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Stock Market Response to Covid-19 Pandemic Period In Asian Equity Markets : An Event Study

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Abstract

The purpose of the study was to evaluate the relationships between factors and the variability of Asian Emerging Stock Markets for the time before, during, and following the COVID 19 Outbreak. Descriptive, ADF Test, GARCH (1.1) Model, and Pair-wise Granger Causality Test were used in the research. From the outcomes of empirical analysis, the study found that the information about the COVID 19 Pandemic played a major role in the movement of Asian emerging countries, stock markets. But the fear of a COVID 19 pandemic exercised mixed impact on the country's market performance. As a result, while investing in the stock markets, the investor should keep a keen watch on market movements. International stock market investors in particular, should watch numerous worldwide events, for a sound investment in the global stock markets.

JEL Code : G10; G11; G12; G15
Keywords : Asian; Stock Markets; COVID 19; Volatility; GARCH; Granger Causality Test; Asia

I. Introduction

THE COVID-19 PANDEMIC wreaked havoc on the world economy, causing fear in global financial markets. The pandemic had exercised significant impact on nearly every element of the economy, including consumption, commerce, industry, supply networks, and financial behaviour. Because of the uncertainties surrounding COVID-19, huge

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