

Accepted Manuscript

Black Swan Events and Safe Havens: The role of Gold in Globally Integrated Emerging Markets

Stelios Bekiros, Sabri Boubaker, Duc Khuong Nguyen, Gazi Salah Uddin

PII: S0261-5606(17)30027-X

DOI: <http://dx.doi.org/10.1016/j.jimonfin.2017.02.010>

Reference: JIMF 1754

To appear in: *Journal of International Money and Finance*



Please cite this article as: S. Bekiros, S. Boubaker, D.K. Nguyen, G.S. Uddin, Black Swan Events and Safe Havens: The role of Gold in Globally Integrated Emerging Markets, *Journal of International Money and Finance* (2017), doi: <http://dx.doi.org/10.1016/j.jimonfin.2017.02.010>

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.

BLACK SWAN EVENTS AND SAFE HAVENS: THE ROLE OF GOLD IN GLOBALLY INTEGRATED EMERGING MARKETS

Stelios Bekiros^{a,b}, Sabri Boubaker^c, Duc Khuong Nguyen^{b,d,*}, Gazi Salah Uddin^e

^a *European University Institute, Florence, Italy*

^b *IPAG Business School, Paris, France*

^c *Champagne School of Management (Groupe ESC Troyes), Troyes, France*

^d *International School, Vietnam National University, Hanoi, Vietnam*

^e *Linköping University, Linköping, Sweden*

ABSTRACT

There is evidence to suggest that gold acts as both a hedge and a safe haven for equity markets over recent years, and particularly during crises periods. Our work extends the recent literature on hedging and diversification roles of gold by analyzing its interaction with the stock markets of the leading emerging economies, the BRICS. Whilst they generally exhibit a high growth rate, these economies still experience a pronounced vulnerability to external shocks, particularly to commodity price fluctuations. Using a multi-scale wavelet approach and a GARCH-based copula methodology, we mainly show evidence of: *i*) the time-scale co-evolvement patterns between BRICS stock markets and gold market, with some profound regions of concentrated extreme variations; and *ii*) a strong time-varying asymmetric dependence structure between those markets. These findings are essential for risk diversification and portfolio hedging strategies amongst the investigated markets.

Keywords: Equity markets; Copulas; Gold; Time-scale analysis.

JEL Codes: G1; C14; C32; C51

* *Corresponding author:* IPAG Business School, 184 Boulevard Saint-Germain, 75006 Paris, France. Phone: +33 01 53 63 36 02; Fax: +33 01 45 44 40 46

Email addresses: S. Bekiros (stelios.bekiros@eui.eu), S. Boubaker (sabri.boubaker@get-mail.fr), D.K. Nguyen (duc.nguyen@ipag.fr), G.S. Uddin (gazi.salah.uddin@liu.se)

Download English Version:

<https://daneshyari.com/en/article/5101106>

Download Persian Version:

<https://daneshyari.com/article/5101106>

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