

Day of the Week Patterns and the Financial Trends' Role: Evidence from the Greek Stock Market during the Euro Era

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Abstract : The purpose of this study is to examine if the financial trends influence not only the stock markets' returns, but also their anomalies. We choose to study the day of the week effect (DOW) for the Greek stock market during the Euro period (2002-12), because during the specific period there are not significant structural changes and there are long term financial trends. Moreover, in order to avoid possible methodological counterarguments that usually arise in the literature, we apply several linear (OLS) and nonlinear (GARCH family) models to our sample until we reach to the conclusion that the TGARCH model fits better to our sample than any other. Our results suggest that in the Greek stock market there is a long term predisposition for positive/negative returns depending on the weekday. However, the statistical significance is influenced from the financial trend. This influence may be the reason why there are conflict findings in the literature through the time. Finally, we combine the DOW's empirical findings from 1985-2012 and we may assume that in the Greek case there is a tendency for long lived turn of the week effect.

Keywords : day of the week effect, GARCH family models, Athens stock exchange, economic growth, crisis

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