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Relation Causality between Stock and Futures Markets: An Application on the BIST / Menkul Kıymet ve Vadeli İşlem Piyasaları arasındaki Nedensellik İlişkisi: BİST Üzerine Bir Uygulama

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A B S T R A C T

This paper examines causality between daily spot and futures prices for Borsa Istanbul. The data cover the period 04.02.2005– 31.12.2015 of BIST 100 stock market index and BIST 30 future prices index. For this purpose was applied Johansen Juselius cointegration test for cointegration and Granger Causality for causality between variables. The results further indicate that there is a long-run relationship between spot and future prices and also indicate that the direction of both causality is from spot prices to future prices.

KEYWORDS Stock Market; Futures Market; BIST; Johansen Juselius Cointegration; Granger Causality

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