

Mean and Volatility Spillover between US Stocks Market and Crude Oil Markets

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Abstract : The purpose of this paper is to investigate the relationship between oil prices and stocks markets. The empirical analysis in this paper is conducted within the context of Multivariate GARCH models, using a transform version of the so-called BEKK parameterization. We show that mean and uncertainty of US market are transmitted to oil market and European market. We also identify an important transmission from WTI prices to Brent Prices.

Keywords : oil volatility, stock markets, MGARCH, transmission, structural break

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