

Financial Vulnerability and Policy Effectiveness in Emerging Market Economies

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Dr K P Prabheesh is a Professor of Economics at IIT Hyderabad, specializing in macroeconomics, monetary economics, international finance, and applied econometrics. His research spans global monetary policy, financial cycles, financial vulnerability, early warning systems (EWS), exchange rates, macroprudential policies, and international reserves. His recent work on global monetary policy and EMEs examines the impact of US monetary policy on foreign currency debt and credit growth in emerging markets, highlighting risk transmission channels (Emerging Markets Finance and Trade, 2024). Another study explores how financial markets react to asset purchase programs in emerging economies, providing empirical evidence from the COVID-19 period (Journal of Asian Economics, 2024). His research also shows that macroprudential policies enhance monetary policy transmission, allowing EMEs to optimize policy trilemma choices (Singapore Economic Review, 2021).

Dr Prabheesh has also explored climate risk and sustainable finance, focusing on how climate risks influence financial markets in Asia and the need for sustainable investment strategies (Journal of Environmental Assessment Policy and Management, 2024). He further assesses ASEAN economies' role in global semiconductor trade networks, analyzing supply chain disruptions due to COVID-19 (ERIA Discussion Paper, 2024).

A crucial part of his research involves early warning systems (EWS) for financial crises, where he has developed models for predicting financial distress in emerging markets. His work evaluates how central banks can detect systemic risks using macro-financial indicators (Bulletin of Monetary Economics and Banking, 2020). He has led capacity-building workshops on EWS at the Reserve Bank of India and delivered expert lectures on financial stability frameworks.

His studies on exchange rates and international reserves highlight that India's current account balance is significantly affected by volatile capital flows (Journal of Asian Economics, 2018) and that India's reserve accumulation is driven by precautionary and mercantilist motives, exceeding the optimal level (Macroeconomics and Finance in Emerging Market Economies, 2009).

Beyond research, Dr Prabheesh plays an active role in policy advisory and central bank training programs. He has served as a consultant for central banks, including Bank Indonesia, Central Bank of Sri Lanka, Nepal Rastra Bank, Maldives Monetary Authority, and the Reserve Bank of Fiji.



His capacity-building initiatives focus on macro-financial risk management, monetary policy frameworks, and financial stability analysis.

His research provides critical insights into monetary policy, financial stability, climate risk, capital flows, exchange rates, and macro-financial linkages in EMEs.

His work has strong policy implications, guiding global monetary spillover management, macroprudential policy implementation, financial risk assessment, and sustainable finance frameworks.

Through extensive collaborations with central banks, international financial institutions, and policy think tanks, his research continues to shape economic policymaking in emerging markets.



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