ImpactOf Covid-19 OnIndianStock Market

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Abstract

"The covid -19 pandemic has resulted all over 181,930,736 corers cases and over 3, 945,832 coreres have deaths globally. Due this all over the world all the countries are facingproblem that may leads to the economic crisis and recession. The present study has been focused on impact of covid-19 pandemic on Indian stock market. The major objective of the study is to what extent the Indian stock market indices are influence by the covid-19.The study has considered the different index of NSE(Nifty 50 Index, Nifty AUTO Index, Nifty Bank Index, Nifty PHARMA, Nifty FMCG, Nifty IT Index, and Nifty METAL Index). The study has been considered only six months of data for the analysis and the study find that due to the covid-19 only the Nifty 50 Index,Nifty PHARMA Index ,Nifty IT Index and Nifty METAL Index is performing well so it is suggested to the investors to invest in this sectors".
Key words:Nifty 50 Index, Nifty AUTO Index, Nifty Bank Index, Nifty PHARMA, Nifty FMCG, Nifty IT Index, and Nifty METAL Index

Introduction:

The study focused on the impact of covid -19 pandemic on Indian stock market. Stock market is the market where buying and selling of the share will take place and the stock market will be influenced by the different factors (i.e FDI, FII, Monetary policy etc) in the current situation due to the impact of covid -19 so many industries and different sectors got effected a lot all over the world .

Objectives of the study:

1. To study about the impact of the covid on the Indian economy.
2. To study about the impact of the covid on the stock market
3. To study about the performance of the Nifty 50 Index, Nifty Bank Index, Nifty IT Index, Nifty PHARMA, Nifty AUTO Index, Nifty FMCG, Nifty METAL Index.
4. To suggest the investor the best performing sectors

Research and Methodology:

Data Source:

For the study only secondary data has been collated from the different sources and has been used for the analysis.

Tools:
Average formula=Total sum of All Numbers / Number of items in the set

Review of literature:
Maryla Maliszewska,Aaditya Mattoo and Dominique van der Mensbrugghe(2020)
The virus that triggered a localized shock in China is now delivering a significant global shock. This study simulates the potential impact of COVID-19 on gross domestic product and trade, using a standard global computable general equilibrium model. It models the shock as underutilization of labor and capital, an increase in international trade costs, a drop in travel services, and a redirection of demand away from activities that require proximity between people. A baseline global pandemic scenario sees gross domestic product fall by 2 percent below the benchmark for the world, 2.5 percent for developing countries, and 1.8 percent for industrial countries. The declines are nearly 4 percent below the benchmark for the world, in an amplified pandemic scenario in which containment is assumed to take longer and which now seems more likely. The biggest negative shock is recorded in the output of domestic services affected by the pandemic, as well as in traded tourist services. Since the model does not capture fully the social isolation induced independent contraction in demand and the decline in investor confidence, the eventual economic impact may be different. This exercise is illustrative, because it is still too early to make an informed assessment of the full impact of the pandemic. But it does convey the likely extent of impending global economic pain, especially for developing countries and their potential need for assistance.

Warwick McKibbin ,Roshen Fernando (2020)

COVID -19 has disrupted the Chinese economy and is spreading globally. The evolution of the disease and its economic impact are highly uncertain ,making formulation of appropriate macroeconomics policy responses challenging .this paper explores seven plausible scenarios of COVID -19 and the macroeconomic outcomes using a global hybrid DSGE/CGE general equilibrium model. The results demonstrate that even a contained outbreak could significantly impact the global economy in the short run. Economic costs could be significantly avoided with greater investment in public health systems in all economies, particularly in economies where health care system are less developed and population density is high.

