

Group of Seven (G7) Countries Stock Markets Returns during COVID-19 Outbreak: An ARDL-MIDAS Approach

ABSTRACT

The impact of the coronavirus (COVID-19) outbreak is visible in the global stock market. This study intends to investigate this issue for the Group of Seven countries (G7) using an Autoregressive Distributed Lags-Mixed Data Sampling (ARDL-MIDAS). The model allows to see how weekly stock indices return of G7 countries respond to the daily COVID-19 cases growth. The findings indicate that COVID-19 has a varied impact on each of the G7 countries' stock indices due to measures taken by the government to curb COVID-19 spread and stimulus package introduction, as well as the development of vaccines.