

## **The Effects of Two Rates and Two Prices on the BIST100: ARDL and NARDL Approaches**

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### **Abstract**

The paper aims to investigate both symmetric and asymmetric effects of interest rates, exchange rates, oil prices, and gold prices on the Turkish stock market (BIST100) in terms of signal, size, and significance. Both linear and non-linear forms of the Autoregressive distributed lag (ARDL) techniques were adopted for the investigation. The linear ARDL test's, F-Bounds test, reveals that the variables are not integrated in the long run, however the NARDL, F-Bounds test revealed that the variables are co-integrated. As a result, the paper relies heavily on NARDL model. The empirical findings reveal that the exchange rate and the interest rate have asymmetric long- and short-run effects on the BIST100 index. However, the asymmetric impacts of gold prices on the BIST100 only appear in the long run, whereas the asymmetric effects of oil prices on the BIST100 only appear in the short term.

**Keywords:** Stock prices, Interest rate, Exchange rate, Oil prices, Nonlinear ARDL

**JEL Codes:** JEL Codes: G12, C13, C22