

## **Weak-form market efficiency and nonlinearity: Evidence from Middle East and African stock indices**

### **Abstract**

This study examines the existence of nonlinear serial dependence in five stock markets in the Middle East and Africa. The results from the application of a battery of nonlinearity tests reveal that after removing all short-term linear dependence, the stock returns still contain predictable nonlinearities that contradict the unpredictable criterion of weak-form efficient markets hypothesis.