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Global Events and Stock Market Reaction: Evidence from BRICS Nations

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Abstract

The study documented the response of the stock markets of BRICS nations during the occurrence of major global events, namely the COVID-19 pandemic, the Russia-Ukraine conflict, and the U.S. presidential election. The analysis has been carried out in two phases: initially, the overall response is recorded, and finally, the individual nation's response is documented during each of the events. Using event study methodology, the study revealed that the COVID-19 pandemic generated constant and prolonged negative abnormal returns across all the BRICS nations during all the event periods. The Russia-Ukraine conflict generated non-uniform responses, where Russia, India, and China exhibited short-term negative returns, while nations like Brazil and South Africa displayed delayed and positive market reactions. Further, in the case of the 2024 U.S. Presidential election, the overall reaction of BRICS was insignificant during the entire event window, while Russia exhibited a positive reaction and South Africa displayed a negative market reaction. The study provides novel insights into stock market behaviour in response to global uncertainty. It also provides significant implications for investors in diversifying their portfolio and for policymakers in formulating strategies to manage the global crisis.

Key Words: *Pandemic, Russia-Ukraine Conflict, U.S. Presidential Election, BRICS Nations, Event Study Methodology*

JEL Classification: B26, D53,

Introduction

The stock market is regarded as the barometer of any economy and is traditionally affected by a country's macroeconomic fundamentals (Bhattacharjee & Das, 2021; Keswani et al., 2024) and corporate performance (Desai & Jain, 1999; Mohamed et al., 2020). But, over the years, as the global linkage between nations has increased, the stock markets have also been getting affected by global events (Raza et al., 2023; Gupta et al., 2024). International trade, cross-border capital flow and technological interdependence have enhanced the transmission of external shocks, making the stock markets more reactive to global events like cross-border tensions, global health crises, and changes in government and changes in macroeconomic policy in major economies. Moreover, the creation of regional and international trade groups like BRICS (Brazil, Russia, India, China and South Africa), ASEAN, and the European Union has made the economic linkage between member countries even stronger (Nach & Ncwadi, 2024; Porca-Konjikusic et al.,

2024). These agreements make it easier for trade and investment to flow, but they also make domestic markets more vulnerable to changes in the global economy, thus making stock markets more sensitive to global events.

The relationship between global events and stock market volatility is not a new concept, and the presence of spillover effect and interconnectedness between the stock markets has also been observed in the previous decades (King & Wadhwani, 1990; Bekaert & Harvey, 1995). Latest empirical research has also validated these concepts concerning contemporary global events and stock market volatility (Oh & Kim, 2021; Gopane, 2023; Gong et al., 2025). Recent global events likethe COVID-19 pandemic produced a lot of volatility and big drops in global equity markets due to fear among investors and supply chain disruption (Ashraf, 2020). Many markets made robust recoveries following the government interventions (Al-Awadhi et al., 2020), but some emerging markets continued to do poorly (Topcu & Gulal, 2020). The Russia-Ukraine war, which began in early 2022, is another recent event that demonstrated a more severe effect on the stock markets of developed countries compared to developing ones (Boubaker et al., 2022; Karamti & Jeribi, 2023). Political events, especially the U.S. presidential elections, also have influenced the stock markets differently. The pre-election uncertainties have been the reason for the decline in market trends (Musah et al., 2023), whereas the post-election period has been characterized by hope and optimism and thus upward trends (Pastor & Veronesi, 2013; Nguyen, 2023). This suggests that diverse global events exert distinct and varying effects on different stock markets, complicating the relationship and highlighting the requirement to examine these dynamics, particularly in interconnected economies such as the BRICS nations.

