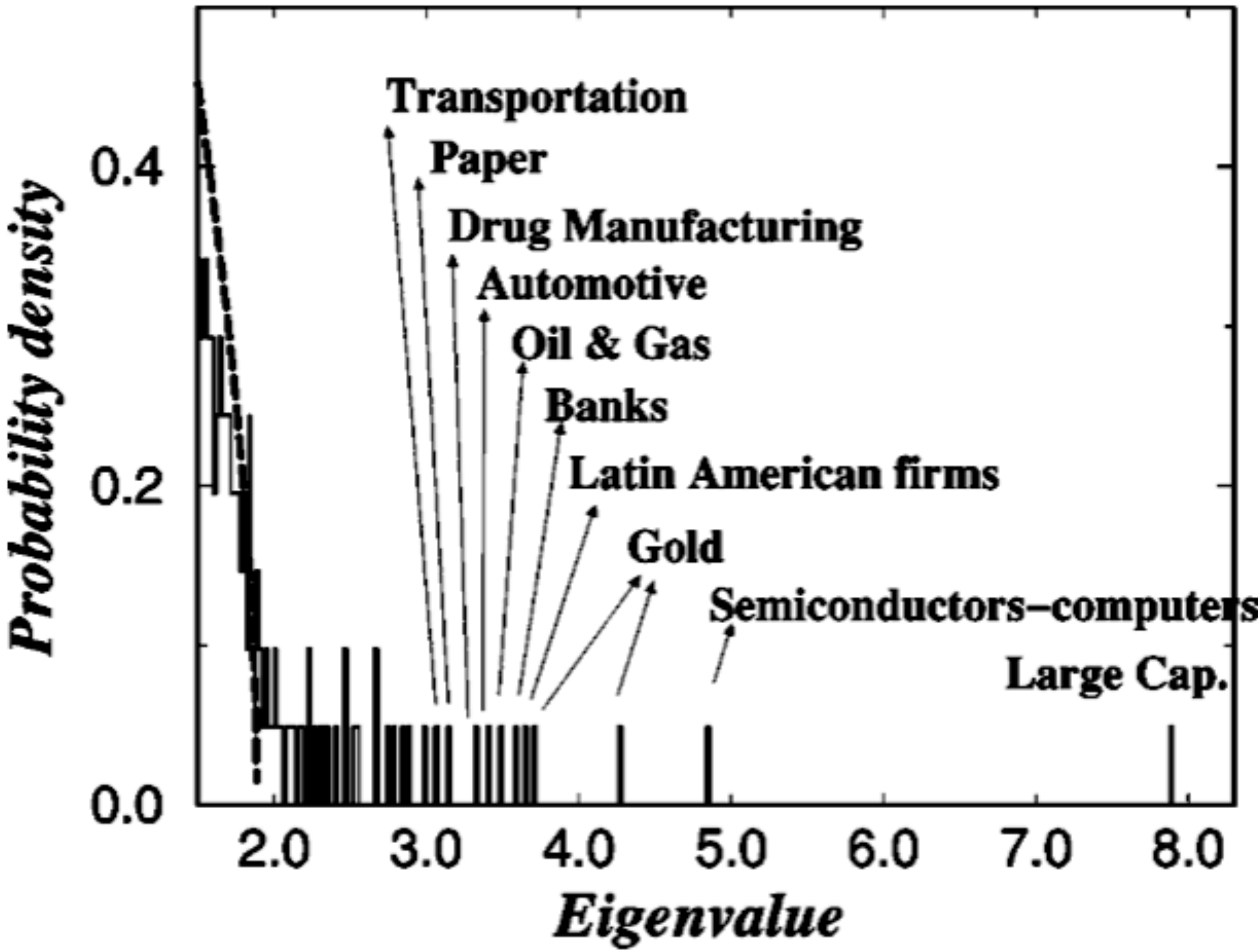
Question: Which stocks dominate the eigenvector corresponding to a "deviating" eigenvalue?



V. Plerou et al. , PRL and PRE