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Empirical Linkage between Oil Price and Stock Market Returns and Volatility: Evidence from International Developed Markets

"Empirical linkage between oil price and stock market returns and volatility: Evidence from international developed markets"

The aim of this paper is to examine empirically whether oil price shocks impact stock market returns. The authors use EGARCH-M model to assess the link between oil shocks and stock markets for eight developed countries from January 1991 to September 2013.
The empirical question is highly interesting for policymakers as well as for investors. The paper demonstrates an adequate understanding of the relevant literature in the field. The research design is solid enough to claim a significant contribution to the literature. I like the way the authors address the empirical analysis and conclude the paper.

In the following report, I will try to discuss one single point which I believe needs to be addressed to improve the manuscript.

The authors have used the EGARCH-M model. The main objective of using the EGARCH-M is to supervise the possible asymmetries in effects and the risk premium.
However the authors have not specified if they run the LM-ARCH tests on the mean residuals or on the variance standardized residuals. They must take into account this element.

In conclusion, I believe that this paper can be with high interesting implications and I recommend it to be published.