

## **Volatility Spillover Dynamics: A Study of Equity and Foreign Exchange Markets in Emerging Economies**

**K. Kannan<sup>\*</sup>, Haribalakrishnan B and Michel Esther<sup>\*\*</sup>**

*Mepco School of Management Studies  
Mepco Schlenk Engineering College, Tamilnadu, India*

**Abstract:** In Equity market, the stocks are purchased and sold and the Foreign exchange market represents a market where currencies are bought and sold. This study is to examine the financial connectedness through volatility spillovers among equity markets and Foreign exchange markets in the BRICS countries. The sample is taken for this study is 19 years of Stock market indices and Exchange Rates for the BRICS countries such as Brazil, Russia, India, China, South Africa. The test used for analysis is summary statistics such as Mean, Standard deviation, Skewness, Kurtosis and Augmented Dickey-Fuller (ADF) test, Variance decomposition. We examine the financial connectedness of equity and foreign exchange markets through GARCH model.

**Keywords:** Volatility Spillover, Equity Market, Foreign Exchange Market, BRICS, Financial Connectedness

---

\* Corresponding author. Email: [kannankaruppasamy@mepcoeng.ac.in](mailto:kannankaruppasamy@mepcoeng.ac.in); \*\* PG Student