

Examining the Resilience of Global Stock Market Indices towards Socioeconomic, Geopolitical and Astronomical Sentiments

Kompalli Sasi Kumar*

*GITAM-Hyderabad Business School
GITAM Deemed to be University, Hyderabad, India*

K. S. Harish

Siva Sivani Institute of Management, Hyderabad, India

Email: drharish@ssim.ac.in

Abstract: This study investigates the impact of selected events, viz., socioeconomic events (dhanteras and diwali), geopolitical events (terror attacks) and astronomical sentiments (solar eclipses and lunar eclipses) on global stock market indices, viz., NSE -NIFTY, BSE-SENSEX, KOSPI, SSE Composite Index and DJIA, NASDAQ, DAX. We develop a hypothesis as there is no significant impact of these events on the select Global Stock Market Indices. This study considers a period from 2000 to 2018. In order to avoid the repetitions in the data, we consider monthly closing values of the indices and meticulously month wise events data. Due care has been taken to minimize the errors in predictions such as dummy trap and multicollinearity. This research develops seven different types of multiple regression models and concludes that indices are highly elastic towards geopolitical events and then to socio economic events. Finally indices are resilient towards astronomical sentiments.

Keywords: Socioeconomic Events, Geopolitical Events, Astronomical Sentiments, Dummy Variables, Multiple Regression Analysis

JEL Classification Number: G1, G14, G15, G4, G41, C87, C52, C22

Citation: Kumar, K.S. and Harish K. S., 2021, Examining the Resilience of Global Stock Market Indices towards Socioeconomic, Geopolitical and Astronomical Sentiments. *Empirical Economics Letters*, 20, (July Special Issue 1), 37-52.

* Corresponding author. Email: sasikumarkompalli@gmail.com