



CONTEMPORANEOUS SPILLOVER EFFECT IN THE EUROCURRENCY, GOLD, OIL CBOE'S IMPLIED VOLATILITY INDICES

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ABSTRACT

This paper aims at examining the spillover effect in Eurocurrency, Gold and Oil, with CBOE's implied volatility from 1 August 2008 to 1 December 2013. Using the identification through heteroskedasticity and structural vector autoregressive model approach of Badshah et al. (2013), this study has found that there were contemporaneous interactions between these variables and the bi-directional instantaneous spill-over among the three implied volatility indices. Thus, it could be interpreted that the investor in commodities market were sensitive to other markets.

Keywords: Contemporaneous Spillover, Implied Volatility indices, Identification Through Heteroskedasticity