

**VOLATILITY SPILLOVERS AND LEVERAGE EFFECT FROM THE MAIN GLOBAL
STOCK MARKET TOWARD INDONESIA STOCK MARKET: EVIDENCE FROM
PERIOD BEFORE COVID-19 PANDEMIC AND DURING COVID-19 PANDEMIC**

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Volatility Spillovers and Leverage Effect From The Main Global Stock Market Toward Indonesia Stock Market: Evidence From Period Before Covid-19 Pandemic and During Covid-19 Pandemic

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ABSTRACT

This study aims to investigate the volatility spillovers and leverage effect from the main global stock markets toward Indonesia stock market before COVID-19 pandemic and during COVID-19 pandemic. The data retrieved from the stock index of each country in the period 2017-2021. The analytical method used is the Exponential GARCH (EGARCH). This study found that there are volatility spillovers from each of the foreign stock markets, namely the USA, Japan, and Singapore but there is no leverage effect in the period before the COVID-19 pandemic except Hong Kong stock market who have volatility spillovers and leverage effect to Indonesia stock market. Meanwhile, during the COVID-19 pandemic, there were volatility spillovers from each foreign stock market, namely the USA, Japan, Hong Kong and Singapore and there was also a leverage effect.

Keywords: *Volatility Spillovers, Leverage Effect, Stock Market, EGARCH*

This thesis is already examined and passed on July 26th, 2022. This abstract already approved by supervisor and examiners:

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