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## **GLOBALISATION AND THE CONTAGION EFFECT: TRANSMISSION AMONG STOCK MARKETS**

### **Abstract:**

Globalisation brings great advantages as regards the existence of financial markets, but it also has a series of drawbacks, of which it is possible to highlight the fact that a crisis that occurs in one specific geographical area may be transmitted to others, thus increasing the negative effects of that crisis. In this work, we analyse the contagion effect that occurs among various countries when an economic crisis originates in one of them. The principal objective of our study is, therefore, to analyse the main causes and consequences of those crises, focusing on the subprime mortgage crisis that began in the United States in 2007 and reached an unforeseen scale as regards the number of countries affected and its devastating consequences.

### **Keywords:**

Globalization, Contagion Effect, Economic Crisis

**JEL Classification:** F65, G01