the US stock market, FOREX, and commodity markets as well as in the Russian stock market; in particular, fractional integration techniques suggest that the lowest orders of integration occur on Mondays.

Possible explanations for the weekend effect are: the psychology of investors who

Friday (Rystrom and Benson, 1989); the closing of speculative positions on Fridays and the establishing of new short positions on Mondays by traders (Kazemi et al., 2013 and Chen and Singal, 2003), and the trading patterns of institutional investors (Sias and Starks, 1995). Another possible reason is that over the weekend market participants have more time to analyse price movements and, as a result, on Mondays a larger number of trades takes place. Alternatively, this might be due to deferred payments during the weekend, which create an extra incentive for the purchase of securities on Fridays, leading to higher prices on that day.

Evidence that the weekend effect has become less important over the years has been reported by Fortune (1998, 1999), Schwert (2003), and Olson et al. (2011). Further, Caporale et al. (2014) show that this anomaly cannot be exploited to make abnormal profits (and therefore it is not inconsistent with the EMH) by taking a trading robot approach.

3. Data and methodology

We use daily data for UX index futures. The sample covers the period from May 2010(the first available observation) to the end of December 2014. The data source is the Ukrainian Exchange (http://www.ux.ua/en/).

To examine whether there is a weekend effect we use the following techniques:

average analysis

-tests

regression analysis with dummy variables

fractional integration tests

Average analysis provides preliminary evidence on whether there are differences between returns on different days of the week. -tests are carried out for the null hypothesis that returns on all days of the week belong to the same population; a rejection of the null implies a statistical anomaly in the price behaviour ona specific day of the week.Given the size of our dataset, it is legitimate to argue that normality holds on the basis of the Central Limit Theorems (see Mendenhall, Beaver and Beaver, 2003), and therefore these are valid statistical tests. As a further check for normality, we also apply UX index futures values for the period 2014 (Table 1) and calculate the critical value of the distribution. These confirm that the data are normally distributed and therefore -tests are valid, since their critical values do not exceed those of the chi-square distribution.

Table 1: "Normality" test of the UX index futures data

Parameters	Values

where mean of the population of returns on the day whose effects are being tested;

mean of the population of all returns except the observations on the day whose effects are being tested;

standard deviation of the population of returns on the day whose effects are being tested;

standard deviation of the population of all returns except the observations on the day whose effects are being tested;

size of the population of returns on the day whose effects are being tested;

size of the population of all returns except the observations on the day whose effects are being tested;[1]

The test is carried out at the 95% confidence level, and the degrees of freedom are N 1 (N being equal to N_1+ N_2).

Returns are compute

We use the following procedure to simulate the trading process. First we compute the percentage result of the deal:

, (5)

where opening price

closing price

Then this difference is converted into Ukrainian hryvnas (UAH).

(6)

where is result of the deal in UAH.

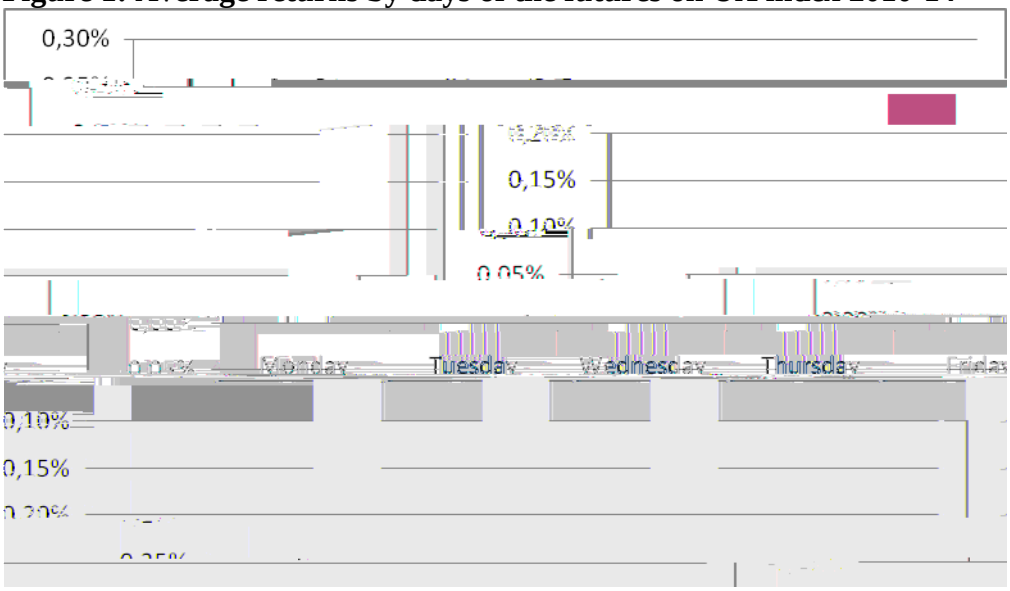
The sum of results from each deal in UAH is the total financial result of trading.

