University of Zurich[UZH]

Seasonality Effects in the Swiss Stock Market

Bachelor Thesis

Department of Banking and Finance

University of Zurich

Prof. Dr. Felix Kübler

Supervisor: Ally Quan Zhang

Author: Reto Heeb

Date: September 19, 2013

Abstract

This thesis analyzes the Swiss stock market for inefficiencies in the form of week-day effects by examining closing prices of both the SPI and the SMI for the years 1993 to 2007. The statistical analyses were performed with GARCH (1,1) models with and without ARMA terms. Additionally, the results are compared with previous research. Evidence is found for a Monday effect for the SMI and changing patterns over time for the SMI and SPI for a Monday, a weekend and a general week-day effect for the time period. These effects are also found when a moderating effect from market upturns or downturns is included. The results show signs of market inefficiency in the Swiss stock market. The results are similar to those of previous research on other stock markets worldwide.