GCC Stock Markets, Weak-Form Efficiency

Submitted by

Ahmed Dawood Abdo Al-Mashari

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“Say-for Allah’s is the final argument –Had He Willed He could indeed have guided all of you” (AL-Quran 6:149).

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(Ahmed Dawood Abdo Al-Mashari)

DEDICATION

I would like to dedicate this research work to my esteemed parents, my caring brothers and lovely sisters, who extraordinary support me with love, prayers, and encouragement.

ABSTRACT

After the Malkiel and Fama explanation of market efficiency conditions in 1970, twenty years of huge effort in research has been made to study different markets' efficiency which became critical for both investors and stock markets. GCC countries markets where the subject of research in different ways of data, analysis and methods, however, this study is expanded to include data from all the GCC countries' stock markets and Dubai financial market. Moreover, Stock market returns indices for daily, weekly and monthly are studied for the period from January 1st, 2011 to December 30th, 2015. The study is mainly focused on whether the GCC market is efficient or inefficient. Multiple tests are used in this study including Co-integration, VAR and Unit root (ADF) which is used for stationary check. Results of both (Co-integration and VAR) tests revealed that a large portion of the GCC markets are inefficient in the weak form.

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