



Measuring Asymmetric Information With Technical Analysis

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Abstract

In spite of the tremendous amount of academic study and individual work that has been produced on stock markets trading topic all over the world in the last decade, big losses, uncertainty, and right timing difficulties on trading on stock market still exist. Trading on stock markets globally is an important subject for investment companies and professional traders may be even for governments. Most of the work done on these problems did not include the global effect, technical analysis, and fundamental analysis give limited information about the direction of stock market most of the time. This article checks the correlation between four big indices from all over the world, which are BIST30, NIKKEI225, DOW JONES, and SOXX50 also three technical analysis EMA, Moving Average Convergence/Divergence (MACD) and Relative Strength Index (RSI) results tested for these indices for better perspective. To check the correlation between indices of different regions from east to west and to test the effects of correlation on technical analyses is the main focus of this study.

Keywords: Financial Markets, Relative Strength Index, Moving Average Convergence/Divergence, Exponential Moving Average.