Since the start of the 21st century, the BRICS nations have received the tag line of the five foremost emerging economies around the globe (O'Neill, 2025). The aggregated GDP of these nations over the world GDP has increased from 18 percent in 2010 to 37.3 percent in 2024-2025 (Govt. of India, 2025), which showcases the growing economic importance of these nations as a whole. Considering the rapid economic growth, BRICS countries have been the first choice of investors across the globe. The countries are the major recipients of global investment and global consumers of commodities (Mensi et al., 2014; Agarwal & Kumar, 2023). The stock markets in the BRICS countries have also grown a lot and become more complicated during the past 20 years. The

Shanghai Stock Exchangeof China and the National Stock Exchange of India stood at numbers 3 and 5 ranks, respectivelyas per December 2024 market capitalisation data published by the World Federation of Exchanges (Gupta, 2025). The inclusion of China's stock market in the MSCI Global Stock Index drew the attention of institutional investors from other countries, resulting in an increased inflow of funds (Ahmed & Huo, 2019). South Africa's and Brazil's capital markets have continued to grow strongly thanks to their resource-rich economies (Park, 2012), and Russia's stock market is still highly linked to changes in global commodity prices, especially natural gas and oil (Costola & Lorusso, 2022). The BRICS stock markets are becoming more important as the economies of the member countries work together more closely and have become more correlated over time (Singh et al., 2022; Tripathy, 2017). The growing connections show how important BRICS capital markets are to the world economy and how economic shocks can spread between member economies, especially during global events.

Moreover, global investors maintain a keen interest in the stock markets of BRICS nations and their co-movements with global factors, which reveals potential opportunities for investment, speculation, and risk diversification. To find an answer to this research problem, extensive research has been conducted around the globe, but the results are mostly inconsistent. Some studies show that geopolitical tensions and pandemics result consistentlyin increased stock market volatility in all BRICS markets (Feng et al., 2022; Mamman, 2023; Gopal et al., 2025), whereas some studies found that the BRICS markets showed resilience and benefited from some global events (Tripathy, 2017; Gopane, 2023). Researchers like Singh et al. (2022) also observed varying market reactions across BRICS nations. In this backdrop, the study has primarily focused on three broad categories of global events, namely the COVID-19 Pandemic, the Russia-Ukraine Conflict and the U.S. Presidential Election, to check the response of the said events on the stock market of BRICS nations as a whole and also on each of the member countries of BRICS. The present study is the first of its kind, which studies the impact of said global events as a whole on the stock market of BRICS nations. The study will provide a base for forming the investment strategy for investors across the globe, and also for policymakers to formulate policies on the occurrence of such events in the future to come.

Literature Review

Understanding the reaction of the stock market to global events has been one of the major focus areas for researchers for a long time in financial economics research. Although a lot of research has been conducted in this area in the developed economies, for emerging economies, especially in the context of emerging economy groups like BRICS nations, the research is still limited. This literature review brings together theoretical frameworks and real-world evidence about how global events affect stock markets, especially in the BRICS setting.

Theoretical Underpinnings

Several theories can be used as the guiding force for understanding the relationship between global events and stock market reactions. According to the Efficient Market Hypothesis, a market is efficient if share prices completely reflect all available information, including details regarding global incidences. This means that markets react logically to new information (Fama, 1970). But during times of crisis, this idea is often put to the test since investors might panic and force prices to go against the fundamentals, as explained by behavioural finance theories (Shiller, 2003). Also, contagion theory states that shocks in one market or region can quickly spread to other markets or regions because of financial interconnectedness and similar investor sentiment (King & Wadhwani, 1990). Information Asymmetry Theory claims that markets with less knowledge, which is typically found in some emerging economies, react differently to global news. Sometimes they overreact or take too long to respond (Diamond & Verrecchia, 1981). These frameworks collectively explain the significant and uneven impact of global events on stock markets across the globe.

Impact of Global Events on Stock Markets: General Evidence

Crisis, Conflicts and Stock Market Reaction

In recent times, the world has witnessed numerous crises in various forms that have shaped the stock markets and global investors' investment patterns around the globe. For example, COVID-19 is one such global crisis that shapes the stock market and negatively impacted the global stock indices, particularly the stock markets of the Asian region (Liu et al., 2020). Compared to any other recent crisis, the

pandemic spread quickly across borders and affected almost all the indices across the globe, including those ofthe most stable developed economies. Furthermore, Singh et al. (2024) and Ledwani et al. (2021) examined the response pattern of the stock market of G20, BRICS and G7 nations, respectively, and showed that although the entire group of nations experienced significant decline, the G7 nations exhibited greater market synchronisation compared to the more fragmented responses in the BRICS countries. These studies also observed that emerging markets within these groups are more vulnerable to such events.

