

Accepted Manuscript

Title: Geopolitical risks and stock market dynamics of the BRICS

Authors: Mehmet Balcilar, Matteo Bonato, Riza Demirer, Rangan Gupta



PII: S0939-3625(18)30071-2
DOI: <https://doi.org/10.1016/j.ecosys.2017.05.008>
Reference: ECOSYS 645

To appear in: *Economic Systems*

Received date: 7-7-2016
Revised date: 10-5-2017
Accepted date: 12-5-2017

Please cite this article as: Balcilar, Mehmet, Bonato, Matteo, Demirer, Riza, Gupta, Rangan, Geopolitical risks and stock market dynamics of the BRICS. *Economic Systems* <https://doi.org/10.1016/j.ecosys.2017.05.008>

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.

Geopolitical risks and stock market dynamics of the BRICS

Mehmet Balcilar^{a,b,c,*}, Matteo Bonato^{d,**}, Riza Demirel^{e,***} and Rangan Gupta^{b,****}

^a*Department of Economics, Eastern Mediterranean University, Famagusta, via Mersin 10, Northern Cyprus, Turkey*

^b*Department of Economics, University of Pretoria, Pretoria, 0002, South Africa*

^c*IPAG Business School, Paris, France*

^d*Department of Economics and Econometrics, University of Johannesburg, Auckland Park, South Africa*

^e*Department of Economics and Finance, Southern Illinois University Edwardsville, Edwardsville, IL 62026- 1102, USA*

* *E-mail address:* mehmet@mbalcilar.net

***E-mail address:* mbonato@uj.ac.za

*** *Corresponding author. E-mail address:* rdemire@siue.edu

*****E-mail address:* rangan.gupta@up.ac.za

Highlights

- BRICS stock markets do not react to geopolitical risks (GPRs) in a uniform way.
- GPRs generally drive stock market volatility rather than returns.
- The effect of GPRs is particularly strong at return quantiles below the mean.
- Russia is the market most affected by GPRs, while India is the most resilient.

Abstract

This paper examines the effect of geopolitical uncertainty on return and volatility dynamics in the BRICS stock markets via nonparametric causality-in-quantiles tests. The effect of geopolitical risks (GPRs) is found to be heterogeneous across the BRICS stock markets, suggesting that news regarding geopolitical tensions do not affect return dynamics

Download English Version:

<https://daneshyari.com/en/article/7347906>

Download Persian Version:

<https://daneshyari.com/article/7347906>

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