

Twist-of-the-Monday Effect: Evidence from United State and 18 Selected: European union stock markets

Abstract

This study found evidence on the twist-of-the-Monday effect, where returns on Mondays are influenced by the previous week's returns in Finland, Greece, Hungary, Netherlands, Portugal and Sweden stock markets. Interestingly, the tendency to follow previous week return is not limited to Monday only. Friday returns are also found to be influenced by the market performance of the previous week in Finland and Poland stock markets. Thus, international investors may benefit from the twist-of-the-Monday effect in developing a suitable trading strategy to obtain extra returns from these markets.