**Abstract**

Interdependency between foreign exchange market and stock market in recent years has been augmented and also fueled the volatility transmission between these two markets increasing the international portfolio risk. This study examine volatility spillover effects between foreign exchange market and stock market in selected Asian countries; India, Pakistan, China, Hong Kong, Japan and Sri Lanka. This study considered daily data from 1st April 2012 to 31st March 2017. The study employed EGARCH (Exponential Generalized Auto Regressive Conditional Heteroscedasticity) model) to analyses and it revealed a bidirectional asymmetric volatility spillover between both these market of India, Pakistan, China and Sri Lanka. The results reveal unidirectional transmission of volatility from stock market to foreign exchange market of Hong Kong. The analysis reveals no evidence of volatility transmission between the two markets in reference to Japan. The findings of this study provide significant insights to economic policy makers for financial stability perspective and also it is useful for investors regarding decision making in international portfolio and currency risk strategies.