



Press Release

Nice, April 12, 2011

EDHEC finance professor Raman Uppal among the beneficiaries awarded research grants by the Foundation Banque de France

Each year the Foundation Banque de France for Economic Research invites research proposals for funding. EDHEC-Risk Institute is pleased to announce that the board of the foundation at its meeting of March 9, 2011, taking into account the assessment of the evaluation committee, awarded funding from its 15th call for proposals to a project entitled “**Comparing Different Regulatory Measures to Control Stock Market Volatility: A General Equilibrium Analysis**”.

Professor Raman Uppal of EDHEC Business School is one of the co-recipients of this funding along with co-researchers Bernard Dumas (INSEAD), Adrian Buss and Grigory Vilkov (both Goethe University Frankfurt).

The project will compare the effects of different regulatory measures that a central bank can use to reduce stock market volatility and ensure orderly financial markets. The main contribution of the research is to evaluate a variety of regulatory measures within the same general equilibrium model, so that one can compare both the direct and indirect effects of these different measures within the same economic setting.

In particular, the kind of questions addressed are the following: If a central bank wishes to reduce the volatility of stock markets, should it introduce a Tobin tax, short-sale constraint, borrowing constraint, margin constraints or some other constraint such as a limit on the value-at-risk? What exactly is the channel through which each regulatory measure works? What will be the impact of this regulatory measure on other variables, such as the level of the stock market, the magnitude of the market price of risk and the equity risk premium, the level of the riskless interest rate, the term structure of interest rates, the portfolio of individual investors, and the trading volume in financial markets?

--ENDS--



Contact:

For further information, please contact **S everine Anjubault**:

Tel.: +33 (0)4 93 18 78 63 – E-mail: severine.anjubault@edhec-risk.com

EDHEC–Risk Institute

EDHEC Risk Institute—Europe

EDHEC Risk Institute—Asia

393 promenade des Anglais
BP 3116 - 06202 Nice Cedex 3
France

10 Fleet Place - Ludgate
London EC4M 7RB
United Kingdom

1 George Street
#07-02
Singapore 049145

About EDHEC-Risk Institute

EDHEC-Risk Institute is part of EDHEC Business School, one of Europe's leading business schools and a member of the select group of academic institutions worldwide to have earned the triple crown of international accreditations (AACSB, EQUIS, Association of MBAs). Established in 2001, EDHEC-Risk Institute has become the premier European centre for financial research and its applications to the industry. In partnership with large financial institutions, its team of 66 permanent professors, engineers and support staff implements six research programmes and fourteen research chairs and major strategic research projects focusing on asset allocation and risk management in the traditional and alternative investment universes. The results of the research programmes and chairs are disseminated through the three EDHEC-Risk Institute locations in London, Nice and Singapore.

EDHEC-Risk Institute validates the academic quality of its output through publications in leading scholarly journals, implements a multifaceted communications policy to inform investors and asset managers on state-of-the-art concepts and techniques, and forms business partnerships to launch innovative products. Its executive education arm helps professionals to upgrade their skills with advanced risk and investment management seminars and degree courses, including the EDHEC-Risk Institute PhD in Finance.

www.edhec-risk.com

EDHEC–Risk Institute

393 promenade des Anglais
BP 3116 - 06202 Nice Cedex 3
France

EDHEC Risk Institute—Europe

10 Fleet Place - Ludgate
London EC4M 7RB
United Kingdom

EDHEC Risk Institute—Asia

1 George Street
#07-02
Singapore 049145