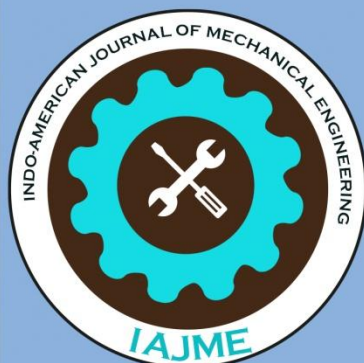




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A Comparative Study of Indian Stock Market (BSE) with International Markets

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Abstract

data used in this analysis includes daily closing prices of the stock market over the period from 1st April 2012 to 31st March In financial markets, Seasonality refers to instances when price of a security or set of securities are regular and repetitive vary in a span of less than a year and reflect all available information at any point in time. There are many type of market seasonality; some are repeating nature, while other are occur once and disappear nature. This article evaluated the existence of such seasonality in Indian capital market (BSE) and International capital market viz. NASDAQ, NYSE and SSE stock market. The secondary 2017. Descriptive statistics was utilised to check if any significant difference existed in average daily closing price across the BSE and International stock market. The conclusion of this analysis demonstrated that greatest daily mean return of NASDAQ stock market. Furthermore, research also discovered that Shanghai Stock Exchange (SSE) China was more volatile during the study period.

Keywords: Seasonality, BSE and International Market.

Introduction

The structure of this research study is as follows. Section 1st explore the review of literature. Section 2nd described the data and research technique Section 3rd utilised tests illustrates analysis and interpretation of the findings. Finally, section 4th gives the succinct overview and conclusion of the important findings.

Literature Review

Arumugam and Soundararajan (2013) investigated the seasonality and time variable volatility in the Indian stock markets. The Chi-square and ANOVA statistical test were applied to acquire the results. The study revealed that there was seasonality and volatility in the days of the week and months of the year.

Archana et al. (2014) evaluated the market inconsistencies in the Indian market. The study studied the weekly effect, monthly effect and yearly effect of five companies

listed on BSE. Secondary data was acquired from the year Jan 2008 to Dec 2012. It concluded that there was no considerable influence of stock split in the closing price of the four companies.

Chander and Kumar (2016) studied the seasonality and time variable volatility in the Indian stock markets. The Chi-square and ANOVA statistical test were employed to acquire the results. The analysis indicated that there was seasonality and volatility in the days of the week and months of the year.

Archana et al. (2014) assessed the market discrepancies in the Indian market. The study evaluated the weekly effect, monthly effect and yearly effect of five companies listed on BSE. Secondary data was obtained from the year Jan 2008 to Dec 2012. It determined that there was no major influence of stock split in the closing price of the four companies.

Pathak Manish (2013) Consider the stock market seasonality effect. The secondary data utilised in the study were gathered from closing prices of the NSE index during the period from 1st april 2002 to 31st March 2012. Kruskal Walis test and one-way ANOVA test were applied to reach the objective. The conclusion of this analysis indicated that there was no seasonality present in the daily and monthly return of the market.

Rajput et al. (2013) On the futures trading and its impact on volatility of Indian stock market. Bi-Variate E- GARCH and Unit root technique were applied to acquire the results. The article found the uni-directional relationship between future trading and spot market. Finally, the study demonstrated that spot and future market

were better the risk management and investment decision of the agent.

Varadharajan and Vikkaraman (2011) examined the Impact of Pre and Post Budget on Stock Market Volatility. The secondary data derived from four major indexes during 2001 to 2011. The outcomes of this investigation showed that April, May and October were the more variable months of the study. It also indicated that NSE give the high return to the investors. The study suggested that investors should be more alert during the volatile months.

Research Design Objective of the Study

To test the presence of day of the yearly effect on the returns of BSE, NASDAQ, NYSE and SSE stock market.

Hypothesis of the Study

H0: There is no noteworthy difference in returns of BSE NASDAQ, NYSE and SSE stock market across the years.

H1: There is no considerable variance in returns of BSE NASDAQ, NYSE and SSE stock market across the years.

Research Methodology of the study Variables for the study

In order to meet the goal of the study closing prices of BSE, NASDAQ, NYSE and SSE stock market has been taken to investigate the stock market conduct in India. The Bombay Stock Exchange (BSE), National Association of Securities Dealers Automated Quotations (NASDAQ), New York Stock Exchange (NYSE) and Shanghai Stock Exchange (SSE) are best performance indicator of the overall economy in different countries

India, U.S, New York and China accordingly.

Data Sources: The present study is based on the secondary data, which has been acquired from the daily closing price of BSE, NASDAQ, NYSE and SSE stock exchange and spanned a period of ten years from 1st April 2012 to 31st March 2017.

Analysis and Interpretation

Table:1 Descriptive Statistics

Stock Exchange	Mean	Std. Deviation	Skewness	Kurtosis
BSE	0.0465	0.04782	-0.980	0.424
NASDAQ	0.0580	0.03810	-0.464	-0.564
NYSC	0.0297	0.03249	-1.104	0.440
SSE	0.0353	0.12950	1.911	3.710

Sources: BSE, NASDAQ, NYSC, SSE stock market.

Table: 1 shows that the largest daily mean return of NASDAQ was 0.0580. The lowest mean return was observed 0.0297 for NYSC. The standard deviation revealed the variability in the data. The largest standard deviation was reported for Shanghai Stock Exchange 0.1295 as comparison to other stock exchanges. It may be concluded that return of SSE China was more volatile during the study period.

Conclusion

In a flawlessly operating universe, every knowledge is the outcome of stock market along with its prices. They information may have repetitive nature and appear

Tools and Techniques

This is a descriptive cum analytical study in nature. Mean, Standard Deviation, Skewness and Kurtosis have been used in the present investigation and reaching conclusion.

once in the year. This essay covers the return of Indian stock market and International stock market. The investigation suggested that Bombay Stock Exchange (BSE) give the maximum return after the NASDAQ stock exchange.

Further, Asian Shanghai Stock Exchange (SSE) China and Bombay Stock Exchange (BSE) showed the more volatile as compared to other international stock market namely National Association of Securities Dealers Automated Quotations (NASDAQ), New York Stock Exchange (NYSE) i.e. the share price was high fluctuate in both Asian stock market. Finally, the study indicate that investors should be pay more attention throughout the investment and built the correct investment strategy to make some extra return.

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