# *ABSTRACT*

*This study aims to examine the integration of stock markets between ASEAN-6 countries (Indonesia, Malaysia, Singapore, the Philippines, Thailand, and Vietnam) and China following the signing of the ASEAN-China Free Trade Area (ACFTA) agreement. Using weekly stock market return data from 2010 to 2023, the study employs the Dynamic Conditional Correlation Generalized Autoregressive Conditional Heteroskedasticity (DCC-GARCH) model to assess dynamic correlations between the stock markets of ASEAN-6 and China. The analysis is divided into three periods: 2010-2015, when ACFTA was first implemented; 2015-2019, during discussions and signing of the ACFTA upgrading protocol; and 2019-2023, when the upgraded protocol was put into effect.*

*The findings show that the stock markets of ASEAN-6 countries exhibit weak but significant dynamic correlations with the Chinese stock market post-ACFTA. Notably, correlations increased in the period from 2015 to 2019, coinciding with the signing of the upgrading protocol, but slightly declined from 2019 to 2023, possibly due to the effects of the COVID-19 pandemic. Despite the decline, the results indicate that ASEAN-6 stock markets remain moderately integrated with the Chinese stock market.*

*The findings contribute to the existing literature by providing insights into the economic integration between ASEAN-6 and China, supported by the ACFTA agreement. The study also suggests potential benefits for investors, as the integration of stock markets could present portfolio diversification opportunities. Future research is encouraged to explore additional stock markets and apply alternative econometric models to further investigate financial market integration in the region.*



***Keywords:*** *DCC-GARCH, stock market integration, ASEAN-6, China, ACFTA, dynamic correlation, financial markets*