A study conducted by Alam et al. (2020), which examined the reaction of the Indian stock market during COVID-19, observed a negative market sentiment during the pre-lockdown period, while a positive shift in market sentiment was observed inthe post-lockdown period. In another study, Liu et al. (2020) examined the short-term impact of the COVID-19 pandemic on the leading stock indices around the globe and witnessed a quick fall in the indices after the outbreak of the virus and found that indices of Asian countries experienced a more negative return than the rest of the nations. Topcu & Gulal (2020) examined the impact of the COVID-19 pandemic on the stock exchanges of emerging nations and found that nations in the Asian region had witnessed the highest negative return, whereas emerging nations in Europe had experienced the lowest negative impact of the event. Moreover, Rout & Das (2024) found that among BRICS nations, India, Brazil and South Africa are the worst sufferers during the pandemic.

Considering the financial crisis and terror attack, Bentley (2020) compared the reaction of stock markets of BRICS nations with G7 nations and revealed that although both groups of nations reacted significantly to the financial crisis and terror attack, the BRICS nations exhibited higher sensitivity. A similar outcome is also observed by Mishra (2012), who examined the impact of the aftermath of the global market slowdown on the stock market of BRIC nations and found time-varying volatility of the stock return. In another study, Yousaf et al. (2022) examined the impact of the recent Russia-Ukraine conflict on the stock market of G20 and other emerging nations and observed a significant negative response for the majority of nations; among them, Asian and European nations are the worst sufferers. In a similar study, Joshi et al. (2023) also observed a significant negative market reaction in the post-conflict days for the countries sharing a border with Ukraine. Shroff et al. (2025), on the other hand, documented the influence of the Israel-Hamas

conflict on the major commodities and on global financial markets and observed an anomalous return for India and South Africa. Kamal et al. (2023) examined the Australian stock market's reaction to the Russia-Ukraine crisis, and observed negative abnormal returns at the outbreak that disappeared a few days later. Also, Ahmed et al. (2023) on the stock market of Europe, theyobserved a significant negative return, and the negative reactions continued during post-conflict days also, but the magnitude and impact varied across nations and industries.

Political Events and Stock Market Reaction

Apart from the aforesaid events, the political events also have a significant impact on the market reaction. In this regard, Diaconaşu et al. (2023) examined the impact of the 2016 U.S. Presidential election on the global indices and found an unfavorable effect on majority of global stock indices. Similarly, Bouoiyour and Selmi (2018) evaluated the impact of Donald Trump's victory on the stock prices of BRICS nations and discovered that nations such as India, Brazil, and South Africa exhibited negative market reactions, while Russia showed a positive return during the event.

From the literature reviewed above, it is clear that the emerging nations groups like BRICS are highly sensitive to the majority of the global events, but the individual nations' response is far from uniform. Despite the plethora of studies on the topic, there still exist significant gaps in the literature. In the majority of the studies, only the individual events were considered, and they have primarily focused on short-term market reactions. The aggregate impact of these events on the BRICS nations remains unaddressed. In the present study, the impact of three major events, namely COVID-19, the Russia-Ukraine conflict and the 2024 U.S. presidential election, is studied to check the stock market reactions of BRICS nations. The analysis is carried out in two distinct ways. Initially, the BRICS nations are considered as one unified group to examine the collective response of the stock market towards particular global events. Such analysis helps in understanding the overall group impact of the events. In a later stage, the study concentrated on examining the response of each event on the stock market of the BRICS nations independently. This approach provides a deeper insight into the variation in the response of the stock market of each country. With this, the present study attempts to bridge the gap in existing literature and also assists the investors in framing the investment strategies.

