

ABSTRACT

TITLE: MEASURING LIQUIDITY IN INDIAN FINANCIAL MARKETS

NAME: SHRISHTI AGGARWAL

Given the key role of liquidity in finance research, identifying high quality proxies based on daily (as opposed to intraday) data would permit liquidity to be studied over relatively long timeframes and across many countries. Using three widely employed measures in the literature, I identify which are the measures that best describe depth and tightness dimension of liquidity for Indian market and which measure out of the three is the best proxy for price impact and effective spread.