

## *Volatility Spillovers between Forex and Stock Markets in India*

This paper by Sudarsana Sahoo, Harendra Behera and Pushpa Trivedi investigates the price and volatility spillovers between the Indian foreign exchange market

(forex) and stock markets. The response of the forex market to volatility spillovers from stock markets is asymmetric, i.e., negative shocks from the stock markets result in higher volatility in the forex market vis-à-vis the positive shocks. The evidence on volatility spillovers during highly volatile periods indicates possible 'contagion' impact that amplifies the volatility and exacerbates the stress in the financial system.