

## The Impact of the Global Financial Crises on MILA Stock Markets

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**Abstract :** This paper examines the volatility changes and leverage effects of the MILA stock markets and their changes since the 2007 global financial crisis. This group integrates the stock markets from Chile, Colombia, Mexico and Peru. Volatility changes and leverage effects are tested with a symmetric GARCH (1,1) and asymmetric TARCH (1,1) models with a dummy variable in the variance equation. Daily closing prices of the stock indexes of Chile (IPSA), Colombia (COLCAP), Mexico (IPC) and Peru (IGBVL) are examined for the period 2003:01 to 2015:02. The evidence confirms the presence of an overall increase in asymmetric market volatility in the Peruvian share market since the 2007 crisis.

**Keywords :** financial crisis, Latin American Integrated Market, TARCH, GARCH

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