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## R Squared Measure of Stock Synchronicity

*International Review of Business Research Papers, Vol. 7, Issue 1, pp. 165-175, 2011*

14 Pages

Posted: 11 Dec 2015


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Date Written: February 25, 2011

### Abstract

Stock market synchronicity is a new area of research in finance and economics literature. Morck et al (2000) are among the first to propose a model of stock market synchronous behaviour of emerging markets and suggested that R square values of emerging markets are higher than the developed economies. This study analyses stock market data of eight emerging economies and three developed nations, and finds evidence that R square values of emerging economies are higher than their counterparts. It is also found that higher inflation, country geographical size, low level of corporate governance mechanism and inflation causes the stock price to move in the same direction in observed emerging economies.

**Keywords:** Synchronicity, R square, Correlation, Panel data**JEL Classification:** G14, G15[Suggested Citation](#) >[Show Contact Information](#) > Download This Paper (Delivery.cfm/SSRN\_ID2701564\_code1216488.pdf?abstractid=2701564&mirid=1)

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