

Accepted Manuscript

Title: Foreign portfolio flows and emerging stock market: Is the midnight bell ringing in India?

Author: Gourishankar S. Hiremath

PII: S0275-5319(16)30106-4

DOI: <http://dx.doi.org/doi:10.1016/j.ribaf.2017.04.016>

Reference: RIBAF 632

To appear in: *Research in International Business and Finance*

Received date: 7-6-2016

Accepted date: 5-4-2017

Please cite this article as: Hiremath, Gourishankar S., Foreign portfolio flows and emerging stock market: Is the midnight bell ringing in India?. *Research in International Business and Finance* <http://dx.doi.org/10.1016/j.ribaf.2017.04.016>

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.



Title of the paper: Foreign Portfolio Flows and Emerging Stock Market: Is the Midnight Bell Ringing in India?

Author: Gourishankar S. Hiremath

Address:

Department of Humanities and Social Sciences, Indian Institute of Technology Kharagpur

Kharagpur – 721302, India.

Email address: gshiremath@hss.iitkgp.ernet.in

Abstract

This paper probes the behavior of foreign portfolio flows and the interactions between flows and returns in one of the fastest growing emerging market, India. This study uses time varying generalized Hurst exponents and long memory volatility model combined with adaptive market framework to examine the issue. The results suggest that the degree of efficiency of stock market is time varying and inefficiency attracts excess returns seeking flows. But foreign institutional investors do not influence the level of efficiency in India. There exist a contemporaneous relationship between flows and returns volatility. This paper shows the significant influence of the push factors on the flows. The findings suggest effectiveness of present policy framework in India, and prudential norms are the best way to deal with the volatile portfolio flows.

Keywords: Foreign institutional investments; feedback trading; stock market efficiency; adaptive market hypothesis; generalized Hurst exponent; emerging markets

JEL: F21, G14,

Download English Version:

<https://daneshyari.com/en/article/5107289>

Download Persian Version:

<https://daneshyari.com/article/5107289>

[Daneshyari.com](https://daneshyari.com)