

# **Oil price shocks and stock returns of oil and gas corporations**

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## **Abstract-**

**In this paper we examine the impact of oil price shocks on stock returns of four oil and gas corporations listed on NYSE over the period January 1974 to December 2015. We consider different linear and nonlinear oil price specifications and take into account the structural break date of the year 1986. The novelty evidence supports a significant positive impact of oil price shocks on stock returns in the short-run. We also find that the relationship has become statistically significant during the post-1986 period.**

**Index Terms- Oil prices; Linear and nonlinear specifications; Vector autoregressive model; Stock returns; Oil and gas corporations**

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