

Accepted Manuscript

Risk Contribution of the Chinese Stock Market to Developed Markets in the Post-Crisis Period

Honghai Yu, Libing Fang, Boyang Sun, Donglei Du

PII: S1566-0141(17)30163-2
DOI: doi:[10.1016/j.ememar.2017.10.006](https://doi.org/10.1016/j.ememar.2017.10.006)
Reference: EMEMAR 529

To appear in: *Emerging Markets Review*

Received date: 23 April 2017
Revised date: 25 September 2017
Accepted date: 23 October 2017



Please cite this article as: Yu, Honghai, Fang, Libing, Sun, Boyang, Du, Donglei, Risk Contribution of the Chinese Stock Market to Developed Markets in the Post-Crisis Period, *Emerging Markets Review* (2017), doi:[10.1016/j.ememar.2017.10.006](https://doi.org/10.1016/j.ememar.2017.10.006)

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.

Risk Contribution of the Chinese Stock Market to Developed Markets in the Post-Crisis Period

Honghai Yu^a, Libing Fang^{a,*}, Boyang Sun^a, Donglei Du^b

^a*School of Management and Engineering, Nanjing University, Nanjing, China, 210093*

^b*School of Business Administration, University of New Brunswick, Fredericton, NB Canada E3B 5A3*

Abstract

China sped up its progress toward the opening of its stock market in the post-crisis period after 2010. This study aims to investigate the risk contribution of the Chinese stock market to four representative developed markets. The significance and dominance of the risk contribution are tested with the extended Kolmogorov-Smirnov statistic by a bootstrap strategy. The results show a significant risk contribution of China to all the four developed countries. The dominance testing result shows clear regional effect in the risk contribution. The determinants of the risk contribution by macroeconomic variables are also identified in a forward-looking way.

Keywords: Chinese Stock Market, Risk Contribution, CoVaR, Tail Risk

JEL: E30, C32, C54, G18

1. Introduction

The 2007–2008 global financial crisis highlighted the propagation of risk internationally. International investors have increasingly entered the Chinese stock market in recent years, not only due to the unprecedented economic growth, and thus the great expansion of the market, but also the series of liberalization policies in China after 2010. For example, the RQFII¹ scheme came into effect in August 2011. The quota for the QFII² scheme doubled to 80 billion U.S. dollars in 2012, and again almost doubled in 2013 to 150 billion U.S. dollars. The launch of the Shanghai-Hong Kong Stock Connect Program in November 2014 was a new liberalization milestone that allowed investors in each market to trade shares on other markets through lo-

*Corresponding author.

Email addresses: hhyu@nju.edu.cn (Honghai Yu), lbfang@nju.edu.cn (Libing Fang), sunby_nju@163.com (Boyang Sun), ddu@unb.ca (Donglei Du)

¹The Renminbi Qualified Foreign Institutional Investors (RQFII) scheme allows some eligible Chinese financial firms to establish RMB-denominated funds in Hong Kong to invest in the mainland.

²The Qualified Foreign Institutional Investors (QFII) scheme was enacted in 2002. This scheme allows foreign access to China's equity markets with restrictions on investment ratios, quotas, targets, and capital remittance controls.

متن کامل مقاله

دریافت فوری ←

ISIArticles

مرجع مقالات تخصصی ایران

- ✓ 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