



**Illinois Wesleyan University**  
**Digital Commons @ IWU**

---

John Wesley Powell Student Research  
Conference

2000, 11th Annual JWP Conference

---

Apr 15th, 2:00 PM - 3:00 PM

## **The Integration of Capital Markets: An Examination of Macroeconomic Shocks and their Effects on National Stock Market Comovements**

Kristopher Kaneta  
*Illinois Wesleyan University*

Carolyn Stumph, Faculty Advisor  
*Illinois Wesleyan University*

Follow this and additional works at: <https://digitalcommons.iwu.edu/jwprc>

---

Kaneta, Kristopher and Stumph, Faculty Advisor, Carolyn, "The Integration of Capital Markets: An Examination of Macroeconomic Shocks and their Effects on National Stock Market Comovements" (2000). *John Wesley Powell Student Research Conference*. 19. <https://digitalcommons.iwu.edu/jwprc/2000/posters2/19>

This Event is protected by copyright and/or related rights. It has been brought to you by Digital Commons @ IWU with permission from the rights-holder(s). You are free to use this material in any way that is permitted by the copyright and related rights legislation that applies to your use. For other uses you need to obtain permission from the rights-holder(s) directly, unless additional rights are indicated by a Creative Commons license in the record and/ or on the work itself. This material has been accepted for inclusion by faculty at Illinois Wesleyan University. For more information, please contact [digitalcommons@iwu.edu](mailto:digitalcommons@iwu.edu).

©Copyright is owned by the author of this document.

Poster Presentation 22

**THE INTEGRATION OF CAPITAL MARKETS:  
AN EXAMINATION OF MACROECONOMIC SHOCKS AND THEIR  
EFFECTS ON NATIONAL STOCK MARKET COMOVEMENTS**

Kristopher Kaneta and Carolyn Stumph\*  
Department of Economics, Illinois Wesleyan University

Traditionally, international investors seek to determine whether international capital markets are integrated or segmented. That is, do similar assets yield similar risk-adjusted returns, or significantly different returns given certain informational and capital flow barriers? With this in mind, this research chooses to focus on the rapidly developing financial markets of Southeast Asia and determine the degree to which international stock market movements may be correlated with each other. Through panel data and OLS regression analysis, the research will show an increasing correlation between these capital markets over time, and the significant impact certain macroeconomic variables may have on capital markets. Included in the analysis are the effects of capital flow barriers, economic development, exchange rate regimes, and discount rate differentials.