

Oil Prices and Stock Markets: An Empirical Analysis From Russia, Canada, USA and Japan*

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ARTICLE INFO	ABSTRACT
<p>Keywords: Oil price Stock market Sector indices Cointegration</p> <p>Received 2 November 2018 Revised 28 February 2019 Accepted 22 March 2019</p> <p>Article Classification: Research Article</p>	<p>Purpose – The aim of this study is to examine the relationship between oil prices and stock markets at the aggregate and sector level in countries which have different characteristics.</p> <p>Design/methodology/approach – The relationship among stock markets, sectoral stock indices and oil price changes are examined for Russia and Canada which are net oil exporters and United States and Japan which are net oil importers by using Johansen cointegration test.</p> <p>Findings – The findings of this study show that there are significant and mostly positive relationships between Russian MOEX stock market indices and crude oil prices. However; significant Johansen cointegration between Brent Crude Oil prices and most of the Canadian, U.S. and Japanese stock market aggregate and sectoral indices are not reported.</p> <p>Discussion – According to the findings, it can be stated that the long term relationship between stock market indices and crude oil prices is related to the changing conditions in the profitability of the corporations, inflation and monetary policy as a reaction to moving oil prices.</p>

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