

AN ANALYSIS OF INDIAN STOCK MARKET: PRE AND POST COVID-19

Dr. Ashish Khandelwal*

ABSTRACT

The COVID-19 irritation has caused instigative changes inside the way during which individuals each round the earth live, and horribly impacts the overall moderation. Colossal of this negative outgrowth didn't affect from the many grievances, however from as far as possible evaluated to contain the spread of the contamination. It is been seen that lockdown hindrances incited various reactions in our representation of OECD and BRICS nations there was a for the foremost part antagonistic outcome working from the expansion in lockdown limits, however we chase solid slogan for under reaction during the lockdown protestation, trailed by several of launch that's changed therefore. This under-/resettlement plan, truly, is seen fundamentally during the elemental piece inside late memory series, including education points of interest. Relaxing from the lockdown imperatives, obviously, generally affected demands basically during the duvet piece of our model, while for the essential an area of the model, the impact is negative. The present study attempts to present the picture of market in two different circumstances i.e. pre covid and post covid.

Keywords: Market Capitalization, COVID-19, Stock Market, Sensex, Indexes, Recovery.

Introduction

There are 17 stock exchanges in India, of which 2 exchanges are used for active trading- NSE and BSE. India's equity market has come into world's top five clubs in terms of market capitalization for the first time in March 2022. India's National Stock Exchange has surpassed America's CME Group Inc. to develop into the world's largest derivatives bourse by volume so Indian equity market has major role in world economy. After the outbreak of the COVID-19, the stock market came under shock as BSE Sensex and NSE Nifty chop down by 38%. It leads to a 27.31% loss of the total stock market capitalization from the beginning of 2020 but after that market recovered rapidly thanks to nice corporate results, high vaccination, high FDI investments (as US fed pumped lots of dollar in the economy) etc. This paper will analysis the pre and post covid position of Indian stock markets i.e. NSE and BSE.

Literature Review

The COVID-19 irritation is seen in light of the very fact that the chief unwanted alleviating shock to the overall thriftiness during a century (World Bank, 2020, p. 136). As shown by Baker et al. (2020), its points of interest on the unsteadiness of monetary mentioning have been the foremost straightforward during the whole presence of torments, while Altig et al. (2020) see basic leaps being referenced as a reaction to the bug and its valuable outcome. Hence the nuisance has by and enormous maintained discerning conversation on its impact on the monetary arrangements everyplace the planet by and enormous ridiculous of the conversation bases on stock arrangements. Bai et al. (2021) draw from made by Baker et al. (2020) and show that the spread of irresistible circumstances with overall effects, joining COVID-19 yet likewise pilgrims like as SARS or Ebola, being inside the newest twice has expanded hipness generally stock solicitations until the loftiest of a while. As after-effects of brilliant lead by overseeing bodies considering the torments, its specifics are mixed. During this manner, David et al. (2021) see that stock mentioning will, generally speaking, recuperate presto and fiscally after torments, next to the COVID-19

* Former Associate Professor, Department of Commerce and Management, IIS (Deemed to be University), Jaipur, Rajasthan, India.

where they've driven forward through a huge even more drowsy recuperation accessible for the primary part high states of hipness. Likewise, Ashraf (2020) sees a solid mentioning reaction before time inside the scourge furthermore 40-60 days appropriately. Stock mentioning attended the COVID-19 nuisance snappily yet moreover the reactions have fluctuated soon ward upon the quantity of the scourge. This end is consistent with Lyócsa and Molnár (2020) who see that the progression of stock mentioning returns reached out as arrangements question and mindfulness regarding COVID-19 expanded.

But, Topcu and Gulal (2020) club the essential hostile after-effects of COVID-19 on emerging stock arrangements. Its impact relied on whether gatherings visited accommodating lengths and blazoned lesser impetus packs. Obviously Aslam (2020) spend significant time in new trade demands and report a decrease their felicity during the scourge. Bazán-Palomino and Winkelried (2021) see that the reaction of rearmost trade arrangements to the bug was goliath in any case, as against what's taking care of plant in bright mentioning, the occasion passing precisely the same thing wasn't so starting as in once troubling occasions, undifferentiated from in light of the very fact that the general Financial Crisis of 2008.

