

Behavior of Iran Stock Exchange and Impacts of US Oil and Financial Markets

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Abstract : This study aims to evaluate the impacts of the oil and financial markets of the United States on Iran stock exchange and to develop an ARDL model to predict the short and long-term relationship between these markets. In this regard, all 713 weekly data between 28 July 1999 and 20 March 2013 were analyzed by using Microfit4.0 and Eviews7 econometric softwares. The independent variable of the study is the "Price and Yield Index (TEDPIX)" of Tehran Stock Exchange and the independent variables include S & P 500 Index, the US three-month treasury bill rate and West Texas Intermediate oil spot price index. The results show that the West Texas Intermediate oil spot price and the S&P 500 indices have significant positive relationships with Iran's TEDPIX. Also, there exists a significant negative relationship between Iran's TEDPIX and the US three-month Treasury bill rate.

Keywords : TEDPIX; Tehran Stock Exchange; S&P 500 index; USA three-month Treasury bill rate; West Texas Intermediate oil

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