

# Emerging Stock Market Comovements and the Third-Country Effects<sup>1</sup>

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## Abstract

This paper investigates the effects of rapidly intensifying economic integration on excess pair-wise stock return comovements in emerging Asian countries during 2001-2012. Third-country effects from G7 countries to Asian countries have significant impacts on comovements, while bilateral economic transactions between Asian countries do not. This result evidences that still “coupling” is a reality in terms of stock returns in emerging Asia.

*JEL classification:* C33, C58, F41, F42, F62, G1

*Keywords:* Stock Market; Comovement; Synchronization; Trade linkages; Financial linkages

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<sup>1</sup> Hirata has received financial support for this research project under the Japan Society for the Promotion of Science Grant-in-Aid for Young Scientists (B) 24730253 and Heiwa Nakajima Foundation International Research Grant. Hirata: h-hirata@hosei.ac.jp; Kim: henry.kim@suffolk.edu .