

PROFITS FROM TECHNICAL TRADING RULES: THE CASE OF CYPRUS STOCK EXCHANGE

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ABSTRACT

We examine the performance of various types of technical trading rules in the emerging Cyprus Stock Market (CSE). Furthermore, we examine the predictability of daily returns for the CSE with respect to the extent that the technical analysis method of moving averages can win the buy-and-hold policy. Also, we further our analysis via the bootstrap methodology under the model of EGARCH. This study becomes necessary given the important changes, which Cyprus is going through since joining the European Union on May 1 May 2004 and as it is preparing for the adoption of the Euro as its currency.

JEL CLASSIFICATION

G120,G140

KEY WORDS

EGARCH, moving averages, bootstrap, Euro zone.

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