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Investigating the asymmetric effects of major macroeconomic indicators on the stock market price index in the main trading partner countries of Iran: a quantile regression approach

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EXTENDED ABSTRACT

INTRODUCTION

The intertwined structures of today's economies make changes in a sector or a country quickly spread to the sectors or economies of other countries. Empirical evidence has shown that the markets are not separate from each other and their movements do not take place in a separate space from each other. There are many aspects of investing, the most common of which are investing in mutual funds, mutual funds, gold and real estate. Stock prices are determined in the market, where seller's supply meets buyer's demand. The economic and financial literature shows that fluctuations caused by international political issues (government relations, labor market, globalization and growth slowdown) along with financial issues (leverage, financial and monetary sector risk incentives) can affect other countries and especially to influence political and business partners. The financial market plays an important role in collecting financial resources and using them in various investment projects; Because it is a place where all capital transactions are done for the purpose of investment or financing in the form of partnership or loan for long term securities. Hence, for financial markets to play an effective economic role in pooling different savings, the relevant

information of companies should be available and constantly reflected in their stock prices. Many factors and reasons affect the stock market price index in different countries. Despite the fact that the factors affecting the stock market price index mainly follow an asymmetric and non-linear behavior, most of the methods that have investigated this relationship have been linear. These methods cannot be indicative of a complete fit of the investigated model. Various studies have shown that the stock price behavior and consequently the influencing factors on the price index are mostly non-linear or asymmetric, which has been ignored in most of the studies that investigate the influencing factors on the stock market price index.

METHODOLOGY

In this study, the post-event approach and secondary data will be used. The method of collecting study data is library. Quantitative regression approach will be used for data analysis.

FINDINGS

The findings of this study showed that the impact of inflation, exchange rate, liquidity, gross domestic product on stock market price index was positive and significant. The effect of foreign trade on the stock market price index has also been significant at the level of 90%. Based on other results of this study, the effect of exchange rate and inflation rate variables on the stock market price index is asymmetric. The variable effect of GDP, competitiveness and foreign trade has also been symmetrical.

CONCLUSION

These results show that the prices alone cannot explain all the information of the stock market price index in these countries and macroeconomic variables also have an effective and influential role on the stock market price index of these countries.

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