

## **SPECULATIVE BUBBLES IN SECTORAL STOCK INDICES OF BORSA ISTANBUL DURING COVID-19 PANDEMIC**

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### **Abstract:**

Price increases of a financial asset caused by speculative movements are considered as an indicator of the price bubbles. Stock prices in Borsa Istanbul have been significantly fluctuating since December 2019 as the Covid-19 outbreaks started in China and rapidly spread all around the World. Identification of the bubbles is crucial for investment decisions as these price fluctuations are going to provide information about possible instabilities that may occur in the future. Within this scope, the aim of the study is spotting the speculative bubbles, which have been ongoing in Borsa Istanbul sectoral stock indices since the beginning of the Covid -19 pandemic. The data used for this analyze is daily. It starts on January 2, 2020 and ends on January 21, 2021 covering 276 days in total. The generalized sup ADF Test developed by Phillip, Shi and Yu in 2015 is used to identify the speculative bubbles. The results exposed that there are multiple number of bubbles in all the sectors studied within the period included in the analyze.

**Keywords:** Covid-19 Pandemic, Speculative Bubbles, Stocks

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