

STYLIZED FACTS OF THE DAILY, WEEKLY AND MONTHLY RETURNS ON BUCHAREST STOCK EXCHANGE DURING 2007-2012

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Abstract:

Our paper documents a set of statistical properties of the monthly, weekly and daily returns for the most liquid 30 stocks traded on Bucharest Stock Exchange during 2007 - 2012 and also for 3 important Romanian stock market indices. Our results confirm the presence of most the stylized facts documented by Cont (2001) and other similar studies. Also we identify some particularities of the stock returns on the Romanian capital market which are useful both for local and foreign retail and institutional investors in their portfolio management decisions. In particular, we found that the monthly simple returns have an autocorrelation effect with 1-5lags, which is unusual for developed markets but was previously detected on other European emerging and frontier markets.

Keywords: stylized facts, stock returns, frontier markets

JEL codes: G01, G14, G15