Data and Methodology

Data

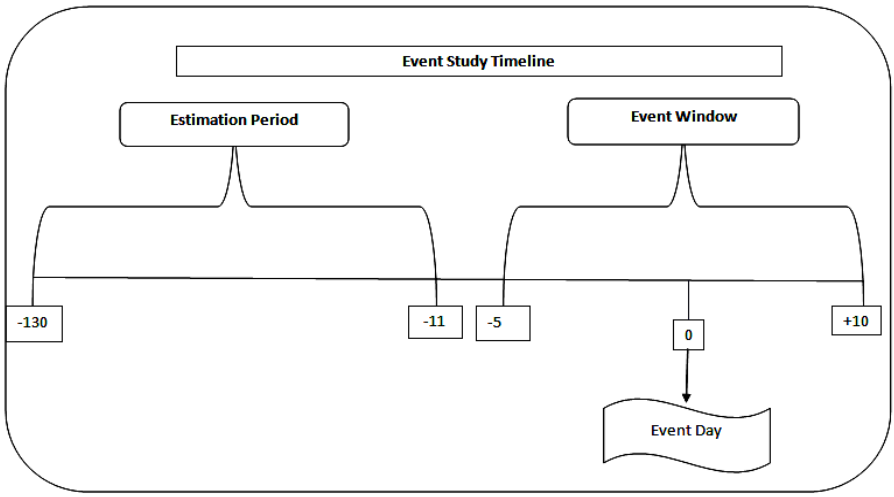
The study is based on secondary data covering the stock markets of five BRICS nations, namely Brazil, Russia, India, China and South Africa. The closing price data of stock indices of the BRICS nations are collected around the COVID-19 pandemic, the Russia-Ukraine conflict, and the 2024 U.S. presidential election from an open-source website, namely investing.com. Considering the global impact of the events and the growing prominence of BRICS nations, this study investigates their effect on the BRICS stock markets. The event, along with its announcement date, is presented below:

1. COVID-19: [11 March 2020] [Declared as Pandemic]
2. Russia-Ukraine Conflict: [24 February 2022]
3. U.S. Presidential Election result, 2024: [November 6, 2024]

Tools and Techniques

Being a reliable method approach, event study methodology is utilised to empirically document the behaviour of the stock market around the occurrence of the mentioned events. It is one of the effective and widely used methods, developed, enhanced and popularised by Fama et al. (1969); Brown and Warner (1980); and MacKinlay (1997). This method calculates abnormal returns during the event by subtracting the expected return for the period. For estimating expected return, parameters like alpha and beta are estimated during the period when no such event has occurred, known as the estimation period. The period during which the event occurred is called the event window, and the date of the event is called the event day. During the event window,the stock reaction is observed to see the reaction caused by the information released by such event(s). Pacicco et al. (2018) have been consulted for carrying out the event study analysis, and the analysis has been completed with the help of MS Excel and Stata software. The event study timeline has been depicted in Figure 1:

Figure 1: Event Study Timeline



Source: Author's calculation

The estimation period of 120 days and event window of 16 days (-5 to +10 days) have been considered based on Peterson (1989). The estimation period is utilised to calculate the parameters, alpha and beta, by regressing index return with market return. In the present study, the historical return of the index itself is taken as the proxy of the market return. And the return is calculated as:

$$R_{jt} = \ln(P_{jt} / P_{j,t-1}) \quad (1)$$

In equation (1)R_{jt} is the return of index *j* at time *t*, here the price (*P*) of stock *j* at time *t* is divided by the price (*P*) of the same stock at time *t-1*. The log function of MS Excel is utilised to mitigate the skewness and serial correlation and thereby to bring normality to the data series.

