**UNIVERSITY OF WAIKATO**

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**Do 18th Century 'Bubbles' Survive the Scrutiny**

**of 21st Century Time Series Econometrics?**

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**Abstract**

Applying the methods of Phillips, Shi and Yu (2015, PSY), while considering the possibility of non-stationary volatility (Harvey *et al.* 2016), evidence of exuberance in share prices is confirmed for the South Sea Company, and established for a number of other 18th century financial organisations, for the first time. The timings of these bubble episodes show signs of possible contagion.

**Keywords**

exuberance

GSADF test

bubble

South Sea Company

Mississippi Company

**JEL Classifications**

C12; N2

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