

Main concepts definition (Glossary)

AIC - Akaike information criterion (AIC) is an estimator of out-of-sample prediction error and thereby relative quality of statistical models for a given set of data.(The Free Dictionary by Farlex, 2020) <https://encyclopedia.thefreedictionary.com/Akaike+information+criterion>

Augmented Dickey–Fuller test (ADF) - is a statistical procedure to determine the presence of the unit root in the time series sample.(The Free Dictionary by Farlex, 2020)

<https://encyclopedia.thefreedictionary.com/Augmented+Dickey-Fuller+test>

BSE30 or BSE SENSEX is an Indian stock market index of 30 well established companies from the different industries listed on the Bombay stock exchange.(Investopedia, 2020)

Commodities markets - is a market place for buying and selling the raw materials such as natural resources (industrial and precious metals, crude oil), and agricultural products such as coffee, wheat, corn etc. (Investopedia, 2020)

<https://www.investopedia.com/terms/c/commodity-market.asp>

Co-movements - is the similar movement of assets. Co-movement is characterized by a similar trend in the financial markets and increased correlation over the long-run period (Gulzar et al., 2019).

Cointegration – is a property of two or more variables which can help to understand whether the distance between variables are constant over time. (Research gate, 2020)

https://www.researchgate.net/post/what_is_Cointegration

Contagion- is the spread of the harmful idea or practice. (LEXICO, 2020)

<https://www.lexico.com/en/definition/contagion>

Correlation - is a statistical measure expressed as a coefficient which shows a degree of the relationship between two or more random variables. (Creative Research System,2020)

<https://www.surveysystem.com/correlation.htm>

Euronext 100- is a an index includes the 100 largest blue chip companies listed on the Euronext exchange. (The Free Dictionary by Farlex, 2020)

<https://financial-dictionary.thefreedictionary.com/Euronext+100>

ANNEX 1 continued

Future commodity price- is a price of the future contract which is an agreement to buy or sell the commodity in a certain month at a price agreed on the day of the contract initiation. (The Free Dictionary by Farlex, 2020)

<https://financial-dictionary.thefreedictionary.com/Futures+contract>

FTSE100- is a leading UK index includes the capitalization of 100 largest companies listed on the London stock exchange. It was developed in 1983. (Bloomberg,2020)

GSCI- S&PGSCI is major commodity index includes the wide set of commodity futures. It is calculated on a world production weighted basis. It serves as a global commodity benchmark. Established in 1991. (Investopedia ,2020)

<https://www.investopedia.com/terms/g/gsci.asp>

Impulse Response Function(IRF)- is an analysis within the VAR model which reflect the reaction from endogenous variables to exogenous factors.(The Free Dictionary by Farlex, 2020)

Granger causality test – is a statistical procedure to determine the causal interaction between time-series variables. It was proposed by Clive Granger in 1969. (Wei, 2013)

<https://www.sciencedirect.com/topics/social-sciences/granger-causality-test>

MSCI (Morgan Stanley Capital International) index is a measure of the stock market performance in the particular area. (The balance, 2020)

<https://www.thebalance.com/msci-index-what-is-it-and-what-does-it-measure-3305948>

Nasdaq Composite index is an American index which includes the stocks of 3000 companies listed on the Nasdaq stock exchange. Mostly it includes the companies from the tech sector such as Apple, Facebook, Microsoft, Amazon.(Capital.com, 2020)

<https://capital.com/nasdaq-composite-defintion>

Nikkei 225-is a famous Japanese index constitutes of the 225 blue chips companies listed on the Tokyo stock exchange. It was developed in 1949 (Bloomberg, 2020)

Spillover effect in economy is a situation when some noticeable events in economy lead to occurrence of another events. At the same time those events can be unrelated to each other. For example, when some market is imbalanced it can lead to the skewness of supply and demand of other markets. (The Free Dictionary by Farlex, 2020).

<https://financial-dictionary.thefreedictionary.com/effect>

ANNEX 1 continued

S&P 500- is the stock market index. It represent the markets benchmarks since it's basket includes the stocks of 500 American large- cap companies. (Bloomberg, 2020)

Spot price- is a current price of asset at which it can be bought or sold in the particular time.(The Economics Times, 2020). <https://economictimes.indiatimes.com/definition/spot-price>

SSEC Composite- Shanghai Stock Exchange Composite index consist of all A and B- hares of companies listed on the Shanghai stock exchange. (Bloomberg, 2020).

Stock market is a place for issuing, buying, and selling the stocks. In other words it is named as a stock exchange. Stocks represents the shares of ownership of the company. (Corporate Finance Institute, 2020).

<https://corporatefinanceinstitute.com/resources/knowledge/trading-investing/stock-market/>

Vector autoregression (VAR) model is a statistical procedure is used to determine the dynamic behavior of several time series which current values depends on their past values. (r-econometrics, 2020). <https://www.r-econometrics.com/timeseries/varintro/>

Vector error correction model (VEC)- is a restricted VAR model for the estimation the non-stationary cointegrated time-series variables. (EViews Help, 2020). [http://www.eviews.com/help/helpintro.html#page/content/VAR-Vector_Error_Correction_\(VEC\)_Models.html](http://www.eviews.com/help/helpintro.html#page/content/VAR-Vector_Error_Correction_(VEC)_Models.html)

Volatility is a fluctuations of the price of securities. In finance the volatility is measured by the standard deviation of the annualized returns for the certain period of time. (The Economics Time, 2020). <https://economictimes.indiatimes.com/definition/volatility>