After calculating the return series, the expected return $E(R)_{jt}$ is calculated by utilising parameters calculated in the estimation period along with market return (R_{mt}). $E(R)_{jt}$ is calculated as:

$$E(R)_{jt} = \alpha + \beta * R_{mt} \quad (2)$$

In the further steps, the abnormal return (AR) is derived by subtracting the actual return (R_{jt}) with expected return ($E(R)_{jt}$). The AR is calculated as:

$$AR_{jt} = R_{jt} - E(R)_{jt} \quad (3)$$

The AR_{jt} is then aggregated over a pool of firms known as Average Abnormal Returns (AAR_t) and is calculated as:

$$AAR_t = \frac{1}{N}\sum_{j=1}^{N} AR_{jt} \quad (4)$$

Finally, to capture the overall impact across multiple days, the AAR is compiled during the event window, resulting in the cumulative average abnormal return (CAAR), .calculated as:

$$CAAR_{(t1,t2)} = \sum_{t=t1}^{t2} AAR_t \quad (5)$$

After completion of the calculations, the final step is to examine the statistical significance, as it shows whether the events under study have any economic relevance or not. The widely used parametric *t-test* has been employed in the study to check the same.

Empirical Findings

Events Wise Response of BRICS Nations

Table 1 presents the reactions of BRICS nations as a whole during three major events in distinct timelines: the pre-event period, event day, the period around the event and the post-event period. The event window of (-5, -1) represents the pre-event window, ED, also denoted by "0" is the event day, and (0, 1), (0, 2), and (0, 3) are event windows around the event day. And finally, (1, 3) and (1, 10) are the post-event windows.

Duringthe COVID-19 pandemic, the reaction of BRICS nations consistently reflects a significant negative response across all periods. This negative trend is most prominent in the pre-event window (-5, -1), where the market experiences an average abnormal return of -1.02 percent. This suggests that investors had already begun to anticipate the impacts of the pandemic before its official declaration by the World Health Organisation.

Table 1: Events-Wise Response of BRICS Nations

Event/Days	Pandemic	Russia-Ukraine Conflict	U. S. Presidential Election 2024
(-5,-1)	-1.02***	-0.57***	0.04
ED	-0.10***	-0.56***	0.00
(0,1)	-0.58***	-0.28***	0.03
(0,2)	-0.41***	-0.31***	0.02
(0,3)	-0.80***	-0.32***	0.04
(1,3)	-0.69***	0.24***	0.03
(1,10)	-0.71***	0.29***	-0.08

Source: Author's calculation
*Significance level at **P<0.05 and *P<0.1, respectively*

On the other hand, on event day the market is still significantly negative but is less severe (-0.10 percent), indicating a slight recovery compared to the pre-event period. During post-event, the market reaction becomes progressively more negative, particularly in the (1, 3) and (1, 10) windows, where significant negative returns continue to be observed. It indicates that the economic impact of the pandemic on the BRICS economies, including supply chain disruptions, global trade reductions, and increasing public health expenditures, became clearer as time passed.
Considering the Russia-Ukraine conflict, the market exhibits a different pattern compared to the pandemic. In the pre-conflict period, a significant negative reaction is observed, indicating early anticipation of the possibility of military conflict by the market investors. The market response on event day and during event windows of (0, 1) and (0, 2) continues to be negative, reflecting instant market responses to the unfolding crisis.However, the post-event period shows an interesting reversal: the returns in event windows (1, 3) and (1, 10) become significantly positive. This indicates the market's capacity for shock absorption and its adjustment to new geopolitical realities given the event's long-term implications.. Further the influence of the U.S. Presidential Election 2024 on the stock markets of BRICS nations was insignificant, characterised by mild positive returns mild positive returns. The event window of (1, 10) is the only period that records a slightly negative return but is not statistically significant. This suggests that the election did not initiate a strong or sustained market reaction in BRICS nations.

Events-Wise and Nation-Wise Response of BRICS Nations:
Table 2 presents the analysis of individual BRICS nations' stock market responses across distinct timelines, including the pre-event period, the event day, the around-event window, and the post-event period.

