

## **Measuring Interdependence and Contagion: A Copula Approach**

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*Determining financial crises is a hard procedure to do. Financial crises are still exanimate an essential phenomenon known for its international influence and scope and its propagation indistinctively across developed and developing countries. There is no apparent consensus among researchers as to the adequate approach to adopt in order to test out contagion. In this paper, we develop a contagion-assessment model. We analyse the extreme dependence structure, stemming from the characteristics of the financial asset model to which we propose to add the copula functions in order to take into consideration the dependence structure present among the various increments. Moreover, we analyse the dependence relationship existing between financial markets productivity. To this end, we consider the student copula. This work shows nature of tail dependence which is an important dimension of contagion. Here, we propose to develop a contagion assessment model.*

**Keywords:** Financial Crises, Contagion, Copulas.