

Fragility of Emerging Stock Markets; a Comparison between B&H, Croatia and Serbia

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This study investigates the how emerging stock markets respond to external and internal shocks. Daily stock market data from three southeast emerging European countries are used.

GARCH (1, 1) model is employed. Daily stock markets indices are obtained from the selected stock markets and data stream for the period January 2000 to December 2011.

Augmented Dicky Fuller unit root test and co-integration test are used to gauge out linkages between stock markets.

The results of the study can be the useful resource for future research.

Keywords: Fragility, Emerging Stock Markets in Bosnia, Croatia, Serbia.