Accepted Manuscript

A multiscale analysis of stock return co-movements and spillovers: Evidence from Pacific developed markets

Debojyoti Das, Puja Bhowmik, R.K. Jana

PII: S0378-4371(18)30228-0
DOI: https://doi.org/10.1016/j.physa.2018.02.143
Reference: PHYS A 19263

To appear in: Physica A

Received date: 21 September 2017
Revised date: 19 January 2018


This is a PDF file of an unedited manuscript that has been accepted for publication. As a service to our customers we are providing this early version of the manuscript. The manuscript will undergo copyediting, typesetting, and review of the resulting proof before it is published in its final form. Please note that during the production process errors may be discovered which could affect the content, and all legal disclaimers that apply to the journal pertain.
A Multiscale Analysis of Stock Return Co-movements and Spillovers: Evidence from Pacific Developed Markets

Debojyoti Das*, Puja Bhowmik,b, RK Janaa

a Indian Institute of Management Raipur, GEC Campus, Sejbahar, Raipur 492015, Chhattisgarh, India
E-mail: debojyoti.fpm2014@iimraipur.ac.in (Debojyoti Das)
rkjana@iimraipur.ac.in (RK Jana)
b St. Xavier’s College, Kolkata, 30 Mother Teresa Sarani, Kolkata 700016, West Bengal, India
E-mail: puja_bhowmik@yahoo.com (Puja Bhowmik)
* Corresponding Author

HIGHLIGHTS

• Diversification benefits in Pacific developed markets are limited due to higher degrees of integration.
• Pacific developed markets co-move strongly during the periods of financial crisis.
• Higher degree of volatility spillover is observed during financial crisis.

ARTICLE INFO

Article history:
Submitted 21 September 2017
Submitted in revised form 19 January 2018
Accepted 19 February 2018

Keywords:
Pacific developed markets
Wavelet
Contagion
Market Integration
Co-movement

ABSTRACT

In this paper we examine the stock market co-movement and volatility spillover dynamics in the Pacific developed markets for a period spanning over January 05, 2001 to January 09, 2018. We employ wavelet-based techniques to study the multiscale co-movement dynamics of stock returns. Additionally, we also study the subtleties of volatility spillover of returns among the sample countries. We find that: (a) diversification benefits in these markets are limited due to higher degrees of integration, (b) Pacific developed markets co-move strongly during the periods of financial crisis (i.e. the contagion hypothesis) and (c) higher degree of volatility spills during financial crisis. We believe our study holds significance in the perspective of international portfolio diversification.

1. Introduction

This paper is a pursuit to: (a) validate co-movements among returns of the stock markets and (b) assess volatility spillovers at different time-scales with reference to recent time frame in the Pacific region. The objective of the paper expands to the study of benefits that may be achieved through portfolio diversification owing to the information of such co-movements and spillovers over different time horizons. Fragmentation of time into higher and lower frequencies enables speculation opportunities in between timescales. In
دریافت فوری متن کامل مقاله

امکان دانلود نسخه تمام متن مقالات انگلیسی
امکان دانلود نسخه ترجمه شده مقالات
پذیرش سفارش ترجمه تخصصی
امکان جستجو در آرشیو جامعی از صدها موضوع و هزاران مقاله
امکان دانلود رایگان ۲ صفحه اول هر مقاله
امکان پرداخت اینترنتی با کلیه کارت های عضو شتاب
دانلود فوری مقاله پس از پرداخت آنلاین
پشتیبانی کامل خرید با بهره مندی از سیستم هوشمند رهگیری سفارشات