# Awareness on Indian Stock Market (Spot Market) And Basic of Fundamental And Technical Analysis

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## I. INTRODUCTION

Stock market is a place where we can buy and sell the stocks of a particular company that are listed in stock market. In India most of the trade takes place by mainly two stock exchanges National Stock Exchange (NSE), Bombay Stock Exchange (BSE). Bombay Stock Exchange was started in 1875.National Stock Exchange was started in 1994. 5565 companies were listed in Bombay Stock Exchange as on 2021. 1920 companies were listed in National Stock Exchange as on 2021. National Stock Exchange of India limited is the leading stock exchange of India located in Mumbai. NIFITY 50 is the benchmark stock market index that represents the 50 largest Indian companies listed in NSE. NIFITY 50 is owned and managed by NSE Indices Ltd. This is wholly owned subsidiary of the NSE Strategic Investment Corporation Limited. NIFITY 50 Index was launched in the year of 1996. The value of NIFITY 50 ON 1996 was 925.30 and the current value of NIFITY was nearly 18500 BOMBAY STOCK EXCHANGE is one the oldest Stock Exchange in India as well as in Asia.

**Objective of The Study**

- To know the investor opinion in stock market.
- To give the investor an idea of selecting the best share.

## II. SCOPE OF THE STUDY

- This study gives better knowledge to the public about the investment.
- The scope of the study helps to get better knowledge about different type analysis.
- It helps the investors to know how to invest in stock market (Spot Market)

**Research methodology:**

Research methodology is the scientific approach to validate the research design and it is a way of systematically solving the research problem. It include design, sample design, population etc..

**Research Design:**

Research design constitutes the blue print for collecting, measurement and analysis of data. It express both structure of the research problem the framework, organization or configuration of relationship among variable of the study and it includes analytical and description study.

**Sample Unit:**

The sampling units used for this research, are those who are in city of Coimbatore.

**Sample Size:**

The number of samples collected for study is 100.

**Sample Technique:**

The sample taken for this study is in the random sampling method. This method is a way to get samples, by the observations from the population around only the Coimbatore city for the survey of study.

**Period of study:**

The study was conducted in 3 months.

**Tools used for the data analysis:**

- Simple percentage Method
- Chi Square Method

**Limitation of the study:**

- This study is conducted only with a number of 100 respondents.
- The respondents have only basic knowledge about the stock market.

- The collection of information from the respondents directly and accuracy mainly depends on the data given by them.
- The subject stock markets are huge and it requires an extensive research and study to understand the various instruments.

### III. REVIEW OF LITERATURE

**B.K.M, Juman (Over view if Indian capital market) 2015:** Capital markets in India have a history dating back to the 18th century when East India Company securities traded. They help channel surplus funds into productive use and are divided into stock, bond, and primary and secondary markets. During British rule, capital markets were not well organized, but have since improved after the introduction of SEBL. The market provides long-term loans, facilitating the effective functioning of various sectors of the economy, making it a crucial factor in a nation's economic development.

**Sameer Yaday (Stock market volatility)2017:** The Stock Market is a vital financial sector that facilitates investors in purchasing and selling shares, bonds, and debts. It offers a platform for trading securities and derivatives without barriers. In India, the Bombay Stock Exchange (BSE), National Stock Exchange (NSE), and Calcutta Stock Exchange (CSF) are the largest listed markets. Volatility is a statistical measure of returns, and developed markets offer higher returns with low volatility. Understanding the past, current, and future aspects of the Indian Stock Market is essential.

**Christopher J. Neely, David E. Rapach (Forecasting the equity Risk Premium: The role of Technical Indicator) March 2014:** The paper compares the predictive power of technical indicators and macroeconomic variables in forecasting the U.S. equity risk premium. Technical indicators show significant predictive power, matching or exceeding that of macroeconomic variables. Combining both types of information significantly improves equity risk premium forecasts, capturing substantial countercyclical fluctuations in the premium.