Two or three of assessments have deconstructed the impact of the protest on the fees of mechanized monetary structures. Corbet et al (2020) show that the shortage of caution in early Chinese stock arrangements and Bit coin developed by and enormous during the morning of the pandemic. Available gold, progressed monetary standards without further ado showed a touch of the attributes of a secure space during this point of tremendous financial tension. Iqbal et al (2021) investigation slanted reactions to unprecedented and terrifying news and show that COVID-19 news had results of changed abilities on the negative and during this manner the bullish arrangements points of interest in mechanized kinds of money. On Requests, Salisu et al (2020) notice a positive relationship between thing cost returns and a general dread report that affirms the requirement that thing returns stretched as scourge related dread rose which some item demands were ideal places of refuge over stock arrangements. Mensi et al (2020) show that inside the grievance, the felicity of gold and material solicitations has relied on scales and arrangements drifts that have the impact of monetary donator evaluation.

Research Methodology

The Secondary information gathered from records of the affiliations, sellers. The knowledge of before time pointers additionally is gathered. The information shows the Indian stock mentioning bourses information month wise, pre and post COVID-19. This information utilized in mix consistent with need of the check. This information having various graces and blames and have fills our need of the Research study. A gathering of discretionary data sources is out there to get-together information on the arrangements place. The period of study is March 2020 starts just before the lockdown till March 2020. The extracted data has been presented and analyzed using standard deviation, mean, coefficient of variation and correlation techniques.

Indian Stock Market – Pre and Post Covid: An Analysis

The mentioning before Covid-19-Pre COVID-19, demand gaining by each basic trade India was about \$2.16 trillion. The 2019 stock mentioning rally was restricted to eight-10 stocks inside the monster covers. The Sensex returned around 14 (restricting tips) for the time 2019 yet clearly included blue-chip affiliations like as HDFC Bank, HDFC, TCS, Infosys, Reliance, Hindustan Unilever, ICICI Bank and Kotak Bank, without which Sensex returns would be negative. In any case, inside the goodbye of 2020, there was for the primary part recuperation which induced both NSE and BSE exchanged at their most raised conditions ever, hitting tips of and unreservedly. At the morning of the time, there are almost 30 affiliations that were envisioned to record IPOs'. The mentioning conditions were for the foremost part sure as they saw record highs in mid-January.

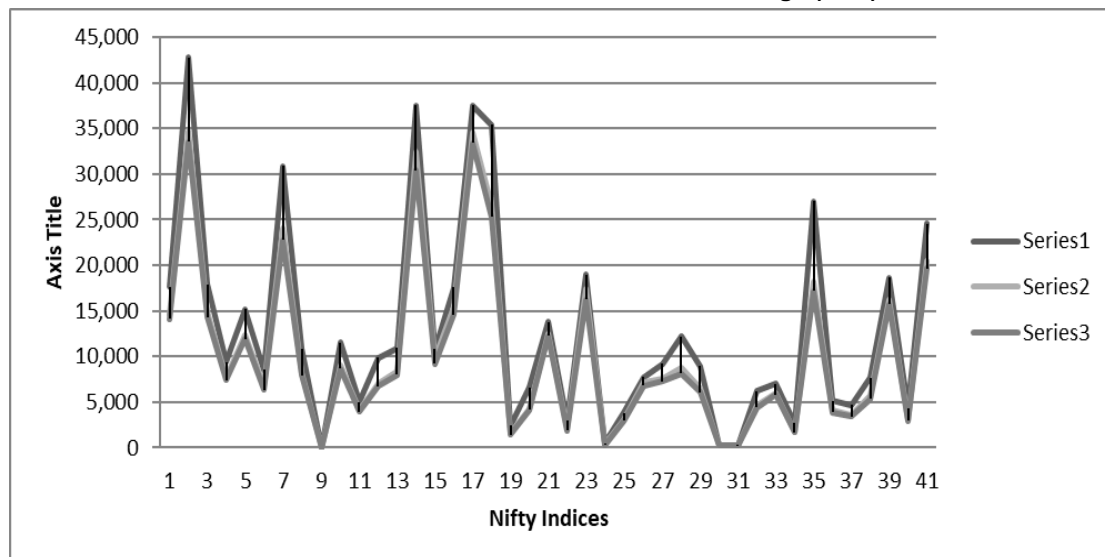
Table 1: A Comparative Data of Closing Prices of Stock Market Indices of National Stock Exchange (NSE)