Data analysis and interpretations:

Table No: 1

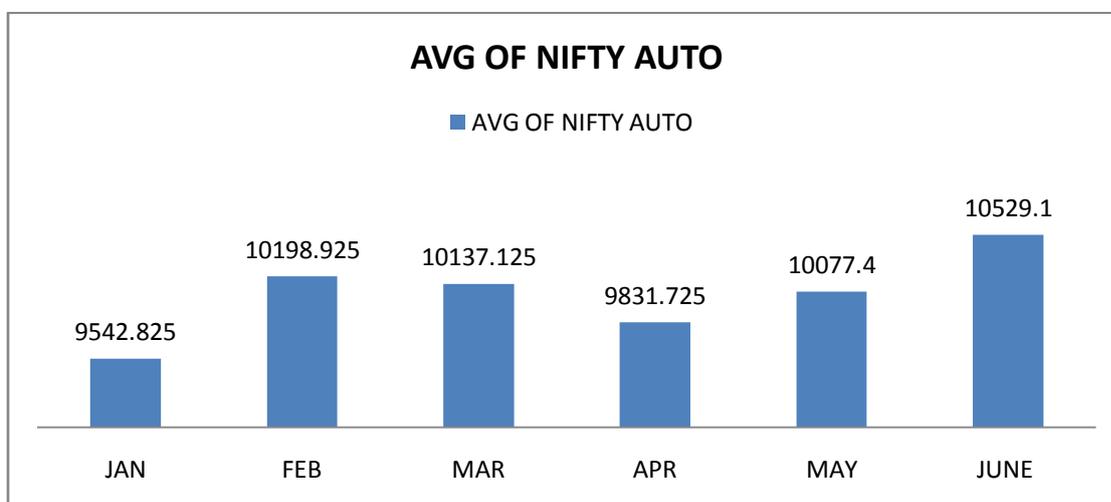| MONTHS	AVG OF NIFTY 50
JAN	11554.1167
FEB	14405.175
MAR	14737.93
APR	14749.22
MAY	15108.47
JUNE	15648.175

Figure No: 1
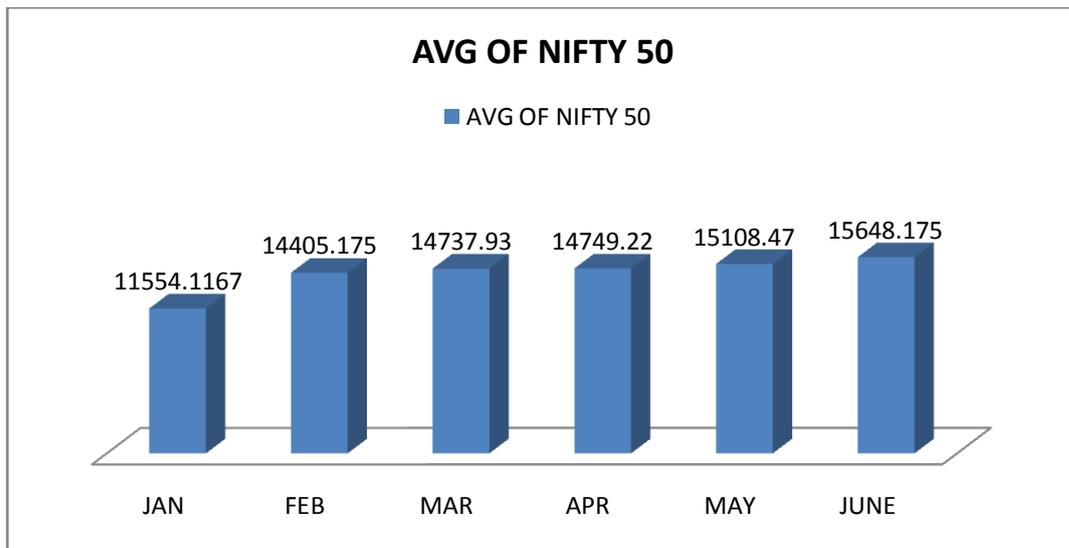
AVG OF NIFTY 50

Interpretation:

From the above graph it is find that the Nifty 50 Index from the month of January 2021 to June 2021 it is observed that there is an increasing trend in Nifty 50 Index.

