



INTERNATIONAL JOURNAL OF CREATIVE RESEARCH THOUGHTS (IJCRT)

An International Open Access, Peer-reviewed, Refereed Journal

TO STUDY THE IMPACT OF COVID-19 ON STOCK MARKET & INVESTORS AND TRADERS, THERE BUSINESS SUSTAINABILITY DURING COVID-19

Makba Abdul Mannan Anas¹

Prof. Sana Ansari²

KHMW COLLEGE OF COMMERCE

Relief Road , Oshiwara , Jogeshwari West, Mumbai 400102, Maharashtra, India

ABSTRACT

The global irruption of COVID-19 has severely impacted the Money markets because of lockdown and decreasing demand in the whole world. There have been fall in the price of crude oil has further deteriorated the economic scenario. There were more than million of people affected in India and nearly thousand of people have died because of corona virus. This research paper presents the impact of COVID-19 on the India's stock market and it's impact on investors and Traders. In India there are 2 Major Stock Exchanges i.e. Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) both the exchange have there own indices ,for the research I will use Nifty 50 as the main index and how does it performed during Covid 19 .

Keywords: COVID-19, Bombay Stock Exchange, National Stock Exchange, Stock market, Nifty 50.

INTRODUCTION

As we all are familiar with the situation which took place during **COVID-19** there was a complete chaos people were fearful and situation was worsening day by day, Business were closed down and it resulted into many job losses, economy was effected GDP growth got negative and cause of the above reason stock market too crashed, NIFTY 50 was fallen by 4000 points, it went down from 12000 levels to 8000 levels



Chart Sources : https://g.co/finance/NIFTY_50:INDEXNSE

Many retail investors & traders were wiped out, but for few it was the greatest opportunity they made the insane amount of money in that timespan, stock market is risky for those who speculate unfortunately maximum retail investors & traders are speculating they are depended on others for example they wait for tips, insider info etc, if they got the theirs bets right in starting of there journey then they speculate more by trusting this scammers and it all looks good, like in the bull run anything and everything get boomed up but in reality it's nothing, as the market corrects/ falls this type of the stock gets effected worsely.

unfortunately 99% of the retail investors and traders are wiped off, so what one can do to get into that 1% is by doing various type of analysis like a investors do Fundamental Analysis which contain reading of financial reports of the company, valuing a company, attending the AGM, they to do industry analysis and economy analysis etc.

A trader is bit different for him, he can do various analysis like what a investors do but he doesn't for him prices add on everything in it, and history repeat its self, this are the some assumption which a trader assume while trading, he sees various charts to predict the trends in the market, if anyone wants to gets into that 1% then he have to follow any 1 of the above or both,

There is a Quote of a legendry Investor " **Warren Buffet** " his Quote says that "**Be Greedy when others are fearful and Be fearful when others are Greedy**" if we think it deeply we will get to know how does a smart investors & traders plays out when the market fall/corrects.

NEED OF THE STUDY

This Research is done to spread awareness among Retail investors & traders so they can't get involved in takings tips from others and then invest or trade

This Research is also trying to make retailers independents so they can do there own research and invest accordingly

OBJECTIVES

- To study the impact of Covid-19 on stock market
- To Understand the effect of Covid-19 on investors and Traders
- To understand the common people perspective about the stock market
- To study the relevance of investing during the crucial period of COVID -19

HYPOTHESIS

1. **H0:** That there was no impact on stock market during covid-19
H1: That there was an impact on stock market during covid-19
2. **H0:** That stock market didn't fall during covid-19
H1: That stock market fall during covid-19
3. **H0:** That stock market is not at all risky
H1: That stock market is risky
4. **H0:** That investors didn't took the opportunity of the falling market and made more than there expectation
H1: That investors took the opportunity of the falling market and made more than there expectation
5. **H0:** That traders didn't took the opportunity of the falling market and made more than there expectation
H1: That traders took the opportunity of the falling market and made more than there expectation

RESEARCH METHODOLOGY :

DATA COLLECTION METHOD

The data collection method is one of utmost steps of research. Hence, the data collection method includes using the existing data through questionnaire. In present research the data collection methods are both by bibliotheca and field. In bibliotheca data collection method, the investigation of research literature and other studies is done in libraries and referring to books and articles. In the field of this research the data collection are carried out through questionnaires which are designed for this purpose

SAMPLE OF THE STUDY

A total of 100 +respondents belonging to various age groups were chosen through stratified random Sampling Technique, out of 100+ respondents, all 100+ were usable data They were contacted online via Google form in Mumbai . In the pretext the respondents were handed the five questionnaire based on their experiences related to my research .

Primary Data

The primary data collected by surveying and filling Google form through divergent audience there were 100+ respondents who answered the survey all 100+ respondent data was used for data analysis and interpretation.

