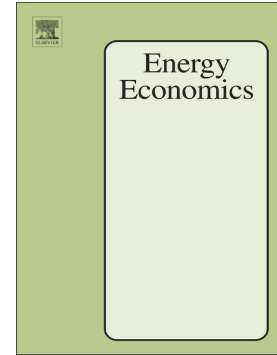


Accepted Manuscript

Asymmetric impacts of oil price uncertainty on Chinese stock returns under different market conditions: Evidence from oil volatility index

Jihong Xiao, Min Zhou, Fengming Wen, Fenghua Wen

PII: S0140-9883(18)30276-7
DOI: [doi:10.1016/j.eneco.2018.07.026](https://doi.org/10.1016/j.eneco.2018.07.026)
Reference: ENEECO 4105
To appear in: *Energy Economics*
Received date: 24 April 2018
Revised date: 15 July 2018
Accepted date: 25 July 2018



Please cite this article as: Jihong Xiao, Min Zhou, Fengming Wen, Fenghua Wen , Asymmetric impacts of oil price uncertainty on Chinese stock returns under different market conditions: Evidence from oil volatility index. *Eneeco* (2018), doi:[10.1016/j.eneco.2018.07.026](https://doi.org/10.1016/j.eneco.2018.07.026)

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.

Asymmetric impacts of oil price uncertainty on Chinese stock returns under different market conditions: Evidence from oil volatility index

Jihong Xiao^a, Min Zhou^b, Fengming Wen^c, Fenghua Wen^{a, d, e*}

^a*School of Business, Central South University, Changsha 410083, China*

^b*School of Architecture, Hunan University, Changsha 410082, China*

^c*Periodical Society, Central South University of Forestry and Technology, Changsha 410004, China*

^d*Supply Chain and Logistics Optimization Research Centre, Faculty of Engineering, University of Windsor, Windsor, ON, Canada*

^e*Centre for Computational Finance and Economic Agents, University of Essex, Colchester CO4 3SQ, UK*

*Corresponding author: wfh@amss.ac.cn

Abstract: The crude oil volatility index (OVX) is a direct and more accurate measure of oil price uncertainty. This paper uses this kind of implied volatility index of oil prices to investigate the impacts of oil price uncertainty on the aggregate and sectoral stock returns in China. This issue is resolved by using a quantile regression, which can provide a more detailed examination under different market conditions. Meanwhile, the asymmetric effects of uncertainty shocks are also examined by using the positive and negative changes of the OVX. Furthermore, we assess whether the reform of March 27, 2013 affected the OVX-stock nexus since this reform was a major step to relax the control of domestic oil prices in China. Our results reveal that OVX changes mainly show significantly negative effects on the aggregate and sectoral stock returns in the bearish market. In particular, these effects depend largely on the positive shocks of the OVX rather than the negative shocks of the OVX. Moreover, the reform of March 27, 2013 decreased the impacts of the positive OVX shocks on Chinese stock returns.

Key words: Oil price uncertainty; Chinese stock market; Oil volatility index; Refined oil pricing reform; Quantile regression.

Download English Version:

<https://daneshyari.com/en/article/7350280>

Download Persian Version:

<https://daneshyari.com/article/7350280>

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