



Call for Research Proposals

NSE – NYU Stern Initiative on the Study of Indian Financial Markets

The NSE-NYU Stern Initiative on the Study of Indian Financial Markets is a joint venture of the [National Stock Exchange of India \(NSE\)](#) and the [Center for Global Economy and Business](#) at [NYU Stern School of Business](#). The Initiative invites academics and scholars to submit research proposals for projects, including early-stage projects that are relevant for understanding the Indian financial sector and macro-economy. We expect to approve around a half dozen projects and give grants of \$7,500 per project. While we encourage research proposals that are in the early stages of conception and formulation, the proposals that are relatively more advanced but have not yet been sent for publication in any form (working paper or otherwise) are of greater interest to us.

The topics of particular interest for this year include:

- Financial Inclusion and India's stock market participation
- PMJDY Program and its effects on financial markets in India
- Fin Tech, mobile banking and financial markets in India
- Impact of demonetization on the Indian economy and its financial markets
- Digitization of Corporate and Individual Transactions: Implications for financial markets
- Impact of Insolvency and Bankruptcy Code on the performance of bank stocks
- Derivative markets and price, liquidity, and stability of underlying markets
- Impact of offshore markets (including IFSCs) on local markets
- Impact of securities receipts listing on secondary markets liquidity
- Housing and Real Estate Finance in India
- Market based financing of SME equity and debt requirements
- Linkages and correlation between the stock market and commodities derivatives market in terms of liquidity and price movements.
- Making commodity derivatives work for Indian farmers.
- Participation and the role of end users in the price discovery and risk management in agricultural commodities futures.
- Study of various commodity derivatives products in international markets.

- Study of pricing of IPOs in India
- Fixed income markets - OTC or Exchange traded?
- Relationship between firm ownership structure and liquidity in secondary market
- Mechanisms to ensure Institutional investors play active role in corporate governance.
- The pros and cons of high frequency trading (HFT).
- Does day-trading bring liquidity or liquidity brings day traders? How robust is the liquidity that day-trading brings? Or does it vanish at the first sign of trouble?
- Speed bumps – understanding when is market microstructure under stress?
- Role of global liquidity in asset price allocation and its effects on investors in India.
- Study of anomalies in India's interest rate swap markets and their implications
- Derivative markets' impact on underlying markets: prices, liquidity and stability
- Analysis of liquidity and credit risk embedded in the traded prices of corporate bonds in India
- Transaction taxes for securities trading and their effects in single- and multi-market settings
- Regulatory arbitrage in trading across markets and jurisdictions
- Study on 'Interoperability' between Central Counterparties and its significance for development of financial markets
- International Financial Services Centers - relevance and practice

We will, however, consider proposals on other topics including but not limited to

- Trading behavior and effects on prices of retail and institutional (incl. foreign) investors
- Organization and performance of collective investment vehicles (e.g., mutual funds) in emerging markets such as India
- The role and functioning of Initial and Secondary Public Offerings
- Financing and growth constraints faced by SMEs
- The role of private equity
- The role of informal sector in financial markets
- The market for government securities
- Trading and liquidity of domestic and external corporate debt markets
- Understanding the behavior and risks of banks (private-sector, public-sector) and non-bank financial corporations (NBFCs, central clearing corporations), and how they interact with markets
- Understanding the role and impact of financial sector regulation and government restrictions on markets and systemically important financial institutions (SIFIs)
- Bankruptcy codes and their effect on supply and cost of public, private, and bank credit
- Efficiency of debt restructuring procedures and asset reconstruction companies
- Macroeconomic risks including inflation, fiscal and currency depreciation risks and how they impact markets and firms
- Infrastructure finance and the role of public-private partnerships
- Privatization and divestment of state-owned enterprises
- Studies of other emerging markets relevant for India

The NSE generally provides two types of data: (a) data relating to trades and (b) corporate data (such as company fundamentals, corporate announcements and shareholding pattern); trading data can be made available as Real Time Data, Snapshot Data, End-of-day Data, Historical Trade Data and Historical tick

by tick (TBT) trade and order level data. The NSE would provide this data if required for the approved projects on mutually agreed terms. More details can be found at the following link:

http://www.nseindia.com/supra_global/content/dotex/data_products.htm

Each research proposal should consist of *at most* three single-spaced pages, and must include the project title, information on the principal investigator (PI) and institution where the PI is affiliated, information on any co-PIs, a one-paragraph summary of the project, the project's intended contribution relative to the literature, the data to be employed, research methodology, and preliminary results (if any). It will be useful for the screening committee to know if required data have already been sourced or are known to be available and also if there is a draft of the paper (if available, please submit the draft).

The deadline for submissions of the proposal is **15th July, 2019**. Research proposal plus the CV of the principal investigator should be mailed in pdf format as a single file to nse-nyu-call-2018@stern.nyu.edu. Project approval decisions will be made and emailed by **20th August, 2019**.

Funding will be provided in three stages: 30% of the grant will be made available upon approval of the research project; 20% on timely submission (i.e. by **30th September, 2019**) of the preliminary draft (please note feedback on the initial draft will be provided within three weeks after the deadline); and, the remaining 50% will be made available if the following conditions are met. Principal investigator of the approved projects must each:

- Present (or have a co-author present) the revised draft at a research conference to be organized by the NSE in Mumbai, India in second half of December 2018 (dates to be confirmed). Travel and accommodation costs relating to the conference would have to be incurred by the presenters from the grant.
- Submit second draft incorporating discussion at the Conference by **1st March, 2020**, on which a final set of comments will be provided by the **1st April, 2020**.
- Submit by **30th April, 2020** a final draft that gives due consideration to all comments and feedback for inclusion in the Working Paper series of the NSE and the NYU Stern Center for Global Economy and Business, and also a 4-5 page white paper, which will essentially include a brief description of the major findings of the research paper in non-technical, easy to understand language, to the NYU coordinator. This will be included in the White Paper series of the NSE and the Center for Global Economy and Business.

The committee that will screen and approve the projects consists of Professors Kose John (NYU Stern School of Business), Venkatesh Panchapagesan (Indian Institute of Management, Bangalore), N R Prabhala (Johns Hopkins University), and Suresh Sundaresan (Columbia University).

Past projects and conference agenda can be found at

http://www.nseindia.com/research/content/research_NSE_NYU.htm or

<http://www.stern.nyu.edu/experience-stern/about/departments-centers-initiatives/centers-of-research/global-economy-business/development-initiatives/india-initiative/indian-capital-markets-initiative>

About the National Stock Exchange (NSE) of India

NSE is the largest exchange in India that has brought about a high degree of transparency, speed, efficiency and safety in the Indian securities market. As part of its thought leadership efforts, NSE conducts various workshops and seminars. It also conducts training programs and certification programs in the area of securities market.

About the NYU Stern Center for Global Economy and Business

The Center promotes faculty research focusing on global aspects of modern economies and business. It also encourages faculty development in various areas of special interest to the University and the global economy, while serving Stern and the University through outreach to the broader community. This includes the academic, business, and policy worlds, as well as students and alumni.