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| **WORKINGTITLE  The impact of Monetary Policy on the Stock Market** | |
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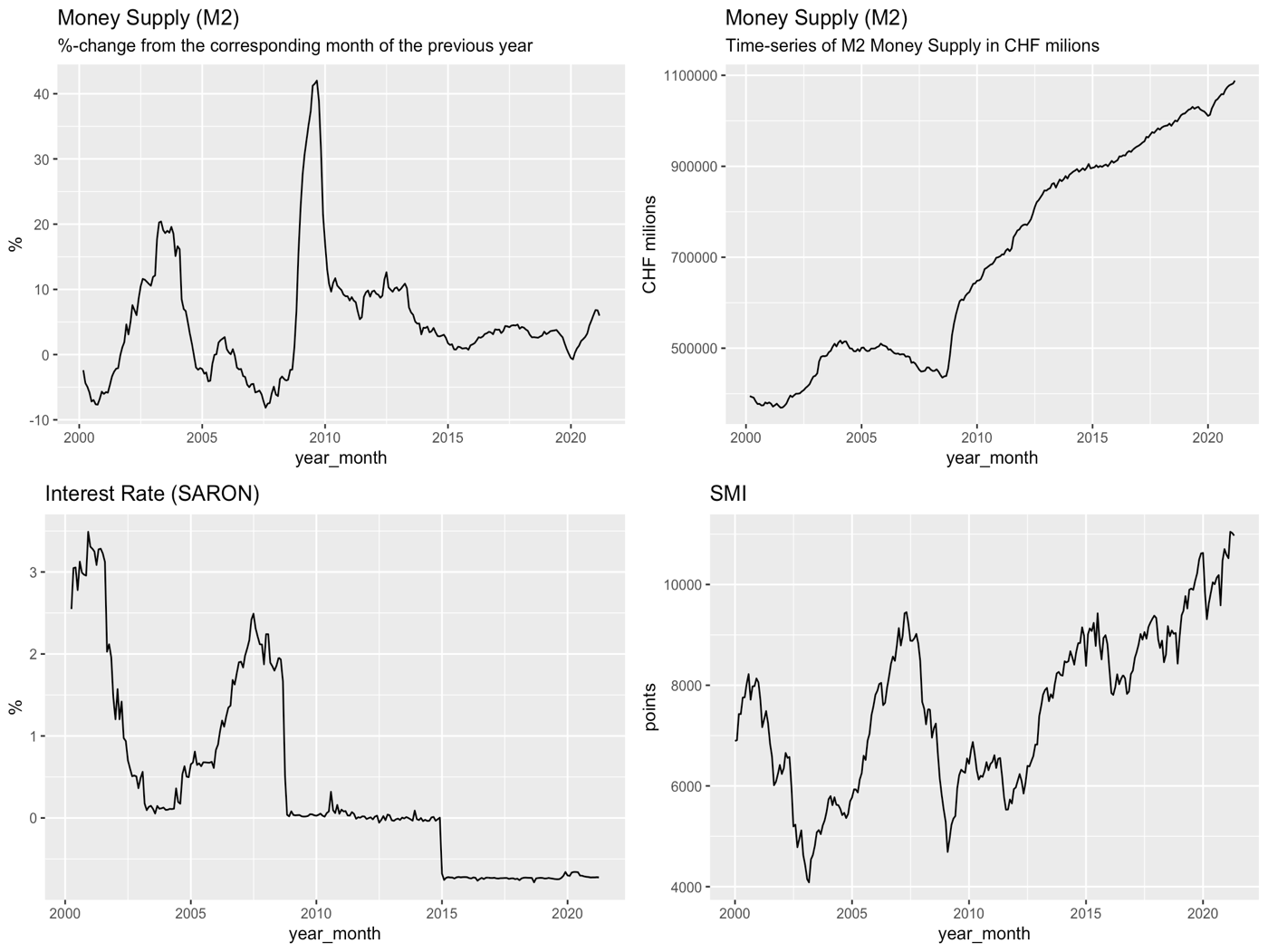
**Es konnten keine Einträge für ein Abbildungsverzeichnis gefunden werden.**

**List of Abbreviations**

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# Background

Crisis 2008 🡪 central bank interventions 🡪 stock market boom



﻿Efficient market hypothesis: the current price of assets incorporates all relevant information

“Broader financial markets though, for example the stock market, government and corporate bond markets, mortgage markets, foreign exchange markets, are quick to incorporate new information. Therefore, a more direct and immediate effect of changes in the monetary policy instruments may be identified using financial data. Identifying the link between monetary policy and financial asset prices is highly important to gain a better insight in the transmission mechanism of monetary policy, since changes in asset prices play a key role in several channels. “ (PARAPRHASING AND CITATION)

<https://www.gla.ac.uk/media/Media_219105_smxx.pdf>

WHAT IS THE IMPACT OF MONETARY POLICY ON STOCK MARKET?  
We are going to investigate the relationship between  
-interest rate and smi  
-money supply and smi

# Literature Review

THEORIE: Impact of interest rate on stock prices. DCF. (LITERATURE??)  
<https://www.investopedia.com/investing/how-interest-rates-affect-stock-market/>

THEORIE: Impact of money supply on stock prices. (LITERATURE??)  
In line with his VAR estimates, Thorbecke (1997) finds that expansionary monetary policy exerts a large and statistically significant positive effect on monthly stock returns. (PARAPRHASING AND CITATION)

# Main Research Questions

-Granger causality between interest rate and stock market? null hypothesis of no Granger causality

-Granger causality between money supply and stock market? null hypothesis of no Granger causality

# Methodology

Visual & Residual anlysis (LITERATURE??)

