

## **AN IMPACT OF COVID PANDEMIC ON INDIAN STOCK MARKET**

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### **Abstract**

*In the current study the researcher has studies impact of Covid pandemic on Indian stock market as the pandemic has influenced all the sectors of economy, capital market is not the exemption for it. Investors in all traditional investing tools has dramatically changed their perspective about the investing tools. The Mutual fund and other stock related investment is successfully attracting the retail investors from all over glob. During the pandemic period all the stock markets were crashed very badly, the recovery of markets all around the Glob is struggling after overcoming the pandemic scenario. In Indian stock market the situation is completely different where the growth of stock market seems to be never before.*

*Key words:* Pandemic, stock market

### **Introduction:**

The novel human coronavirus disease COVID-19 pandemic is the biggest pandemic after the 1918 flu. It became the most ever effecting virus which has stopped the entire world and created obstacle for the dynamic world and paused it for some time. The complete lockdown for all the businesses as well as other activities of entire world has affected and this virus. stock market is the key of all business capital where as this virus has affected the market in the way that entire worlds stock markets were crashed badly to reach the lower of the time. In India same thing happened with stock market the National Stock Exchange reached lowest of the decade. Prices of stocks crashed and investors were completely hyper to keep the investment with their respective stocks. All Foreign Institutional Investors as well as the Domestic Institutional Investors also withdrawn their investments hence the effect on Indian stock market was very crucial in comparison with the 2008 global recession, that time the market was not affected so badly as in the pandemic scenario.

### **Statement of Problem:**

As the entire world has suffered with COVID-19 pandemic, the Indian stock market is not the exemption for the same. Stock market is the place where all retail investors can invest in stocks and commodities here FII's and DII's also plays crucial role in investing in share market. In the pandemic situation what will be the impact on investors for investing in stock market So, the study carried out to find out ***“Impact of Covid -19 Pandemic on Indian Stock Market”***

### **Research Methodology:**

For the present study the descriptive research method has been used.

**Data collection:** in this study the secondary data has gathered from different sources to find fulfil the objectives.

### **Objectives of the study:**

1. To study the impact of covid pandemic on selective global stock markets.
2. To find out the impact of pandemic on Indian stock market.

### **Hypothesis:**

1. There is a significant impact of Covid on Indian stock market
2. There is growth in the Indian stock market than the world's other major stock markets.

The impact of world situation on stock market of different global indices is always seen positive correlation with each other. Indian stock market also follows the global trend to start a day as well as whole trading session. It is often expected that if the world's other indices are negative then the Indian stock market also tends to open negatively and remain with the world's market. In the year 2009 American bank went into insolvency its impact was seen all over the world immediately. Same thing happened in the year 2019 as the number of covid patients increased and governments announced the lockdown and the stock markets started to crash.



In the above chart of NIFTY the stock exchange platform in India shows the increase in index price after the pandemic ends. It is seen that the increase in the investment. This increase is greater than the previous continuous chart.

In the year 2019 before the pandemic the Nifty were trading below 12000. After the pandemic it has reached the 19000 it means that the pandemic has positive impact on stock market instead of negative. The increased number of retail investors and preference given by different FII's is the key players of such hike in the market.

There are few international investment advisors think that the sudden hike in the stock market is the bubble not a real growth. But in the global scenario of 2022 where world's other indices are trending down after some increase.



The global indices are sloping downward after Russia-Ukraine war took place the expected increase in the global indices. The above charts of S&P and Dow Jones shows the escaping of investors from these indices these investors are switching and preferring to investing in a stable stock market which is Indian stock market.

As per the data of NSE (National Stock Exchange) and SEBI (Securities and Exchange Board of India) the increasing number of retail investors in the Indian stock market is helping the market to rise in a short period of time.

Data for the financial year	Total number of Demat Accounts (in lakh)	Increase in number of Demat Account Accounts compared to previous year (in lakh)
2018-19	359	39
2019-20	409	50
2020-2021	551	142
2021-2022 ( upto October 31,2021)	738	187

(Source: [www.pib.gov.in](http://www.pib.gov.in))

As per the data posted by the Securities and Exchange board of India as updated the number of Demat account holders it is remarkable in number that the growth is about double to the numbers in the financial year 2018-19. The comparative numbers are also increasing year by year i.e. 39, 50, 142 and 187 respectively to the financial years 2018-19, 2019-20, 2020-21 and 2021-22. Hence the choice of these investors might be a different investment tool before the pandemic. As there is more opportunities in this market.

#### **Findings:**

1. The increasing number of Demat account holders affecting the rise in Indian stock market.
2. The annual Demat holders growth is positive and increasing year by year.
3. The S&P and Dow jons got rise in the initial stage but unable to maintain the rise as the Indian stock market.
4. As the market and the number of retail investors are increasing there no expectation of investment bubble.

#### **Conclusion:**

The increasing retail investors in India as well as the worlds current scenario the foreign institutional as well as Domestic Institutional Investors preferring the Indian stock market which making the market rise day by day after the pandemic. The retail investors found that the percentage of return is more in the stock market instead any other market or instrument of investment. Hence there is an influential impact of the COVID-19 pandemic on the Indian stock market so the rise is seen.

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