Table 2: Events Wise and Nations Wise Response of BRICS Nations

Nations	Event/Days	Pandemic	Russia-Ukraine Conflict	U. S. Presidential Election 2024
Brazil	(-5,1)	-0.39***	-0.02	-0.01
	ED	-0.08***	0.00	0.00
	(0,1)	-0.25***	0.02	-0.01
	(0,2)	-0.11***	0.04	-0.02
	(0,3)	-0.26***	0.04	-0.02
	(1,3)	-0.18***	0.04*	-0.02
	(1,10)	-0.13***	0.00	-0.01
Russia	(-5,1)	-0.31***	-0.48***	0.04
	ED	-0.01	-0.48***	0.02
	(0,1)	-0.13***	-0.25***	0.03
	(0,2)	-0.10***	-0.34***	0.05**
	(0,3)	-0.13***	-0.37***	0.07**
	(1,3)	-0.12***	0.11***	0.05**
	(1,10)	-0.11***	0.31***	-0.02
India	(-5,1)	-0.15***	-0.04	-0.02
	ED	0.00	-0.05***	0.01
	(0,1)	-0.09***	-0.02**	0.00
	(0,2)	-0.05***	-0.02	0.00
	(0,3)	-0.13***	-0.03	-0.01
	(1,3)	-0.13***	0.02	-0.02
	(1,10)	-0.23***	0.02	-0.03
China	(-5,1)	-0.03	0.00	0.05
	ED	-0.01	-0.02**	0.00
	(0,1)	-0.03	-0.01	0.02
	(0,2)	-0.04**	-0.01	0.02
	(0,3)	-0.07***	0.00	0.02
	(1,3)	-0.06***	0.02	0.02

	(1,10)	-0.07**	-0.04	-0.01
South Africa	(-5,1)	-0.15***	-0.03	-0.02
	ED	0.00	0.00	-0.02**
	(0,1)	-0.09***	-0.01	-0.01
	(0,2)	-0.11***	0.02	-0.02
	(0,3)	-0.20***	0.04	-0.03
	(1,3)	-0.20***	0.04**	-0.01
	(1,10)	-0.16***	0.01	-0.01

Source: Author's calculation
*Significance level at **P<0.05and *P<0.1, respectively*

Response of the stock market of Brazil to global events

With respect to the COVID-19 pandemic, Brazil's stock market exhibited a consistent significant negative reaction across all event windows. During the pre-event window (-5,-1), the market experienced the largest negative (-0.39 percent) reaction observed across the different periods. This indicates the early pricing by the investor in the looming global health crisis before the official declaration of the crisis as a pandemic. On event day, the reaction was least negative but significant, with -0.08 percent representing the adjustment to the official declaration of crisis as a pandemic. Also, in such types of events, the market during the initial shock incorporates much of the uncertainty generated from such an event. In the further event windows of (0, 1), (0, 2), (0, 3), (1, 3), and (1, 10), the negative sentiment deepened again, reflecting ongoing economic and social uncertainty caused by unprecedented COVID-19.

On the other hand, in case of Russia-Ukraine conflict, the Brazil's stock market exhibited a lesser responsive behaviour, where the majority of the event windows were insignificant but positive and near-neutral. The possible explanation for this can be the relative geographic distance and Brazil's lower exposure to the specific political dynamics of the conflict. Interestingly, the stock market benefited from the conflict, as witnessed from the event window (1, 3), which reflected the positive abnormal return of 0.04 percent. This positive reaction of the market can be attributed to the potential rise in commodity prices, including agricultural products, which directly or indirectly might boost Brazil's export-driven economy.

Regarding the U.S. Presidential Election 2024, Brazil's stock market showed no significant movement across entire event windows. Although

there were both positive and negative reactions, none were statistically significant. It indicates that investors in the stock market of Brazil did not perceive the U.S. election outcome as a major factor influencing their stock market. Also, it is well established that Brazil's economy and market are more sensitive to their own domestic factors rather than foreign political events.

Response of the stock market of Russia to global events:

With regard to the pandemic, Russia's stock market exhibited a significant negative reaction across entire event windows, with the most significant decline observed during the pre-event window (-5, -1), with average returns of -0.31 percent. However, the absence of a statistically significant reaction on the event day suggests that the adverse sentiment had largely been pre-absorbed by the market. In the further event windows of (0, 1), (0, 2), (0, 3), (1, 3) and (1, 10), the negative sentiment deepened again, reflecting ongoing economic and social uncertainty caused by unprecedented COVID-19.

