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Stock Market Return Comparison between Developed and Emerging Countries

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Abstract: Stock markets play a vital role in global economic development by facilitating capital formation and providing investment opportunities. With increasing financial globalization, understanding the comparative performance of developed and emerging markets has become essential for investors. This study examines the risk–return characteristics of selected stock market indices, including Nifty 50, Bovespa, IPC, S&P 500, FTSE 100, and Nikkei 225, over the period 2013–2026 using secondary data. The analysis employs descriptive statistics, Sharpe and Sortino ratios, t-test, CAPM-based beta estimation, correlation analysis, and GARCH modelling. The results indicate that emerging markets exhibit higher volatility, while developed markets offer stable risk-adjusted returns. However, no statistically significant difference in mean returns is observed between the two groups. The findings highlight the importance of international diversification and dynamic risk assessment in global investment decision-making.

Keywords: Stock Markets, Developed and Emerging Countries, GARCH

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