A strategy resulting in a number of profitable trades > 50% and positive total profits is defined as indicating an exploitable market anomaly.

4. Empirical results

We start with some simple average analysis. The results are displayed in Figure 1.

Figure 1: Average returns by days of the futures on UX index 2010-14



As can be seen, the biggest positive returns occur on Fridays. Returns are also positive on Mondays, but negative on the other days of the week. Therefore, there is preliminary

Table 3: Parameters of the multiply regression with dummy variables of daily returns for different days of the week for the futures on the UX index during 2010-2014

	Value	Standarderror	t	Pr> |t|	Lowerbound (95%)	Upperbound (95%)
Intercept	-0.0017	0.0014	-1.2174	0.2237	-0.0045	0.0011
Monday	-0.0009					

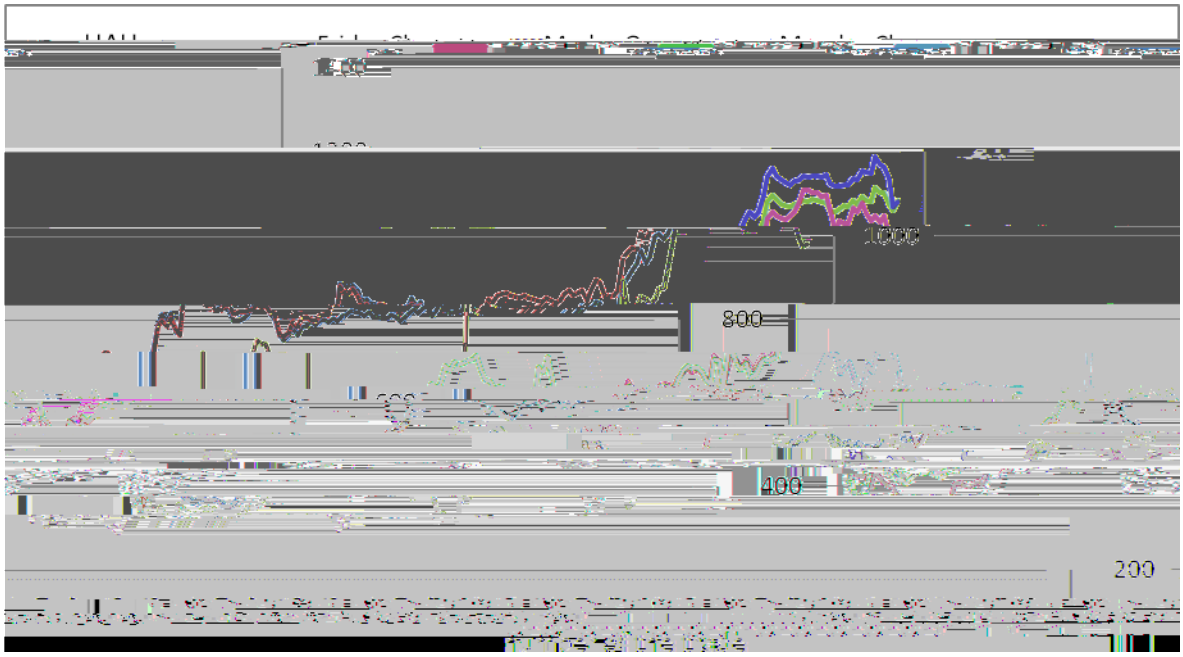
We simulate trading future contracts on the UX index with a trading deposit of 500 UAH. The marginal requirements on these future contracts are 214 UAH per contract, therefore 500 UAH is a sufficient deposit to trade with 1 future contract and cover possible draw downs which may occur during trading.

The trading results for the different strategies are presented in Table 5. The dynamics of the equity of the trading deposit for different strategies during 2010-2014 is shown in Figure 3.

Table 5: Trading results for different strategiesfor the period 2010-2014

Strategy	Number of trades	Number of successful trades	% of successful trades	Financial result, UAH	Financial result, %	Annual financial result, %
Friday close	231	118	51.1%	586	117.2%	26.0%
Monday open	231	123	53.2%	582	116.4%	25.9%
Monday close	231	121	52.4%	484	96.9%	21.5%

of the equity of the trading account for different strategies during 2010-2014



All three strategies appear to be profitable. The strategy is the least profitable and most volatile. The other and , produce

References

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Appendix A

Results of the regression analysis for daily returns on different days of the week for the futures on the UX index during 2010-2014

Table A.1: Goodness of fit statistics:

Observations	995
Sumofweights	995
DF	990
R2	0.0080
Adjusted R^2	0.0040
MSE	0.0004
RMSE	0.0201
DW	1.8447

Table A.2: Analysis of variance:

Source	DF	Sumofsquares	Meansquares	F	Pr> F
Model	4	0.0032	0.0008	1.9956	0.0931