Secondary Data

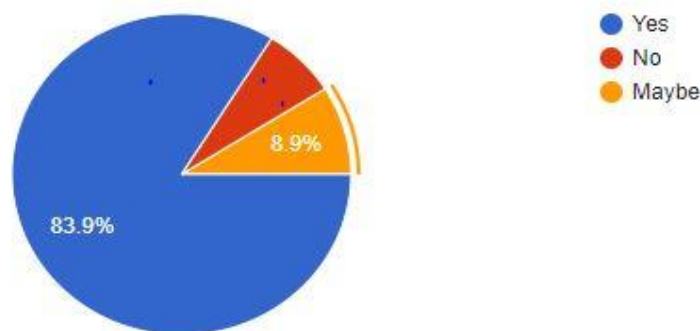
Secondary data is a second-hand data that is already collected and recorded by some researchers for their purpose, and not for the current research problem. It is accessible in the form of data collected from different sources such as government publications, censuses, internal records of the organization, books, journal articles, websites and reports, etc.

DATA COLLECTION & ANALYSIS :

1:

Do you think that pandemic like COVID-19 have a Major impact on stock market ?

112 responses

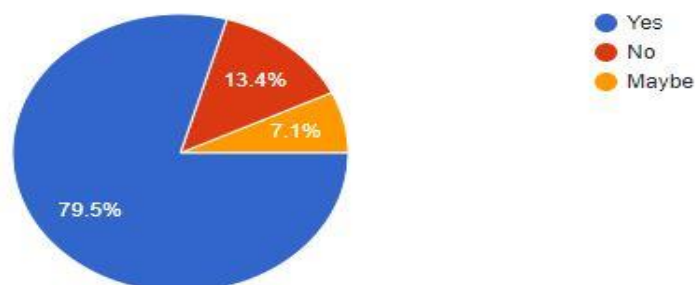


According to the above diagram 83.9% out of 112 responses says “YES” that covid-19 was having a major impact on stock market 7.1% says “ No” there was no impact of covid-19 on stock market and 8.9% Says “Maybe “ cause they are not sure as they might have started investing after covid-19 crash

2:

Did stock market fall during Covid 19 ?

112 responses

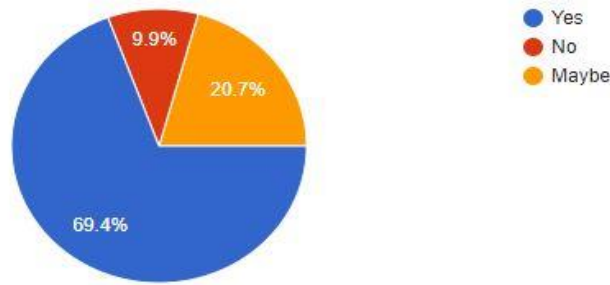


According to the above diagram 79.5% out of 112 responses says that “YES” Stock market did fall during covid-19 ,13.4% says “NO” stock market didn’t fall & 7.1% says “Maybe” cause they are not sure about market falls.

3:

Do you think Stock market is Risky ?

111 responses

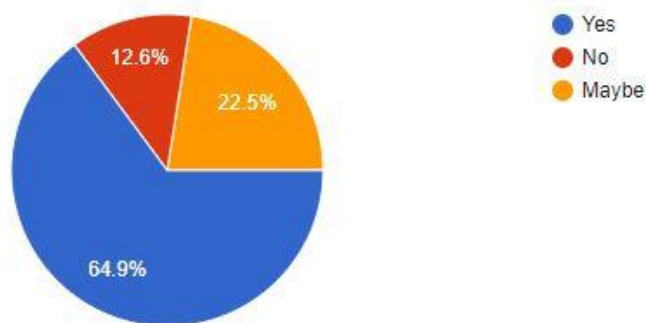


According to the above diagram 69.4% out of 111 responses says that “YES” stock market is risky ,9.9% says “No” stock market is not risky at all & 20.7% says “maybe” cause they are not sure as they might be new to the stock market

4:

Do you as an investor were more active during the market fall and took this opportunity to earn more then your expectations ?

111 responses

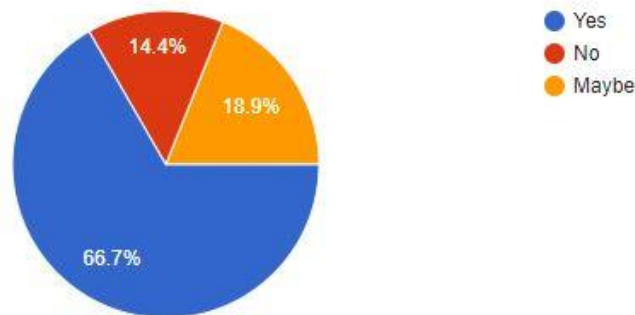


According to the above diagram 64.9% out of 111 responses says that “Yes “ investors during the covid-19 made more than their expectations ,12.6% says “No” cause this investors didn’t beat their expectations i.e beating Nifty50 & 22.5% says “Maybe” cause they are not sure cause they might have not invested during the crash

5:

Do you as a Trader were more active during the market fall and took this opportunity to earn more then your expectations ?

