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Testing the Weak-Form of Efficient Market Hypothesis: The Case of Turkey / Etkin Piyasa Hipotezinin Zayıf Formunun Test Edilmesi: Türkiye Örneği

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A B S T R A C T

This paper aims at investigating whether the weak-form of the efficient market hypothesis is valid for the Borsa Istanbul (BIST) 100 index by utilizing monthly data from 2003:1-2015:9. To this end, Lee and Strazicich (2003) and Carrion-i-Silvestre et al. (2009) unit root tests that take into consideration structural breaks are employed. Findings obtained from the unit root tests indicate that the stock prices follow a random walk and are not stationary. Therefore, the paper concludes that the weak-form of the efficient market hypothesis is valid in Turkey.

KEYWORDS Efficient market hypothesis; BIST 100 index; unit root tests with structural breaks

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