

Contagion and Stock Interdependence in the BRIC+M Block

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Abstract : This paper aims to analyze the contagion effect among the stock markets of the BRIC+M block (Brazil, Russia, India, China plus Mexico). The contagion effect is proved through increasing on dependence parameters during crisis periods. The dependence parameters are estimated through copula approach in a period of time from July 1997 to December 2015. During this period there are instability and calm episodes, allowing to analyze changes in the relations of dependence. Empirical results show strong evidence of time-varying dependence among the BRIC+M markets and an increasing dependence relation during global financial crisis period.

Keywords : BRIC+M Block, Contagion effect, Copula, dependence

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