**Anagha V Mukundan(Impact of Demonetization on Indian Stock Market) June 2017:** Demonetization, the sudden removal of currency units from legal tender, disrupted the Indian economy and led to prolonged cash shortages. This project aims to study the impact of demonetization on the stock market, analyzing historical data from 2016 to 2017 for 55 companies across 13 sectors.

### IV. DATA ANALYSIS & INTERPRETATION:

| S.NO | PARTICULARS | RESPONDENTS | PERCENTAGE |
|---|---|---|---|
| 1 | Yes | 97 | 97% |
| 2 | No | 3 | 3% |
| | Total | 100 | 100% |

**Interpretation**

The survey shows the respondents knowledge about stock market, 97% respondents says "Yes" that they are aware about stock market, and 3% of the respondents said "No" that they are not aware about stock market.

The survey clearly shows that the majority of the respondents are aware of stock market that is 97% of the respondents said "Yes".

| S.NO | PARTICULARS | RESPONDENTS | PERCENTAGE |
|---|---|---|---|
| 1 | Spot market or cash market | 47 | 47% |
| 2 | Derivative market | 9 | 9% |
| 3 | Commodity market | 6 | 6% |
| 4 | All the above | 38 | 38% |
| | TOTAL | 100 | 100% |

**Interpretation**

The table shows that the respondents have selected different market type,47% of respondents have selected "Spot or cash market", 9% of respondents have selected "Derivative market", 6% of respondents have selected "Commodity market" and 38% of respondents have selected "All the market"

The survey clearly shows most of the respondents have selected spot or cash market.

**TABLE FOR WHICH OF THE FOLLOWING AGE GROUP DO YOU BELONG TO AND ARE YOU AWARE OF STOCK MARKET**

Chi-Square test was applied to find whether there is any significant relationship between Age and Are you aware of stock market.

**The Hypothesis tested are:**

**Null hypothesis (ho):** There is a significant relationship between the age and Are you aware of stock market.

**Alternative hypothesis (h1):** There is no significant relationship between the Age and Are you aware of stock market.

To test the above hypothesis the Chi-Square test has been test has been applied. The calculations done for the Chi-Square Analysis are done manually through MS Excel by using the Chi-Square formulas. They are

**EXPECTED FORMULA=GRAND TOTAL OF COLUMN GRAND TOTAL OF ROWS/TOTAL NO. OF OBSERVATION**

**CHI-SQUARE = POWER ((OBSERVED FREQ-EXIPTED FREQ),2)/EXPECTED FREQUENCY**

**WHICH IF THE FOLLOWING AGE GROUP DO YOU BELONG TO?*ARE YOU AWARE OF STOCK MARKET**

|  |  | Are you aware of derivative market | | |
|---|---|---|---|---|
|  |  | Yes | No | Total |
| Age | 18 to 25 | 87 | 3 | 90 |
|  | 25 to 30 | 7 | 0 | 7 |
|  | 30 to 40 | 3 | 0 | 3 |
|  | Above 40 | 0 | 0 | 0 |
| **Total** |  | **97** | **3** | **100** |

**CHI-SQUARE TESTS**

|  | Value | DF |
|---|---|---|
| Chi-Square | 0.34 | 2 |
| CV | 5.991465 | 2 |
| N of valid cases | 100 |  |

**Interpretation:**

The calculated value of Chi-Square (0.34) is less than the Critical value (5.991465). So the Null Hypothesis (H0) is accepted. Thus it concludes that there is no significant

relationship between Ages and Are you aware of Stock Market.

## V. FINDINGS

The public opinion on Stock Market, satisfaction level about stock market and many more are found in this survey.

## VI. PERCENTAGE ANALYSIS

- Majority of 56% of respondents are "MALE". Majority of 90% of the respondents are under the age group of "18 to 25".

- Majority of 84% of the respondents are "STUDENTS".

- Majority of 97%of the respondents are "AWARE" of stock market. Majority of 68% of the respondents are "POSITIVE" on the perception on stock market.

- Majority of 82% of the respondents said "YES" that they will Invest in stock market when the get their income.