Dicky Fuller (LITERATURE??)

Granger causality (LITERATURE??)

# Visual Analysis

VISUAL Analysis: Looking for decisions by SNB that had an effect on SMI.

<https://www.snb.ch/en/iabout/snb/hist/id/hist_wpc#t14>

random example:



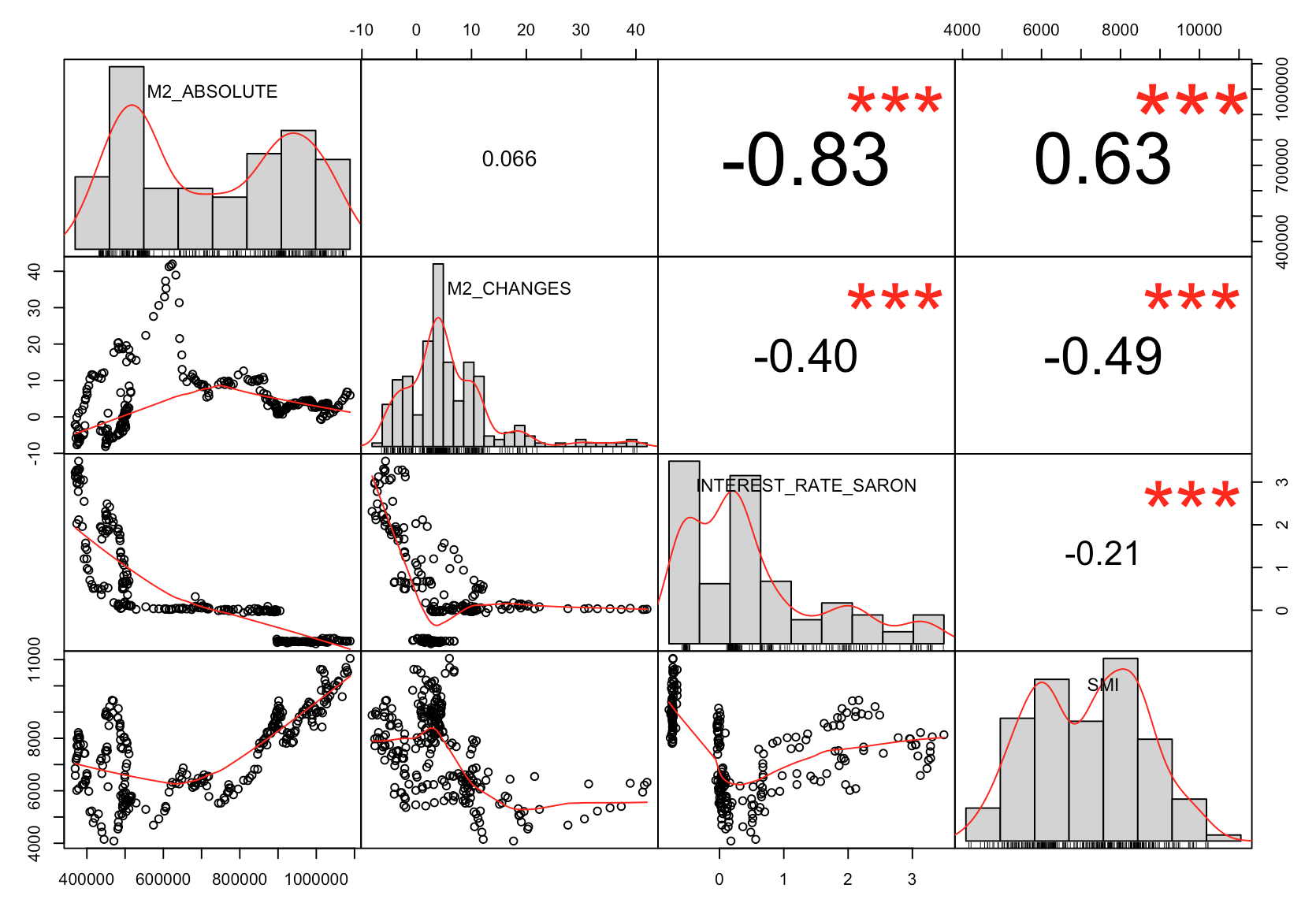
RESIDUAL Analysis

# Granger / Results

Results of Dicky Fuller and Granger causality.

Answer to research questions.

Are this correlations spurious or is there a meaningful relationship?



# Structured and Annotated List of Sources and Literature

EXAMPLE:

Arrieta, A. B. et al. (2019). Explainable Artificial Intelligence (XAI): Concepts, Taxonomies, Opportunities and Challenges toward Responsible AI. arXiv.   
<https://arxiv.org/pdf/1910.10045.pdf>  
**=> Citation for feature relevance**

# Appendix

## Declaration of Originality

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The undersigned hereby declares that he or she

- wrote the work in question independently and without the help of any third party,

- has provided all the sources and cited the literature used,

- will protect the confidentiality interests of the client and respect the copyright regulations of  
 Lucerne University of Applied Sciences and Arts.

Date and signature