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THE BEST DAY TO INVEST IN ASIA; AN ANALYSIS OF THE DAY OF THE WEEK EFFECT ACROSS MAJOR STOCK INDICES IN ASIA.

A well-organized stock market encourages the phenomenon of fair pricing of stocks.

A good functioning of a stock market is a strong indicator of a developing economy. Stock traders thoroughly observes any single movement of the stock index which may affect their future profitability or help them to evaluate their securities.

Stock market anomalies have been an area of study for decades. The effect of anomalies may hike or depress the share price on a particular day/week/month as compared to the mean returns or average returns. For an investor, the knowledge of the existing anomalies would help to efficiently time and channelize one's resources which would enable them to frame profitable trading strategies like day trading, swing trading and scalping to gain from the stock market. One of the common calendar anomalies, is the day-of-the-week effect which may be defined as the tendency of stocks to deliver relatively large returns on one particular day compared to other days of the week.

Traders are interested to reap benefits from the stock market in short run.If the anomalies are properly understood, returns would become more predictable. **Objective-**The objective of the study was to analyze the existence of day-of-the-week effect across major indices in Asia namely, S&P BSE Sensex- Bombay Stock Exchange, S&P SL 20 - Colombo Stock Exchange, KOSDAQ- Korean Stock Exchange, Nikkei 225- Tokyo Stock Exchange, Shenzhen Stock Exchange (SZSE)- Chinese Stock Exchange, KSE 100 Index – Pakistan Stock Exchange, KLCI- Bursa Malaysia Exchange, DSEX- Dhaka Stock Exchange and IDX- Indonesia Stock Exchange for the period April 2017 to March 2018. **Methodology-** The study takes into consideration daily returns of the indices under the study from 1st April 2017 to 31st March 2018. The daily percentage returns are calculated for each day of the period to analyse the day on which the stock market records a comparatively high return in comparison to other days of the week. **Findings &Discussion-** It is identified that the S&P BSE Sensex, S&P SL 20, KOSDAQ, Nikkei 225, KLCI, IDX indices record a high return for Monday, while indices SZSE and DSEX mark a higher return on Tue and KSE 100 records a higher return on Friday. This study suggests to investors that the existence of anomalies may provide opportunities to formulate profitable trading strategies so as to earn abnormal return by adopting risk strategy. (Sharma, 2011) opined that in an efficient market the stock prices must be independent of the day, week, month and other calendar dummies. (Lakonishok & Levy, 1982), (Rendleman, Jones, & Latane, 1982) states that Monday returns should be higher than other weekday returns because of the delay between trading and settlements in stocks . These studies measure Monday return between the closing price on Friday and the closing price on Monday. Day-of-the-week effect is also documented for other stock markets around the world. Among them, (Ibbotson & Jaffe, 1975) investigate the weekend effect in four developed markets, namely Australia, Canada, Japan and the UK. The results indicate the existence of weekend effect in all countries. (AgarwaL & Rivoli, 1995) also showed that the distribution of stock returns varies by day-of-the-week for various countries. In sum, day-of-the-week effect in stock returns is a common phenomenon and observed across different countries and different types of markets, specifically the developed markets. When a market suffers from day of week effect anomaly, then the returns in that market follow a pattern and these returns are not independent of the day of week. Further, day of week effect shows evidence against random walk theory.