- Majority of 52% of the respondents said they will invest in the age of "21 to 30". Majority of 80% of the respondents are "RETAIL INVESTORS"

- Majority of 47% of respondents selected "ALL THE ABOVE" for the market type. Majority of 48% of respondents the time spend for investing activity in stock market is "EVERY DAY ATLEAST SOME TIME"

- Majority of 76% of respondents invest "" portion of money in the stock market. Majority of 72% of respondents invest in stock market for "LONG TERM".

- Majority of 77% of respondents are "CNC (Long term)" investors. Majority of 45% of respondents withdraw the amount in stock market in "1-3 YEARS"

- Majority of 52% of respondents do their "OWN ANALYSIS" while investing in a particular share of the company.

- Majority of 48% of respondents use "FUNDAMENTAL ANALYSIS" for long term. Majority of 53% of respondents use "TECHNICAL ANALYSIS" for short term.

- Majority of 82% of respondents use fundamental analysis know "HOW THE COMPANY IS FINANCIALY STRONG"

- Majority of 44% of respondents get the source for fundamental analysis with the help of "SOME WEBSITE".

- Majority of 79% of respondents use technical analysis for "BUYING AND SELLING OF STOCKS".
- Majority of 61% of respondents are "SATISFICED" of the current performance of the stock market.

## VII. SUGGESTION

- The awareness towards investment in stock market is very low among the public.
- The awareness among the investment in stock market must he created among the public to get some knowledge about stock market and it also make an investment on it.
- Even though some people have some knowledge on stock market they are not ready to invest in stock market because they prefer some safety investment opportunities which will give low return to them.
- Seminars about the technical analysis such as charts and patterns should be taught to the younger generation in their respective educational institutions.
- The regulators must have a mission to make the country as financially literate to spread the market knowledge.
- The markets should not only attract finance graduates, rather everyone should be encouraged to enter into the markets.
- Fraudsters and those who try to coerce public by assuring multibagger results without any market experience should be weeded out.
- Algorithmic trading solutions and software could be developed with emergence of machine learning and artificial Intelligence technologies
- There could be some cushioning for those who take risks and face severe losses in trading. Rehabilitation of those who were in debt trap due to trading losses is a necessity.
- New courses can be created and the existing courses with NSE can be improved.
- The accessibility of financial information must be made available in all formats like video, audio etc.

## VIII. CONCLUSION

Indian capital and equity market has now grown into a great material market with a lot of qualitative inputs and emphasis on investor protection and disclosure norms. The market has become automated, transparent and self driven. It has integrated with global markets, with Indian companies seeking listing on foreign capital markets exchange, off shore investments coming to India and foreign funds floating their schemes and thus bringing expertise in to our markets. India has achieved the distinction of possessing the largest population of investors next to the U.K., perhaps ours is the country to have the largest number of listed companies with around several equity fund management avenues and National Fund managers most of them automated. India now has world class regulatory system in place. Thus, at the dawn of the new millennium, the equity funds market has increased the wealth of Indian companies and investors. No doubt strong economic recovery, upturn in demand, improved market structure, and other measures have also been the contributory driving forces. Further, financial services sector is considered to be the nucleus of the growth model designed for the economic development of a vast country like 261 India. Financial services and markets constitute significant components of the financial system. Development and reforms in this field are inevitable for the growth of our developing economy. Accordingly, a lot of financial reforms have been made, as and when required, for the welfare of the investors and the institutions. The investors of to-day are well informed than their predecessors of yesterdays.

They are better informed and better treated. They want to be secure when they aspire to become rich, wanted to save while they are tempted to spend, want to feel the joy of pride and avoid the pain of regret. However, every agency in the capital and equity market should plan their strategies for profiting the investors in the long term.

The potential investor must be properly educated and guided in a manner, so that more idle resources and resources invested in other avenues are diverted towards the equity and capital market. In near future, the firms offering the equity and capital market securities will be the boom for the economy of the nation as well as the wealth of the investors.

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