**THE RECENT DYNAMICS OF THE STOCK EXCHANGE IN BRAZIL**

André Abdala(1) (\*) Silvia Borges Dondi Guido(2)

1. Federal University of Espírito Santo. Av. Fernando Ferrari, 514, Goiabeiras, Vitória - ES - CEP 29075-910, Brazil.E-mail: andre.abdala@hotmail.com
2. Federal University of Espírito Santo. Av. Fernando Ferrari, 514, Goiabeiras, Vitória - ES - CEP 29075-910, Brazil. E-mail: silviabdguido@gmail.com

**(\*)** Corresponding Author

**Abstract**.

This study is a literary analysis with the purpose of verifying the dynamic relation of the São Paulo stock exchange index with some macroeconomic variables, between January 2014 and August 2017, when Brazil was going through a serious political crisis, in which the economic activity was affected and therefore the stock market. Thus, these relationships are evaluated by the Johansen Cointegration Test to precisely verify the long-term relationship between the Brazilian stock market and the other variables. And the results indicate a negative weight of inflation expectations, interest rates and public debt, while the exchange rate and economic activity positively affect the stock market index.

**Keywords.** Stock price, Index of the São Paulo Stock Exchange, Johansen Cointegration Test.

**JEL.** C13, E44, G12.