

# **Abstract**

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## **Impact of Macroeconomic Variables on Stock Markets: Evidence from Emerging Markets**

The key objective of this study is to shed light on the relationship between the stock market and macroeconomic factors in two emerging economies (Egypt and Tunisia) for the period from January 1998 to January 2014. Results indicated that there is a causal relationship in Egypt between market index and consumer price index (CPI), exchange rate, money supply, and interest rate. The same goes for Tunisia except for CPI, which had no causal relationship with the market index. Results also revealed that the four macroeconomic are co-integrated with the stock market in both countries.