

## عنوان مقاله:

Does Exchange Rate Non-Linear Movements Matter for Analyzing Investment Risk? Evidence from Investing in Iran's Petrochemical Industry

## محل انتشار:

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## خلاصه مقاله:

The present study models the risk of investment in the petrochemical industry considering the impacts of exchange rate (US dollar to Iran's Rial) movements using the time series data from November ۲۰۰۸ to March ۲۰۱۹ and ARFIMA-FIGARCH framework. The empirical results prove the existence of the Fractal Market Hypothesis, FMH, and the Long Memory property in both the risk and return of the petrochemical stock index. These findings can be culminated in reaching a reliable and significant model to evaluate the investment risk in the petrochemical industry. In line with this, to analyze the idea whether considering the exchange rate movements matter for assessing the risk management in the petrochemical industry, the effects of exchange rate movements as a crucial source of systematic risk in Iran has been taken into consideration in the process of modelling the risk of investment in that industry. Our results demonstrate that the exchange rate movements have had a direct and significant effect on the investment risk of that industry so that if, on average, one percent change occurs in the exchange rate, the investment risk in this industry changes by ۵۷% in the same direction.

## کلمات کلیدی:

Petrochemical Industry, Exchange Rate Movements, ARFIMA-FIGARCH framework, Long Memory property, Fractal Market Hypothesis

## لینک ثابت مقاله در پایگاه سیویلیکا:

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