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Research Statement

As a PhD candidate in Economics specializing in International Macroeconomics and Banking, I am deeply interested in understanding the complex interactions between global finance, banking, and macroeconomic stability. My research centers on how capital flows—especially during periods of economic distress—reshape the competitive dynamics within banking sectors, affect financial stability, and inform effective macroeconomic policy responses. By bridging theoretical frameworks with real-world data, my work contributes to a more nuanced understanding of banking competition and the impact of global financial flows, offering insights crucial for shaping policy.

My research is organized around two primary themes: (1) bank competition and stability under the pressure of capital flow shocks, and (2) the role of bank heterogeneity in influencing productivity and competitive outcomes within banking sector. Both lines of research emphasize the importance of understanding how national and international macroeconomic policies intersect with the banking sector's microeconomic structure to influence economic outcomes.

In my dissertation's first chapter, I leverage an open economy DSGE model to investigate the effects of "sudden stops" in capital flows on bank competition. Using data from a panel of emerging and advanced economies, I explore how these shocks reshape the structure of banking sector, affecting the number and competitiveness of banks, and influencing loan volumes. This research highlights how sudden external shocks can intensify bank concentration and reduce credit supply, impacting firms that rely heavily on bank financing. My findings suggest that policymakers should consider measures to maintain competition and access to credit, especially for vulnerable sectors, during periods of capital flow volatility.

In the second chapter, I examine bank heterogeneity, productivity, and competition in the presence of financial frictions. This study explores how banks of different sizes and operational efficiencies respond to and are affected by policy changes and international market shifts. I identify patterns that reveal the dynamics between bank productivity, competition, and market structure. A notable finding from this work is that larger banks often exhibit higher loan markups despite the low marginal cost. This research highlights the importance of considering bank diversity in policy-making to ensure financial stability.

My research combines empirical rigor with policy relevance, aiming to equip policymakers, and financial institutions with insights to design better-informed macroprudential and financial policies. By examining the intersection of international capital flows, bank behavior, and policy responses, my work provides valuable perspective on maintaining financial stability and resilience in the face of global economic challenges.

My planned research will investigate how non-bank financial intermediaries interact with traditional banks in transmitting shocks across borders, as well as the role of digital financial innovations in shaping international capital flows and banking sector dynamics. Through rigorous empirical research and policy-relevant analysis, I aim to inform frameworks that strengthen the resilience of banking systems, mitigate systemic risks, and enhance equitable access to credit.

Beyond these core topics, I am also intrigued by the broader macroeconomic implications of international financial policies, particularly how exchange rate policies, capital controls and reserve accumulation strategies spill over to other economies. In this tangential research, I aim to study the cross-border effects of currency interventions and reserve accumulation strategies, assessing how individual nations' attempts to manage exchange rate stability and capital flows can influence global financial markets and trade balances. By examining these international spillovers, I hope to shed light on the coordination challenges faced by policymakers, as well as on the systemic risks and opportunities that arise from integrated financial policies.

As an international macroeconomist, my overarching goal is to contribute to the development of a resilient global financial architecture that can support financial stability in both developed and emerging economies. My vision is to advance the research field that helps policymakers and central banks anticipate, mitigate, and respond effectively to risks posed by sudden capital flows, exchange rate volatility, and other systemic pressures on financial markets and institutions.