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TUESDAY-EFFECT IN GOLD MARKETS OF EMERGING ASIAN ECONOMIES

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ABSTRACT

Gold has always been viewed as a safe asset for investment endowed with inflation hedging properties and often used by investors for diversifying risk. The variations in the returns or prices of the gold market are thereby an important consideration. The paper confines its focus on the emerging Asian economies, to study the calendar anomalies exhibited by these gold markets. India, China, Vietnam, Thailand and Indonesia comprise the data set, which is studied in between the time period 1980 to 2015. Using dummy variable regression methodology on the data set of these five markets, it has been found that besides India, all the other markets display a negative Tuesday return. The negative Tuesday owes its influence from the negative Monday return of US and UK gold markets. Contradicting the trend of other markets India shows highest return on Tuesday than any other day of the week.

KEYWORDS: Gold Markets, Emerging Economies, Tuesday Effect, Calendar Anomalies

JEL CLASSIFICATION: G10, G12, C22

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