ΚΥΚΛΟΣ ΣΕΜΙΝΑΡΙΩΝ ΣΤΑΤΙΣΤΙΚΗΣ ΜΑΪΟΣ 2018

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Structural Breaks and Herding Behaviour in Cryptocurrencies

ΔΕΥΤΕΡΑ 21/5/2018
13:00

**ΑΙΘΟΥΣΑ Δ24, 2^{ος} ΟΡΟΦΟΣ,
ΚΕΝΤΡΙΚΟ ΚΤΙΡΙΟ ΟΠΑ
(ΠΑΤΗΣΙΩΝ 76)**

ΠΕΡΙΛΗΨΗ

Blockchain technology created cryptocurrencies. In January 2018, Bitcoin gained attention, as the most known electronic currency with the highest capitalisation. This paper examines the characteristics of the main cryptocurrencies (Bitcoin, Ethereum, Ripple, Litecoin, Stellar, NEM, Dash, Monero, Tether) from August 2015 to February 2018. Cryptocurrency index reported a structural break on January 2018, according to Chow breakpoint test. While Bitcoin was already on a steady decline since reaching its all-time high valuation, the magnitude of the situation worsened on January 15, 2018, as other major cryptocurrencies like Bitcoin Cash, Ripple and Litecoin followed its lead. However, Bai-Perron multiple break point tests do not provide evidence of any breakpoints. Apart from documenting stability diagnostics, this study provides evidence for the existence of herding effects in the cryptocurrency market. However, finally, asymmetric herding effects are not documented during the days of negative market returns.

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MONDAY 21/5/2018
13:00

**ROOM D24, 2nd FLOOR,
CENTRAL AUEB BUILDING
(PATISION 76)**

ABSTRACT

Blockchain technology created cryptocurrencies. In January 2018, Bitcoin gained attention, as the most known electronic currency with the highest capitalisation. This paper examines the characteristics of the main cryptocurrencies (Bitcoin, Ethereum, Ripple, Litecoin, Stellar, NEM, Dash, Monero, Tether) from August 2015 to February 2018. Cryptocurrency index reported a structural break on January 2018, according to Chow breakpoint test. While Bitcoin was already on a steady decline since reaching its all-time high valuation, the magnitude of the situation worsened on January 15, 2018, as other major cryptocurrencies like Bitcoin Cash, Ripple and Litecoin followed its lead. However, Bai-Perron multiple break point tests do not provide evidence of any breakpoints. Apart from documenting stability diagnostics, this study provides evidence for the existence of herding effects in the cryptocurrency market. However, finally, asymmetric herding effects are not documented during the days of negative market returns.