

# Linkages in Global Stock Market During the Recent Crisis: A Comparison of Acute and Creeping Phases

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**Abstract:** The aim of the paper is to investigate the dynamics of linkages between stock markets during the recent financial crisis. We are interested in similarities and differences between the patterns of changes in the conditional dependence structure during distinct phases of the crisis. The basic tool in the performed analysis is a Markov-switching copula model applied to pairs of the daily returns on selected representative stock indices. The model enables us to distinguish regimes without extreme dependence, and ones with tail dependence which can be of asymmetric type. We are thus able to examine the linkages between chosen stock markets, focusing on a comparison of the strength of the tail dependencies during the considered periods.