Listing of Bank Nifty on Futures Segment of NSE and its Impact on Spot Market Volatility

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The purpose of the paper is to estimate the impact of listing of the Bank Nifty on futures segment of NSE on spot market volatility. An effort is made to test if there is any change in the impact of recent news and old news on the spot price volatility after the introduction of futures. The study also attempts to observe the impact of futures trading activity in terms of volume and open interest on the price behaviour of Bank Nifty in the cash segment. To account for time-varying error variance, GARCH (1,1) model is applied by introducing a dummy variable in the conditional variance equation. An attempt is also made to fit GARCH (1,1) model separately for pre-futures and post-futures period, and to observe the change in the nature of volatility. To capture leverage/asymmetric effects, EGARCH model (1,1) is also used. To test the impact of futures trading activity on spot price behaviour, GARCH (1,1) and EGARCH (1,1) are augmented by including expected and unexpected components of volume and open interest. It is observed that there is no effect of introduction of futures on spot volatility. There is a strong evidence of effect of current and past innovations on spot volatility after the futures and hence there is persistence of shocks on stock returns. It is also observed that futures trading activity in terms of volume and open interest has significant impact on spot price behaviour.

Does Opening Call-Auction Enhance Market Quality?

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Vipul

On October 18, 2010, the National Stock Exchange of India (NSE) introduced a pre-open session based on call-auctions for the 50 constituents of its leading index S&P CNX Nifty (Nifty). The call-auctions appear to enhance price discovery in the low liquidity stocks. They have also reduced the opening volatility of Nifty significantly by reducing extreme movements in the opening price of its constituent stocks. Most of such stabilization effect is realised in the first five minutes of trading, and is spilled over to the other non-Nifty stocks to a limited extent.

Growth and Performance of Indian Commercial Banks Under Basel Regime – An Analysis

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Indian commercial banks have been able to comply with the minimum statutory capital requirements as per Basel I and Base II norms and have remained resilient to the global financial crisis to a large extent. Basel III capital regulation has been implemented in India from April 1, 2013 in phases and will be fully implemented as on March 31, 2019. The implementation of Basel III norms would considerably increase the capital requirement of Indian banks. The objective of the study is to examine how Indian banks performed during Basel I and Basel II regime and thus draw an inference on the strength and stability of Indian banks to adopt much stringent capital regulation under the Basel III framework. Based on the performance of PSU banks during the Basel II period, we have also estimated additional capital requirement of them during the implementation phase of Basel III. The performance has been measured in terms of business growth, profitability and soundness indicators of scheduled commercial banks (SCBs) in India during the period 1999 to 2013. The study finds that private banks and foreign banks are in a stronger position as compared to PSU banks.

Customer Service Quality Perception of Technology-Based Banking Services: An Empirical Study on Selected Private Sector Banks Operating in India

Anil Mittal
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The usage of technology based-banking services (TBBS) in India is growing at a larger extent due to several factors. In India, the household customer's bank accounts are being linked to the newly implemented Aadhar system and the transfer of direct cash subsidies for eligible social schemes are facilitated by the TBBS. It becomes necessary to measure the customer service quality perception of the existing TBBS offered by Indian banks and their customer satisfaction so that necessary improvement, if any, can be suggested to bankers. The present study is an empirical study on customer service quality perception of TBBS offered by selected private sector banks operating in India using adapted SSTQUAL scale developed by Lin and Hsieh (2006). The scale has been administered on 250 customers of selected private sector banks from the Indian banking industry, chosen on a convenient basis. The findings revealed that HDFC Bank has the highest level of customer satisfaction and customer service quality perception towards its TBBS among selected private sector banks operating in India.

Book Reviews

Who Cheats and How?
Scams, Frauds and the Dark Side of the Corporate World

Robin Banerjee

New Delhi, Sage Publications India Pvt. Ltd., 2015, xxxiii + 300 pp., Rs 475.00.

Reviewed by **Dr V K Khanna,** Professor, National Institute of Bank Management, Pune.

The Definitive Book of Branding

Kartikeya Kompella

New Delhi, Sage Publications India Pvt. Ltd., 2014, xx + 408 pp., Rs 895.00.

Reviewed by **Dr Sarita Bhatnagar,** Assistant Professor, National Institute of Bank Management, Pune.