

Effect of Macroeconomics Variables on Stock Market Returns for MILA's Stock Exchange Market: Colombia, Peru and Chile.

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Work progress

- All data available from the 3 countries.
- Variables chosen are supported by the literature and oil price was added according to the recent crisis (Ghosh, 2014).
- ARIMA model for Colombia was run according to the econometric specifications.
- Variables signs are consistent to the economic and finance theory, but...

Main problem

Most of the variables are not significant.

- Include a robust standard error.
- Test if the variance of the residuals doesn't depend on the values of the explanatory variables.
- Capture the volatility of the variance as a function of the past volatility.

Challenges

- Integrate the results of the 3 regressions in order to give conclusions as a whole (MILA).

References

Ghosh, Sajal. 2014. "Co-movement of international crude oil price and Indian stock market: Evidences from nonlinear cointegration tests". Elsevier, November 2014.