111 responses



According to the above diagram 66.7% out of 111 responses says that “Yes “ traders during the covid-19 made more than their expectations ,14.4% says “No” cause this traders didn’t beat their expectations i.e beating Nifty50 & 18.9% says “Maybe” cause they are not sure cause they might have not traded during the crash .

TESTING OF HYPOTHESIS:

- 1: According to the 1st question of the survey which contained more than 100+ participants concludes that H0 i.e Null hypothesis gets rejected & H1 i.e alternative hypothesis gets accepted cause 83.9% in the first question said “Yes”
- 2: According to the 2nd question of the survey which contained more than 100+ participants concludes that H0 i.e Null hypothesis gets rejected & H1 i.e alternative hypothesis gets accepted cause 79.5 % in the second question said “Yes”
- 3: According to the 3rd question of the survey which contained more than 100+ participants concludes that H0 i.e Null hypothesis gets rejected & H1 i.e alternative hypothesis gets accepted cause 69.4% in the third question said “Yes”
- 4: According to the 4th question of the survey wich contained more than 100+ participants concludes that H0 i.e Null hypothesis gets rejected & H1 i.e alternative hypothesis gets accepted cause 64.9 % in the forth question said “Yes”
- 5: According to the 5th question of the survey which contained more than 100+ participants concludes that H0 i.e Null hypothesis gets rejected & H1 i.e alternative hypothesis gets accepted cause 66.7% in the fifth question said “Yes”

INTERPRETATIONS

The survey conducted the interpretations are as follows :

- 1) This survey consist of 100+ respondent according to majority of individuals covid-19 have a major impact on the stock market many people have lost there whole life saving cause of this fall which took placed during coivd-19.
- 2) Due to Covid -19 overall economy had fallen so that was the reason which led the stock market to fall by roughly by 33% , retail investors & traders were worst effected, they were fearful during covid -19 .
- 3) Majority of the common people have realised that stock market is risky place , to make money out of it we need knowledge , patience , proper risk management and we can't be dependent on others we have to be self reliant .
- 4) In stock market Whether you are an investor or trader you can make more than your expectations by following your process and avoiding the other noise , that was the reason majority of the respondent said yes in both cause weather its an investor or trader if you played smart then sky is the limit .

IMPLICATIONS OF STUDY

Due to covid-19 retail investors & traders have realised that stock market is not for the one who can't digest volatility , who are impatience , who waits for tips etc , its for those who invest & trade by doing there own research , who are not dependents on other , who manages there risk properly .

My research will help those common people so they all can't get misused by the one who gives so called fake tips , this research is some how educating the common people to learn & understand first then invest or trade , so they can be self reliant & self sufficient .

CONCLUSION & SUGGESTIONS

Covid-19 has severely impacted ever economy and individual person , because of lockdown and decreasing demand in the whole world Financial Market i.e Stock Market have corrected /fallen by 33% which created panic among retail investors & traders ,people who invested & traded on tips given by others were wiped out during the market crash but those who invested and traded wisely/smartly made more than there expectation i.e they were able to generate more alpha as compared to the index return .

The survey conducted conclude that majority of peoples knows that stock market is risky so my suggestions for the retail investors & trader is first they should learn and understand stock market first then do there own research then only invest or trade in the market .

One should always remember that stock market is volatile so there will be ups and down , so they have to do proper risk management and have patience & trust in there research

We don't need our bets to be always 100% right to make money out of it instead we just need to be 20-30% right on our bets to make more than our expectation

So focus on the Quality stocks not the Quantity buying stock i.e buying of penny stocks in the hope it will become 100X .

REFERENCE / WEBLIOGRAPHY

Journal of Marketing & Management Research Vol.2 Issue 7, July 2013. Retrieved from <http://www.tarj.in/images/download/AJMMR/TAJMMR%20JULY%202013%20COMPLETE%20PDF/7.6,%20Ms.%20Anju%20Bala.pdf>

Bala N, Balasubramanian. Anand, Ramaswamy.(2014) *Ownership Trends in Corporate India (2001–2011): Evidence and implication*. Retrieved from http://www.nseindia.com/research/content/res_WorkingPaper11.pdf, January 2014

Barua, Samir. Agarwalla, Sobhesh & Joshy, Jacob. (2012) *A Survey Of Financial Literacy Among Students, Young Employees And The Retired In India*. 1st ed. Citi Foundation, 2-44

Ben, McClure. (2015) *An Introduction To Behavioral Finance*. Retrieved from <http://www.investopedia.com/articles/02/112502.asp>

Bhole, L.M. (2014) *Financial Institutions and Markets, structure growth and innovations, fourth edition, L.M Bhole 2014*, financial system and banking intermediaries.

Boucher, Richard. (2010) *Delivering financial literacy: challenges, strategies and instruments*". Retrieved from <http://www.oecd.org/finance/financialeducation/44919340.pdf>