

**Volume 30, Issue 4****Research Announcement****Impact of monetary policy on the volatility of stock market in pakistan**

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This paper addresses the linkages between the monetary policy and the stock market in Pakistan. The estimation technique employed includes Engle Granger two step procedure and the bivariate EGARCH method. The results indicate that any change in the monetary policy stance have a significant impact on the volatility of the stock market. Thus contributing to the ongoing debate in the monetary policy rule literature regarding the proactive and reactive approach

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