Table No:2

| MONTHS	AVG OF NIFTY AUTO
JAN	9542.825
FEB	10198.925
MAR	10137.125
APR	9831.725
MAY	10077.4
JUNE	10529.1

Figure No:2

AVG OF NIFTY AUTO

Interpretation:

From the above graph it is find that the Nifty Auto Index has decreased in the months of JAN and MAR 2021 and there is a increasing trends in the reaming months in Nifty Auto.

Table No:3

| MONTH	AVG OF NIFTY BANK
JAN	30895.675
FEB	33946.325
MAR	34299.95
APR	33319.9
MAY	33996.2
JUNE	35054.7

Figure No:3
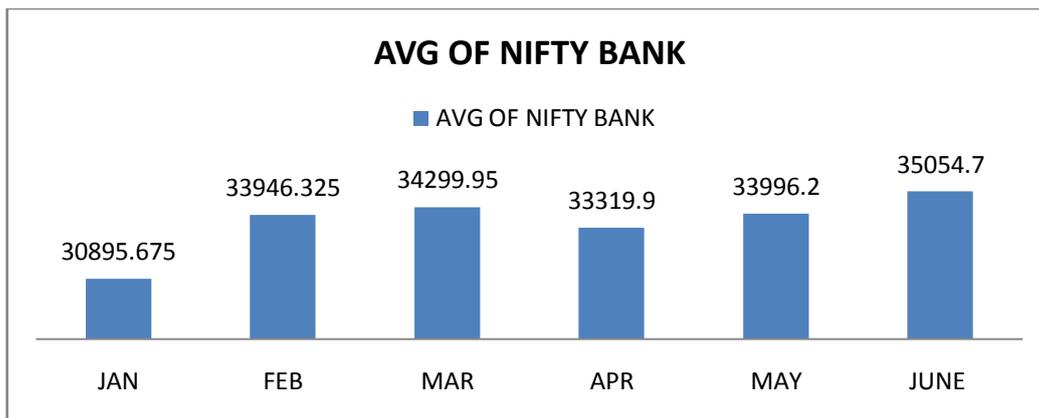
Interpretation:

From the above graph it is find that the Nifty BANK Index has increased from the month of January 2021 to March 2021and after that in the month of April there is a decrease trend and after that it is observed that there is a increase trend in the Nifty BANK Index.

