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Original Articles

Alterations in the financial markets of the Baltic countries and Russia in the period of economic downturn

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Abst

The p ... markets during th ... developm ... period starting ... rch methods ... ity prices that wer ... current financial ... owing assumptions: both crises affected financial markets of several nations; a characteristic

feature for the inception of the crises is an abrupt fall in equity prices; indications of stabilisation in financial markets become observable before financial experts conclude the end of the financial crisis. To confirm the hypothesis on the similarities of the general trends during the two major international financial crisis, the authors employed empiric tests developed on the basis of Granger causality tests. Based on the precedent survey of the financial crisis of 1987 (Malliaris and Urrutia 1992), the authors of the present article chose to use the Granger causality testing methodology. To be able to apply the Granger causality test first it was necessary to verify the degree of cointegration of the indices of the main equity markets in each of the country (OMX Vilnius, OMX Riga, OMX Tallinn, RTS). For that purpose the authors used the Dickey-Fuller and Johansen testing methodology. Both methodologies demonstrated a strong cointegration between the changes in the indices of all equity markets irrespective of the period analysed (i.e., pre-crisis, during the crisis, post-crisis). In all cases the T-statistics exceeded the critical value. The strongest cointegration was observable in the crisis period, and the weakest – after the crisis. The results showed that in view of the financial crisis the Latvian market showed the greatest degree of slow-down despite it being most active in the pre-crisis times, likewise, Estonian market also showed a somewhat higher degree of passiveness. Thus, it was the Latvian and Estonian markets that the financial downturn had the most painful impacts upon. While the Lithuanian and the Russian markets were, on the contrary, much more active and therefore
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Dvieju ta ... ezei
patvirtinti naudoti empiriniai testai, parengti remiantis Granger priežastiniais testais:

Granger priežastiniai testai ir kointegracijos testai. Nustatyta, kad finansines krizes metu Latvijos rinka tapo pasyviausia, nors iki prasidedant krizei buvo pati aktyviausia, pasyvesne tapo ir Estijos rinka. Taigi finansinis nuosmukis skaudžiausiai paveike Latvijos ir Estijos finansu rinkas. Lietuvos ir Rusijos rinkos krizes metu tapo pačios aktyviausios ir lengviausiai išgyveno akciju kainu kritimo perioda, tuo patvirtindamos, kad krizes metu daugelio investuotoju interesai ir lūkesčiai paprastai siejami su didesnemis rinkomis, kurios laikomos patikimesnemis ir turinčiomis galimybe greičiau atsigauti.

Keywords:

financial markets | financial crisis | Granger causality test | empiric test | general trends

Reikšminiai žodžiai:

finansu rinkos | ekonominis nuosmukis | Granger priežastingumo testai | empiriniai testai | bendrosios tendencijos

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