Stock Market Indices (Nifty)						
	Mar-22	Mar-21	Mar-20	Mean	Standard Deviation	Coefficient of Variation
NIFTY 50	17,640	14,684	14,151	15491	1534	10%
NIFTY NEXT 50	42,784	34,714	33,514	37004	4117	11%
NIFTY 100	17,921	14,836	14,330	15696	1587	10%
NIFTY 200	9,376	7,698	7,427	8167	862	11%
NIFTY 500	15,201	12,358	11,923	13161	1454	11%
NIFTY MIDCAP 50	8,511	6,816	6,325	7218	937	13%
NIFTY MIDCAP 100	30,911	24,016	22,800	25909	3572	14%
NIFTY SMALLCAP 100	10,855	8,273	7,950	9026	1300	14%

INDIA VIX	19	21	9	16	5	32%
NIFTY MIDCAP 150	11,558	9,062	8,648	9756	1286	13%
NIFTY SMALLCAP 50	5,003	4,139	3,948	4363	459	11%
NIFTY SMALLCAP 250	9,859	7,052	6,768	7893	1395	18%
NIFTY MIDSMALLCAP 400	10,945	8,343	7,976	9088	1322	15%
NIFTY BANK	37,557	32,501	30,406	33488	3002	9%
NIFTY AUTO	10,821	9,781	9,227	9943	661	7%
NIFTY FINANCIAL SERVICES	17,577	15,395	14,601	15858	1259	8%
NIFTY FMCG	37,562	34,620	33,408	35196	1744	5%
NIFTY IT	35,423	26,532	25,293	29083	4512	16%
NIFTY MEDIA	2,397	1,527	1,409	1778	440	25%
NIFTY METAL	6,618	4,287	4,166	5024	1129	22%
NIFTY PHARMA	13,815	12,549	12,291	12885	666	5%
NIFTY PSU BANK	2,922	2,123	1,911	2319	435	19%
NIFTY PRIVATE BANK	18,980	17,399	16,262	17547	1114	6%
NIFTY REALTY	474	328	298	367	77	21%
NIFTY DIVIDEND OPPORTUNITIES 50	3,792	3,081	2,975	3282	363	11%
NIFTY GROWTH SECTORS 15	7,711	7,120	6,822	7218	369	5%
NIFTY50 VALUE 20	9,218	7,546	7,266	8010	862	11%
NIFTY50 TR 2X LEVERAGE	12,190	8,758	8,111	9686	1790	18%
NIFTY50 PR 2X LEVERAGE	8,924	6,561	6,075	7187	1244	17%
NIFTY50 TR 1X INVERSE	215	259	205	226	23	10%
NIFTY50 PR 1X INVERSE	251	299	238	262	26	10%
NIFTY COMMODITIES	6,221	4,589	4,423	5078	811	16%
NIFTY INDIA CONSUMPTION	7,031	5,939	5,790	6253	553	9%
NIFTY CPSE	2,685	1,776	1,677	2046	454	22%
NIFTY ENERGY	27,005	18,217	17,159	20794	4413	21%
NIFTY INFRASTRUCTURE	5,150	4,109	3,890	4383	549	13%
NIFTY100 LIQUID 15	4,648	3,606	3,410	3888	544	14%
NIFTY MIDCAP LIQUID 15	7,682	5,714	5,348	6248	1025	16%
NIFTY MNC	18,667	16,157	15,740	16855	1293	8%
NIFTY PSE	4,350	3,109	2,939	3466	629	18%
NIFTY SERVICES SECTOR	24,537	20,538	19,628	21568	2132	10%

