

**INFORMATION TRANSMISSION BETWEEN THE U.S.,
HONG KONG, AND CHINA'S STOCK MARKETS
DURING THE FINANCIAL CRISIS**

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〈SUMMARY〉

The global financial crisis deteriorated so sharply after *Lehman Brothers Holdings Inc.* filed for Chapter 11 bankruptcy protection on September 15, 2008. This paper mainly focuses on the stock market volatility features and volatility spillover effects between the U.S., Hong Kong and China around the crash of September 2008. We adopt nonparametric realized volatility constructed from high-frequency intraday data that covers the period of July 15, 2008 – January 31, 2009. Our empirical analyses show that (1) the Lehman shock does increase the information transmission effects, (2) the stock market crash directly causes an increase in volatility in these markets with the smallest impact on China and (3) Chinese investors have relatively low sensitivity to international information because of non-liberalization of trade and investor structure in China's stock market.