

[Download This Paper \(Delivery.cfm/SSRN_ID2558779_code1329729.pdf?abstractid=2558779&mirid=1\)](#)[Open PDF in Browser \(Delivery.cfm/SSRN_ID2558779_code1329729.pdf?abstractid=2558779&mirid=1&type=2\)](#)[Add Paper to My Library](#)Share:

The Study of the Spillover and Leverage Effects of Financial Exchange Traded Funds (ETFs)

Frontiers in Finance and Economics, Vol 11 No 2, pp. 41-59, 2014

19 Pages

Posted: 2 Feb 2015

[Johui Chen \(https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=2353821\)](#)

Chung Yuan Christian University

[Maya Malinda \(https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=2003238\)](#)

Chung Yuan Christian University

Date Written: December 1, 2014

Abstract

This study adopts the Generalized Autoregressive Conditional Heteroskedasticity-in-Mean Autoregressive Moving Average (GARCH-M-ARMA) and Exponentially Generalized Autoregressive Conditional Heteroskedasticity-in-Mean Autoregressive Moving Average (EGARCH-M-ARMA) models to analyze the spillover, asymmetric volatility, and leverage effects of financial exchange-traded funds (ETFs). The results show that bilateral relationships exist between financial and non-financial ETFs. Both ETFs have negative asymmetric volatility, suggesting that the value of stock indices and ETFs reveal conditional heteroskedasticity. Financial and non-financial ETFs also have negative leverage effects on benchmark indexes. Bilateral relations in terms of the spillover effects of volatilities and leverage effects exist between financial and non-financial ETFs.

Keywords: Spillover Effect, Asymmetric-Volatility, Leverage Effect, Financial ETFs**JEL Classification:** G1[Suggested Citation](#) >[Show Contact Information](#) >[Download This Paper \(Delivery.cfm/SSRN_ID2558779_code1329729.pdf?abstractid=2558779&mirid=1\)](#)[Open PDF in Browser \(Delivery.cfm/SSRN_ID2558779_code1329729.pdf?abstractid=2558779&mirid=1&type=2\)](#)

28 References

1. R Baillie , R Degennaro
Stock return and volatility
Journal of Financial and Quantitative Analysis , volume 25 , issue 2 , p. 203 - 214 Posted: 1990
Crossref (<https://doi.org/10.2307/2330824>)

2. E A Balaban
Stock returns and volatility: Empirical evidence from fourteen countries
Applied Economics Letter , volume 1 , issue 10 , p. 603 - 611 Posted: 2005
Crossref (<https://doi.org/10.1080/13504850500120607>)

3. K Chan , K C Chan , G A Karolyi
Intraday volatility in the stock index and stock index futures markets

We use cookies that are necessary to make our site work. We may also use additional cookies to analyze, improve, and personalize our content and your digital experience. For more information, see our [Cookie Policy](#) (<https://www.elsevier.com/legal/cookiepolicy>)

4. J H Chen

[Cookie Settings](#)

Accept all cookies

Load more

0 Citations

Fetch Citations



Do you have negative results from your research you'd like to share?

Submit Negative Results (<https://www.ssrn.com/index.cfm/en/Negative-Results/>)

Paper statistics

DOWNLOADS	229
ABSTRACT VIEWS	1,074
RANK	244,957

2 Citations

28 References

PlumX Metrics



(https://plu.mx/ssrn/a/?ssrn_id=2558779)
Related Journals

Mutual Funds, Hedge Funds & Investment Industry eJournal (https://papers.ssrn.com/sol3/JELJOUR_Results.cfm?form_name=journalBrowse&journal_id=1504392)

Follow



Feedback

Submit a Paper > (<https://hq.ssrn.com/submissions/CreateNewAbstract.cfm>)

SSRN Quick Links



SSRN Rankings



About SSRN



(<https://www.facebook.com/SSRNcommunity/>)

([https://www.linkedin.com/company/493409?](https://www.linkedin.com/company/493409?trk=tyah&trkInfo=clickedVertical%3Acompany%2CentityType%3AentityHistoryName%2CclickedEntityId%3Acompany_493409%2Cidx%3)

[trk=tyah&trkInfo=clickedVertical%3Acompany%2CentityType%3AentityHistoryName%2CclickedEntityId%3Acompany_493409%2Cidx%3](https://www.linkedin.com/company/493409?trk=tyah&trkInfo=clickedVertical%3Acompany%2CentityType%3AentityHistoryName%2CclickedEntityId%3Acompany_493409%2Cidx%3)

(<https://twitter.com/SSRN>)

(<http://www.elsevier.com/>)

Copyright (<https://www.ssrn.com/index.cfm/en/dmca-notice-policy/>) Terms and Conditions (<https://www.ssrn.com/index.cfm/en/terms-of-use/>)

Privacy Policy (<https://www.elsevier.com/legal/privacy-policy>)

All content on this site: Copyright © 2023 Elsevier Inc., its licensors, and contributors. All rights are reserved, including those for text and data mining, AI training, and similar technologies. For all open access content, the Creative Commons licensing terms apply.

We use cookies to help provide and enhance our service and tailor content.

To learn more, visit [Cookie Settings](#).



(<http://www.relx.com/>)

(<https://papers.ssrn.com/sol3/updateInformationLog.cfm?process=true>)