



## Evaluation of the Relationship between Macroeconomic Variables and Industrial Price Index In Tehran Stock Exchange

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### **ABSTRACT**

*This study investigates the separate relationships between three macroeconomic variables—the consumer price index, oil prices, and foreign exchange rates—and the consolidated price movements of a 28-industry index of stocks listed on the Tehran Stock Exchange during 2010–2014. We hypothesize a significant and direct relation between each macro variable and price movements of the 28-industry index. To test our hypotheses, we use econometric methods that include ordinary least squares (OLS), linear regression, the Dickey–Fuller test, the Phillips–Perron unit root test, the F test, and the White test. Results indicate a direct and significant relation between the CPI and the 28-industry index. However, results confirm that there is no significant relation between either the oil price or the exchange rate and the index during the period examined.*

### **Keyword:**

Consumer Price Index (CPI), oil price, exchange rate, 28-industry index, Tehran Stock Exchange

Classification JEL: G1, E31. G15

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