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Optimal hedge ratio and hedging effectiveness of stock index futures: evidence from India

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point of view, one can equally consider the simple OLS strategy that performs well at the shorter time horizons.

Keywords: optimal hedge ratio multivariate GARCH model stock index futures

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The authors are thankful to the National Stock Exchange (NSE) Research Initiative for funding this project and two anonymous referees of this journal for their useful comments.

Notes

1. Index futures' trading was started on 12 June 2000 in NSE. We have not considered the first three months of data since initial months on the futures market will have poor trading volumes and liquidity.
2. The entire results can be obtained from the authors upon request.
3. The



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