



Stock Return Indices and Macroeconomic Factors: Evidence from Borsa Istanbul

Burcu DİNÇERGÖK^a

^a Assist. Prof. Dr. , Atılım University, Management Department, burcu.dincergok@atilim.edu.tr

Keywords

Stock Return Indices,
Macroeconomic Factors,
Ordinary Least Square
Method.

Jel Classification

G12.

Abstract

This study analyses the relationship between oil prices, interest rates, exchange rates, industrial production and world equity index on four main sectors return indices (BIST National Industry Sector Return Index, BIST National Service Sector Return Index, BIST National Financial Sector Index and BIST National Technology Sector Index) over the period of 2000:8-2008:11 in Turkey. Interest rates and exchange rates have negative effect on all of the sectors. World equity return index has positive effect on all of the sector returns except for the technology sector. Although the industrial production index doesn't have a significant impact on Industry and Technology Sector Return Indices, it affects BIST National Service Sector Return Index and BIST National Technology Sector Index negatively. Oil prices do not have a significant effect on return indices. The results are expected to be beneficial for the potential investors and policymakers.