

ABSTRACT

This paper focused on analyzing the possible effects of COVID-19 on global financial markets, that data on the outbreak are still insufficient to fully understand its medium and long term effects. To provide this paper, the study applies Structural Vector Autoregressive (henceforth: SVAR) to examine the effect of Pandemic (structural shocks is based on sign restrictions) as an exogenous distraction influences on financial market participants. The purpose of this paper is to provide an initial evaluation of the global economic impacts of this Pandemic as well as to provide a more comprehensive approach to estimating the consequences on economic indicators. Increased linkages within economies across real and financial sectors as well as across economies in both international trade and international capital flows caused by increased financial linkages associated with the globalization of production and financial markets.