Table No:4

MONTH	AVG OF NIFTY PHARMA
JAN	3168.15
FEB	3524.95
MAR	3937.075

APR	4818.55
MAY	5057.125
JUN	5168.725

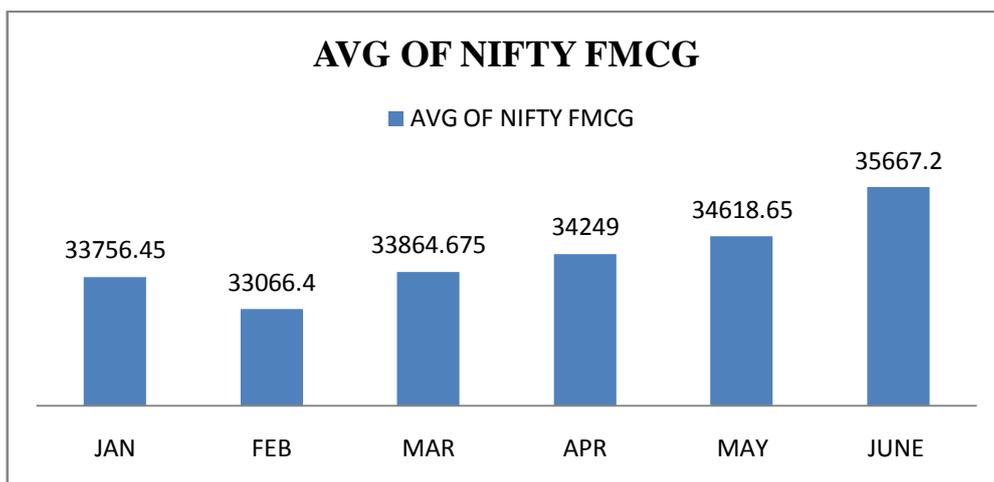**Figure No :4**
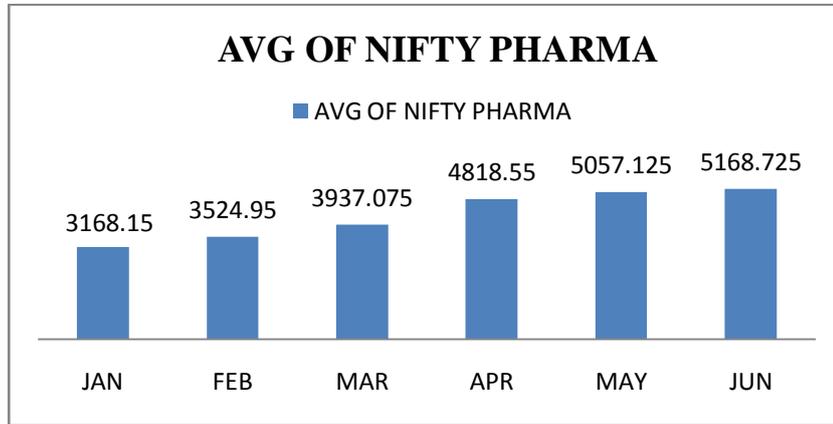
AVG OF NIFTY PHARMA

Interpretation:

From the above graph it is find that the Nifty PHARMA from the month of January 2021 to June 2021 it is observed that there is an increasing trend in the Nifty PHARMA Index

Table No:5

MONTHS	AVG OF NIFTY FMCG
JAN	33756.45
FEB	33066.4
MAR	33864.675
APR	34249
MAY	34618.65
JUNE	35667.2

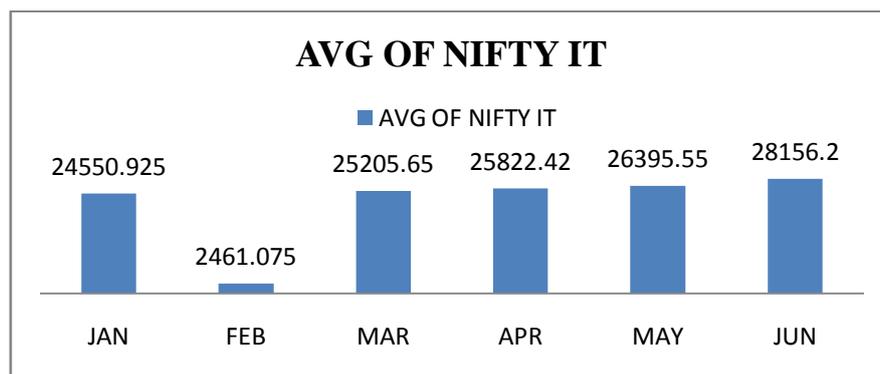**Figure No:5**

AVG OF NIFTY FMCG

Interpretation:

From the above graph it is find that the Nifty FMCG Index except in the month of February in all the months it is observed that there is an increasing trends in Nifty FMCG Index.

Table No:6

MONTH	AVG OF NIFTY IT
JAN	24550.925
FEB	2461.075
MAR	25205.65
APR	25822.42
MAY	26395.55
JUN	28156.2

Figure No:6

Interpretation:

From the above graph it is find that the Nifty IT Index has continuously increasing trend from the month of January 2021 to June 2021 except February in Nifty IT Index.