During the Russia-Ukraine conflict, as Russia was directly involved in the conflict, the stock market experienced significant negative reactions across most event windows, including (-5, 1), event day, (0, 1), (0, 2) and (0, 3). However, a notable and significant shift toward positive returns was observed during the event windows (1, 3) and (1, 10), reflecting the possible market correction, government intervention or re-assessment by the investors regarding the long-term economic implication of the conflict.

On a similar note, the stock market of Russia exhibited a positive response around the U.S. Presidential election, 2024. During the event windows (0, 2), (0, 3), and (1, 3), the market recorded positive returns, indicating a possible relief to the Russian economy from geopolitical tensions and economic barriers and opening some favourable environment for international trade and relations.

Response of stock market of India to Global Events:

Considering COVID-19 pandemic, the Indian stock market exhibited a statistically significant negative reaction across entire event windows, except the event day. The most prominent decline, of -0.23 percent, was observed during the (1, 10) window, indicating the delayed and long-lasting negative market sentiment as the impact of COVID-19was felt

considerably late in the Indian market and economy as compared to other nations.Although significant negative abnormal returns were detected during the pre-crisis period, indicating early market anticipation of adverse development, the reaction became statistically insignificant on the announcement day.

Regarding the Russia-Ukraine conflict, the Indian stock market showed no prior reaction. Nevertheless, a significant negative reaction was exhibited on the event day and during the (0, 1) event window, signaling short-term volatility and the conflict's negative impact. Apart from this, no significant returns were observed, indicating quick incorporationof the available information by the market, and therefore, the conflict could not generate constant risk aversion in the Indian context.

On the other hand, the U.S. Presidential Election 2024 did not generate any statistically significant impact on the Indian stock market. Although some minor fluctuation with positive and negative return is witnessed, none are significant.

Response of the stock market of China to global events

Considering COVID-19 pandemic, the stock market of China displayed no significant reaction during the initial phase of the pandemic including windows of (-5, -1), the event day and (0, 1). However, after the initial phase, a significant change in reaction is observed, where significant negative abnormal returns emerged during the windows of (0, 2) and (0, 3), indicating a delayed market reaction. A similar negative reaction is observed during the event window of (1, 10), depicting persistent negative market sentiment in the post-event period.

The market appears more stable following the Russia-Ukraine conflict, as evidenced by the insignificant majority of returns observed across the event windows. However, at one event, the market exhibited a statistically significant negative return, indicating the immediate and short-lived impact of the conflict on the stock return. During the rest of the event windows, the returns are insignificant, indicating that the stock market has absorbed the news efficiently, allowing no room for prolonged fluctuation in the market.

Similarly, during the U.S. Presidential Election 2024, the stock market of China showed no significant reaction during any event window, although some mild fluctuations are observed, but none are significant.

Response of the stock market of South Africa to global events

Considering the pandemic, South Africa's stock market exhibited a significant negative reaction during the majority of windows. During the pre-event window of (-5, 1), the market displayed a significant negative return, indicating significant market distress before the official announcement of the pandemic. However, on event day no abnormal returns are observed, indicating no immediate market reaction to the official announcement. This also implies that the majority of the negative sentiment of the pandemic is already incorporated in the market before its official announcement, and therefore, on actual announcement, no significant market reaction is observed. However, as the pandemic unfolded, the market exhibited persistent negative returns over the event windows of (0, 1), (0, 2) and (0, 3), demonstrating the cumulative negative impact of the pandemic on investor sentiment. Negative reactions were similarly observed in the event windows of (1, 3) and (1, 10), thereby confirming the pandemic's persistent negative effect on the market.

During the Russia-Ukraine conflict, the stock market of South Africa displayed a considerably stable reaction. During the pre-event window (-5,-1), the event day (0, 1) and (0, 2), the market showed minor fluctuation with positive and negative returns, but none are significant. However, on the event window of (0,3), (1, 3), the return saw a significant improvement with significant positive returns of 0.04 percent for both windows. This indicates the market adjustment and recovery with positive sentiment of the investors towards the South African stock market.

