



ABSTRACT

Co-movements of Asia-Pacific, UK, and US Stock Market: Nonparametric Statistics Analysis, Period of 2000 – 2007

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This study seeks to examine co-movements of stock markets in thirteen countries, i.e. US, UK, Japan, Hong Kong, Australia, Taiwan, Singapore, China, Korea, Malaysia, Philippines, Thailand and Indonesia with particular attention on the period of 2000 until 2007 (by June). Using weekly time series data of the stock price indices, a nonparametric statistics analysis is employed to empirically examine co-movements among the variables. The finding is that the stock markets were found to be integrated during the sample period. This situation take implies that the risk found by the investor in the thirteen stock market are similar. But, if it divided according to the sample period, this movement is not happened in consistency. There is some stock market that have low integrated degree such as Malaysia, Thailand, Philippines, and Indonesia while US, UK, Japan, Hong Kong, Australia, Taiwan, Singapore and Korea stock market have high integrated degree. Chinese markets do not show greater integration with world markets. The important implication which might be drawn from the finding is that investor should choose stock market that have low positive or negative correlated coefficient to minimize the investment risk. The other way, investor should choose stock market that have high positive correlated coefficient to maximize the investment return.

Keywords: *Stock Market Integration, Portfolio Investment, International Diversification, Non-Parametric Statistics*

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