

As survey on impact of NIFTY over Global market

Priti Ishana, Vijay V Rao

Date of Submission: 05-07-2023

Date of Acceptance: 15-07-2023

ABSTRACT: A belief from few decades that Western indices like NASDAQ, DOW JONES plays a predominant role over the global market especially over the Asian market has been dismantled in recent times. Is it really worth to be believed or just a rumour is a question for many big operators since few years. The advancement in Indian economy has laid this seed of doubt in the investor's mind too. Does still US market going to retain the driver seat or is it the Indian market which is going to take it over. Let's analyse considering the fact that global collaboration or in short globalization started in mid 2004 we are going to analyse both global market and Indian market behaviour since 2004 till date and express the opinion with facts and figures. In recent times a lot of awareness and involvement seems to be appearing in stock market all over the global market especially in India. The advancement in science and technology laid the first foundation brick in this regard. However financial growth is something above normal in past decade.

Western market:

Nasdaq 100; Considering the fact that nasdaq 100 was trading at us\$ 1000 in Jun 2004 had reached US\$ 14,500 by June 2023 there by witnessing a growth of 14 times in 19 years which ofcourse a great take. However it suffered a huge dip of more than 12% during corona period (2020 – 2022). On the other hand Dow Jones being traded at US\$ 10000 in 2004 is now being traded at US\$ 31000 thereby witnessing 3 times growth which ofcourse seems to be on lighter side as compared to nasdaq but being more stable than nasdaq as it on an increasing mode even during the period of corona.

European Market:

FTSE the most powerful European Market being called so had it's origin on 3rd Jan 1984. It was trading around 4,500 in early 2004 is now trading at 7,500 by June 2023. Even though being the largest and most promising among the European markets it has failed to have growth of

even more than 2 times in 19 years. Volatility persist in European Market more wildly as compared to other prominent global market which being the main cause for under growth. The currencies of European countries have over taken even dollars but still European Market suffered due to heavy volatility and thereby witnessing under growth even in volume by having less than 800 million in these many years.

China markets

China trading around 3200 since inception of corona ofcourse doesn't have any influence over Global market. More over it's pretty weak and get influenced by other markets pretty easily and hence lacks in terms of stability

Nifty : A Global leader

Nifty being introduced on 21st April 1996 was ofcourse struggling till the end of 2003-2004. But through globalization which took over in April 2004 Nifty started it's tremendous growth. Nifty which was trading at around 1500 In April 2004 is trading around 18600 by June 2023 thereby witnessing a growth of more than 10 times which is best in Asian market. It has over took Dow Jones in this regard as the Dow Jones has just 3 times growth in the period mentioned above. No doubt even NIFTY has suffered during corona by reaching a bottom of 6000 but had made more than 3 times growth in next 3 years and standing at near all time high of 18600 by 2023. This shows the growth potential that nifty has.

Apart from being as one index Nifty has shown it's advent laterally by being introduced with Nifty Next 50, Nifty 100, Nifty mid cap 50, Nifty small cap 50, Nifty Auto, Nifty Pharma, etc .. (too many to pen). This shows the inherent potential of the Indian market as probably Nifty is the only index in the world having so many lateral indices with nearly 2.8 trillion in volume which is massive as compared to European Market which is around 800 billion.

Being known the fact through statistical analysis that any global index has witnessed a

growth region when its volume is in between 2 trillion to five trillion, Indian market stands tall being at 2.8 trillion. This shows the growth potential it has in coming years. Apart from trading in NSE/BSE nifty has its major influence in Singapore nifty. Nifty probably the only index in the world which is traded even in other countries like Singapore due to its scripts being present dominantly even there. This shows the vastness and the influence of nifty over Global indices.

Technical stability

As compared to any other indices all over the globe Nifty shows a descent prediction on technical terms even being fundamentally very strong. This supports both the investors and traders to look upon nifty for a good price returns especially the option writers as the volatility in nifty is pretty low and more predictable as compared to other indices across the globe.

Nifty also provides a good base even for commodity market with a good technical correlation with its equity market. So the rise and corrections of commodity along with nifty becomes more technical and hence helps more and more traders to involve in trading thereby increasing three volume of nifty enormously as compared to global market.

REFERENCES

- [1]. Performance Analysis of the Index : Nifty 50 & Nifty Next 50
- [2]. Bhargavkumar R. Paghadal
- [3]. A comparative study between nifty50 with financial services & pharmaceutical sector
- [4]. Rhuta Mehta and Dr. Navjyothraval
- [5]. A Research on Volatility in the Indian Stock Market with Special Reference to Nifty and Selected Companies Offinancial Service Sector of NSE of
- [6]. M.Pushpalatha, J. Srinivasan, G. Shanmugapriya
- [7]. Modeling and Forecasting the Volatility of NIFTY 50 Using GARCH and RNN Models
- [8]. Vanshu Mahajan, Sunil Thakan, Ashish Malik
- [9]. A Study on Performance of Nifty during Covid Pandemic using Technical and Macroeconomic analysis
- [10]. KUSHAL S, Dr.BHAVYA VIKAS, Dr.CHARITHRA C M