

## **Ranking market efficiency for stock markets: A nonlinear perspective**

### **Abstract**

The present paper demonstrates, via a rolling sample approach, that the stylized fact of nonlinear dependence in stock returns is quite localized in time, suggesting that market efficiency evolves over time. Given that the rolling sample framework is able to detect periods of efficiency/inefficiency, the relative efficiency of stock markets can easily be assessed by comparing the total time windows these markets exhibit significant nonlinear serial dependence. It was found that the US market is the most efficient while Argentina is at the end of the ranking.