Table No:7

MONTH	AVG OF METAL
JAN	3168.15
FEB	3524.95
MAR	3937.075
APR	4518.55
MAY	5057.125
JUN	5168.725

Figure No:7

AVG OF METAL
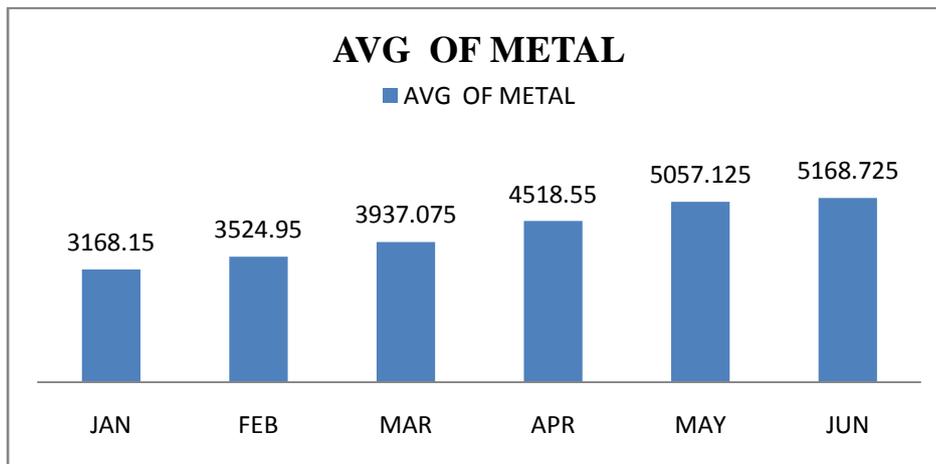
Interpretation:

From the above graph it is find that the Nifty METAL Index it is observed that there is a continuously increasing trend from the month of January 2021 to June2021 in Nifty Metal Index.

Findings:

1. From the study it is find that the Nifty 50 Index has decreased from the month of January 2020 to march 2020 and after that it is observed that there is an increase in the Nifty 50 Index.
2. From the study it is find that the Nifty Bank Index has decreased continuously from the month of January 2020 to April 2020.
3. From the study it is find that the Nifty IT Index has increased from the month of January 2020 to February 2020 and after that it is observed that there is a decrease in the Nifty IT Index.
4. From the study it is find that the Nifty PHARMA Index has decreased from the month of January 2020 to march 2020 and after that it is observed that there is an increase in the Nifty PHARMA Index.
5. From the study it is find that the Nifty AUTO Index has increased from the month of January 2020 to February 2020 and after that it is observed that there is a decrease in it and again in the month of April the Nifty AUTO Index has been increased.
6. From the study it is find that the Nifty FMCG Index has continuously increased from the month of January 2020 to April 2020 .
7. From the study it is find that the Nifty METAL Index has continuously decreased from the month of January 2020 to April2020.

Suggestions:

From the study it is suggested to the investors that due to the COVID-19 the stock market has been impacted a lot .In this study it is find that NIFTY 50 INDEX,NIFTY PHARMA,NIFTY IT NIFTY METAL Index is performing good so they need to invest in this sector.

Conclusion:

The present study has been focused on impact of covid-19 pandemic on Indian stock market. The major objective of the study is to what extent the Indian stock market indices are influence by the covid-19 .The study has considered the different index of NSE (Nifty 50 Index, Nifty AUTO Index, Nifty Bank Index, Nifty PHARMA, Nifty FMCG, Nifty IT Index, and Nifty METAL Index). The study has been considered only six months of data for the analysis and the study find that due to the covid-19 only the Nifty 50 Index,Nifty PHARMA Index ,Nifty IT Index and Nifty METAL Index is performing well so it is suggested to the investors to invest in this sectors"

Limitations of the study:

1. The study is limited to the 6 month's data only i.e. (January 2021-june 2021).
2. The study is limited to the NSE index only.
3.

Further research:

In this study only NSE index are considered and there is a further scope to do research by considering other index like BSE index.

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