Source: <https://www.bseindia.com/>

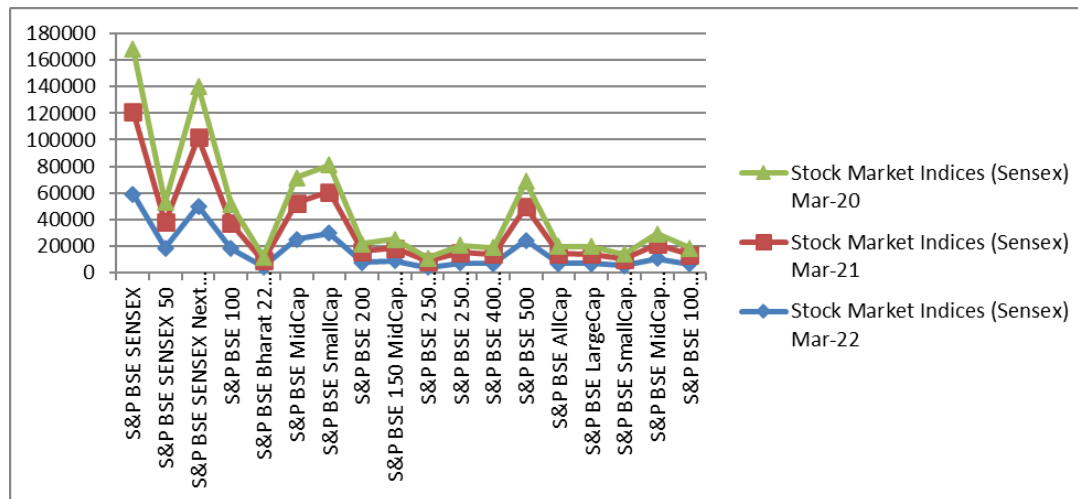
Figure 1: A Comparative Analysis of Closing Prices of Stock Market Indices of National Stock Exchange (NSE)



Majority Stocks have increased during the period of lockdown in spite of many businesses being facing problems. The NSE created further indices during this period. The negative impact is covered by the increased in investment habits of the people.

Table No 2: A Comparative Data of Closing Prices of Selected Indices of Bombay Stock Exchange (BSE)

Index	Mar-22	Mar-21	Mar-20	Mean	Standard Deviation	Coefficient of Variation
S&P BSE SENSEX	59035	62245	47205	56162	6468	12%
S&P BSE SENSEX 50	18488	19494	14823	17602	2007	11%
S&P BSE SENSEX Next 50	50127	51855	38420	46801	5968	13%
S&P BSE 100	18016	18927	14362	17102	1972	12%
S&P BSE Bharat 22 Index	4360	4413	3003	3925	653	17%
S&P BSE Mid Cap	25070	27246	19423	23913	3297	14%
S&P BSE Small Cap	29475	31304	20282	27020	4823	18%
S&P BSE 200	7680	8082	6090	7284	860	12%
S&P BSE 150 Mid Cap Index	8799	9493	6630	8307	1219	15%
S&P BSE 250 Small Cap Index	4013	4282	2795	3697	647	18%
S&P BSE 250 Large Mid Cap Index	7270	7661	5754	6895	823	12%
S&P BSE 400 Mid Small Cap Index	6762	7201	4974	6312	963	15%
S&P BSE 500	24186	25455	18983	22875	2800	12%
S&P BSE All Cap	6957	7299	5415	6557	820	12%
S&P BSE Large Cap	6838	7158	5445	6480	744	11%
S&P BSE Small Cap Select Index	4917	5342	3614	4624	735	16%
S&P BSE Mid Cap Select Index	10310	10938	8016	9755	1256	13%
S&P BSE 100 Large Cap TMC Index	6524	6846	5203	6191	711	11%

Source: <https://www.bseindia.com/>**Figure 2: A Comparative Data of Closing Prices of Selected Indices of Bombay Stock Exchange (BSE)**

The above table and figure show that the Covid 19 has negatively impacted the stocks and scrip listed on BSE. However, this holds true only in case of some indices while the other indices have maintained the same value or have increased during the three periods. But the coefficient of variation is not high in any case which depicts the stability of the stocks.

