

REGIME SHIFTS IN HEALTHCARE SECTOR VOLATILITY DURING PUBLIC-HEALTH EMERGENCIES: A REVIEW

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Health emergencies like the outbreak of COVID-19 shifted patterns across international financial systems; notably, healthcare emerged with distinct stability traits amid sudden medical disruptions. Instead of broad trends, focus here lies on findings published between 2021 and 2024 examining performance of key healthcare market indexes worldwide. Sharp spikes in instability lined up closely with turning points in the crisis - policy changes, surges in illness rates, recurring infection peaks stood out clearly. Studies using methods ranging from GARCH frameworks to event-based assessments consistently spotted heightened short-run swings in health-related equities early on, yet later phases showed steadier movement or gradual upward motion as investor views adjusted to sustained care needs and sector durability. While compared to industries such as tech, banking, or travel, medicine-linked markets typically contribute smaller shares to overall system vulnerability, their interconnections intensified when global anxiety reached highest levels. Looking across varied markets reveals how healthcare index swings shift under different conditions. What stands out is that patterns change depending on the regulatory or economic backdrop. Some areas remain poorly understood - like minute-by-minute price shifts within trading days. Another open question involves forecasting risk using option prices tied to healthcare stocks. Moments after pandemics or major outbreaks show lasting effects too, yet these transitions lack deep analysis.