Further, during U.S. Presidential Election, 2024, the South African stock market displayed a muted response, with the majority of event windows having insignificant returns. However, only on the event day was the return significantly negative, indicating a short-term negative impact of the event. Although during the event window of (0, 1), (0, 2), (0, 3), (1, 3) and (1, 10), minor fluctuations are witnessed but none are significant, which indicates minimal impact of the event on the stock market of South Africa.

Discussions and Conclusion

The present study contributes to the emerging body of literature dealing with the stock market reactions in emerging economies by documenting

the response of the BRICS stock market to the three major global events, namely the COVID-19 pandemic, the Russia-Ukraine conflict and the U.S. presidential election of 2024. By analysing the response of the stock market of BRICS nations, the study reveals heterogeneity in market responsiveness across BRICS nations, driven by the type or nature of the event, its global presence and economic impact, as well as the country-specific uniqueness in dealing with such events and also the geopolitical landscape of the nation.

The COVID-19 pandemic generated the most widespread and lasting negative market reaction across the entire BRICS nations-Brazil, Russia, India, China and South Africa. The results from the pre-event period and post-event period show the most adverse impact of the pandemic, indicating early investors' reaction as well as long-lasting uncertainty. The country-specific results also depicted similar results, where the stock markets of Brazil, Russia, India, and South Africa exhibited significant negative returns. However, the stock market of China revealed a delayed response, but eventually, in the post post-event period, a significant negative impact is also observed. This outcome is similar to the findingsof the study conducted by Liu et al. (2020), which observed that the pandemic spread quickly across borders and affected almost all the indices across the globe, including those of the most stable economies. Singh et al. (2024) and Ledwani et al. (2021) also observed a similar pattern in the stock market of G20, BRICS and G7 nations.

On the other hand, the Russia-Ukraine conflict exhibited various responses across the BRICS nations depending upon the geopolitical affiliations, economic ties, and energy dependencies of the particular nation. Russia, being directly involved in the conflict, saw an initial sharp decline in returns series, but as the days passed, the market again rebounded, and a significant positive return was observed during the post-event windows. On the other hand, the countries including Brazil and South Africa saw positivity in their market return, indicating benefit from the conflict due to a possible rise in commodity prices and no direct exposure to the conflict. While countries like India and China experienced short-run market decline, possibly because of their strategic ties and close proximity to Russia. The study conducted by Yousaf et al. (2022) on the stock market of G20 nations also observed a significant negative response for most nations, and among them, Asian and European nations are the worst sufferers. Joshi et al. (2023) reported a similar negative outcome in their study of countries bordering Ukraine.

Regarding the U.S. Presidential Election, 2024, the result uniformly indicates the minimal market's impact across all the BRICS nations. The minimal or no impact of the election indicates the market's resilience and adaptability in incorporating the external events. In the country-specific analysis, the nations including Russia exhibited a positive response, while a negative response was witnessed from the South African stock market, but in both cases the reaction was short-run. However, the study by Diaconaşu et al. (2023) on the 2016 U.S. presidential election found an unfavourable effect on the majority of global stock indices. While a study by Bouoiyour and Selmi (2018) discovered that nations such as India, Brazil, and South Africa exhibited negative market reactions, while Russia showed a positive return during the same event.

The study concludes that the stock markets in BRICS countries react differently to global events like the COVID-19 pandemic, the Russia-Ukraine conflict, and the 2024 U.S. Presidential Election. This is important for investors and policymakers to know because each country's economy is different and the events that happen are different. The study's conclusions give investors and portfolio managers useful information for making event-driven investment plans for emerging markets like the BRICS countries.

Scope for future study

Future studies could add to the outcome of this study by using firm-level data to better understand microstructural dynamics or by looking into other types of assets, such as bonds and commodities. Comparing more emerging markets outside BRICS could help in providing a better grasp of how global events affect different markets in different ways.

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