



Applied Economics >

Volume 24, 1992 - [Issue 4](#)

1,224 229

Views | CrossRef citations to date | Altmetric

1

Original Articles

# Stock prices and the effective exchange rate of the dollar

Mohsen Bahmani-Oskooee & Ahmad Sohrabian

Pages 459-464 | Published online: 28 Jul 2006

📄 Cite this article 🔗 <https://doi.org/10.1080/00036849200000020>

Sample our  
Economics, Finance,  
Business & Industry Journals  
>> [Sign in here](#) to start your access  
to the latest two volumes for 14 days

📖 References

📄 Citations

📊 Metrics

📄 Reprints & Permissions

Read this article

🔗 Share

## Abstract

The literature on the relation between stock prices and exchange rates is very poor and includes few studies that have argued that exchange rate changes do effect stock prices. By relying on the portfolio approach to exchange rate determination, it is argued that a change in stock prices could also have an impact on exchange rates, i.e. there could be a two-way relationship between exchange rates and stock prices. Granger concept of causality as well as cointegration technique are employed to support this conjecture. The empirical results show that there is bidirectional causality between stock prices measured by S&P 500 index and the effective exchange rate of the dollar, at least in the short-run. The cointegration analysis reveals that there is no long-run relationship between two variables.

People also read

Recommended articles

Cited by  
229

Information for

- Authors
- R&D professionals
- Editors
- Librarians
- Societies

Opportunities

- Reprints and e-prints
- Advertising solutions
- Accelerated publication
- Corporate access solutions

Open access

- Overview
- Open journals
- Open Select
- Dove Medical Press
- F1000Research

Help and information

- Help and contact
- Newsroom
- All journals
- Books

Keep up to date

Register to receive personalised research and resources by email

 Sign me up

