

## **Sectoral impact of shocks : Empirical evidence from the Malaysian stock market**

### **Abstract**

The present study adopts the framework of Lim et al. (2006) who conjectured that the existence of nonlinear serial dependencies is due to shocks that unsettled the market and caused large deviations from equilibrium. Specifically, this article extends the investigation to shed further light on whether different economic sectors of the Malaysian stock market are subjected to the same shocks effects. The results reveal that the Russian crisis, negative economic outlook, unorthodox capital control measures, increased political tension, uncertainty over Central Limit Order Book issue, and the imposition of repatriation levy, have sent shock waves throughout the domestic stock market.