

A STUDY OF PRICE VOLATILITY OF THE
SRI LANKA STOCK EXCHANGE MARKET

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This is a study in process. The study considers price volatility in the share market in quoted shares at the Exchange in Colombo. Sample periods are taken which on the basis of the earlier work by the senior Author are considered representative. Similar arguments have dictated the stocks chosen for study. Price volatility is large and compared with those reported for other stock exchanges. From these comparisons tentative considerations of the nature of the Colombo market, being most comparable only to certain markets, is suggested. An analysis of effects of this volatility on asset holding and on the development of the market is stated. More accurate statements would require a more articulated model and further tests at different periods of the market.