

## **Abstract**

This thesis analyzes the information transmission and correlation of the AH share and its listed stock markets and uses the Shanghai-Hong Kong Stock Connect (refer as “the Connect”) as a breakthrough to study its development trend. The dataset includes the daily returns of Shanghai and Hong Kong stock markets, AH share markets, and eight AH bank shares during 2010-2018. Using DCC GARCH and VAR models, we find persistent correlations for Shanghai and Hong Kong stock markets, the AH share market, and AH bank stocks. However, for AH bank shares, we do not find a growing trend of dynamic correlation. Moreover, the Connect has an insignificant effect on the correlation of cross-listed shares. We also find Granger causality for the SSE index as the Hang Seng index, but for the AH share market and AH bank shares, it is Granger causality for the H stocks as the A stocks.