

SUMMARIES

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**GLOBAL IMBALANCES IN INTERNATIONAL PORTFOLIO FLOWS:  
EMPIRICAL TESTS OF SOME THEORETICAL APPROACHES**

This article is devoted to the empirical testing of some International Capital Assets Pricing Model theoretical postulates. The one tested refers to the three fund theorem and implies

that all international portfolio investors should hold equal portfolios containing all stocks of the world market proportionally to their world market capitalization. The hypothesis on the imbalances between the mentioned indicators is confirmed. The shares of the explored 71 markets in the world market portfolio and in the global portfolio liabilities during the period between 2001 and 2012 are calculated. These figures differ in favour of the first and in some years they differ significantly. The uncovered imbalances support the fact that the explored markets in particular and the world market as a whole are underinvested. The special calculation methodology is developed. The level of a market foreign overinvesting / underinvesting level is calculated as the difference between the relations of the actual factor – the share in the global portfolio liabilities to the equilibrium factor – the share in the world market capitalization and the unity.

The overinvesting / underinvesting level is calculated for all countries and the double criteria analysis is being carried out. The 9-cluster overinvesting / underinvesting level matrix is elaborated and examined. The matrix analysis did not allow supporting the theoretical idea that the market dynamics were to tend to equilibrium and the arising imbalances were to be self-liquidated. Instead different markets groupings show different dynamics patterns, different imbalances behaviour and different trends.