Table 3: A Comparative Data of Selected Stocks on National Stock Exchange (NSE)

Nifty Stocks Break up				
	Jan-20	Apr-22	Increase/ (Decrease)	Percentage Change
AXISBANK	627	792	165	26%
DIVISLAB	3584	4460	876	24%
HINDUNILVR	1902	2170	268	14%
ICICIBANK	531	749	218	41%
DRREDDY	3654	4312	658	18%
TECHM	937	1471	534	57%
M&M	671	834	163	24%
APOLLOHOSP	2902	4540	1638	56%

HDFCLIFE	497	559	62	12%
EICHERMOT	2160	2544	384	18%
CIPLA	822	1034	212	26%
SHREECEM	21650	24860	3210	15%
SBIN	321	517	195	61%
BRITANNIA	3050	3295	245	8%
HCLTECH	891	1175	284	32%
NTPC	97	154	56	58%
INDUSINDBK	811	971	160	20%
BAJAJ-AUTO	3027	3812	785	26%
SBILIFE	866	1109	243	28%
SUNPHARMA	604	929	326	54%
HEROMOTOCO	2147	2349	202	9%
ASIANPAINT	2488	3155	667	27%
UPL	581	805	224	38%
ULTRACEMCO	5629	6723	1094	19%
NESTLEIND	16255	18160	1905	12%
TATACONSUM	614	805	191	31%
KOTAKBANK	1626	1768	142	9%
INFY	1311	1816	505	38%
BAJFINANCE	4362	7292	2930	67%
BAJAJFINSV	9036	16570	7534	83%
COALINDIA	123	192	68	55%
GRASIM	1262	1682	420	33%
HINDALCO	332	575	243	73%
BPCL	331	382	50	15%
ITC	199	257	58	29%
JSWSTEEL	521	729	208	40%
TATASTEEL	843	1354	510	61%
MARUTI	6400	7647	1247	19%
TATAMOTORS	268	450	182	68%
LT	1306	1825	519	40%
BHARTIARTL	513	763	250	49%
RELIANCE	1877	2572	696	37%
POWERGRID	149	232	83	56%
WIPRO	413	582	170	41%
HDFCBANK	1292	1521	229	18%
TCS	3004	3683	679	23%
ONGC	97	169	72	73%
HDFC	2046	2466	420	21%
TITAN	1400	2457	1057	75%
ADANIPTS	638	820	182	29%

It can be inferred from the above table that all the scrip listed on NSE have advanced and none of the security has declined over the two-year period. However, half of securities have advanced by 50% and above some have advanced by short margin which depicts miscellaneous effect of Covid on securities. The Standard Deviation, mean and the correlation coefficient is presented here under:

Nifty Stocks	Jan-20	Apr-22
Mean	3002	2333
Standard Deviation	4697	3854
Correlation Coefficient	0.981	

The above table shows that the stocks are highly positively correlated which means that the stock market has not been impacted enough by the Covid 19.

Conclusion

The effect of the virus in India was first felt at the end of February. On 28th February, the Indian share market saw a massive crash; more than Rs. 5 lakh crores in investor's wealth were wiped out, attributable to the Coronavirus scare. The Indian indices registered a 3.5% fall which was the second-biggest fall in the history of the Sensex. On 9th March 2020, the Sensex crashed by over 1900 points in one day. This is considered the most significant intra-day decline since August 2015 but after that market

rebound and Majority of Stocks has gained during the period of lockdown in spite of many businesses being facing various problems. The negative impact is covered by the increased in investment habits of the people and massive opening of new demat and trading accounts. It can be incidental from the above study that all the scripts listed on NSE have advanced and none of the security has declined over the two-year period. However, half of securities have advanced by 50% and above some have advanced by short margin which depicts miscellaneous effect of Covid on securities.

The above study shows that the stocks are highly positively correlated which means that the stock market has not been impacted enough by the Covid 19. The stock market has historically been prone to fear psychoses, and this is one such instance but market recovered rapidly because of sound corporate results, high vaccination, high FDI investments, high liquidity because of global monetary stimulus etc. The long-term India growth story remains intact with India remaining a preferred investment choice among peer emerging markets on the back of strong fundamentals with the concern of global inflation.

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