“A STUDY ON HOW ADOPTION OF CRYPTO MARKET AFFECTS INDIAN STOCK MARKET; WITH SPECIAL REFERENCE TO NSE AND BSE”

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Abstract:

As we all are familiar with investments, whereas both stock market and crypto market are the element of investment market. In view of the fact that, both crypto and stock market are immense in nature with their own investment prototype and conception. The main aspiration of this study is to recognize the impact and crash of crypto market on Indian stock market, if crypto markets get legitimately authorized in the country. In Indian investment field as of now stock market is ruling the investment sector by its abundant investors. However, there is no lawful consent intended for crypto trading in the country; though countable number of investors is credibly trading in the crypto market due to high rate of returns with in shorter period of time when weigh against stock market.

Keywords: Crypto market, Stock market, NSE, BSE

Introduction:

The stock market generally refers to a number of exchanges and other venues in which shares of publicly held companies are bought and sold. Such financial activities are conducted through institutionalized formal exchanges (physical or electronic) and via over-the-counter (OTC) marketplaces that operate under a defined set of regulations. While both the terms “stock market” and “stock exchange” are often used interchangeably, the concluding term is really a subset of the previous. Traders in the stock market buy or sell shares on one or more of the stock exchanges that are part of the overall stock market.
Crypto currencies are digital or virtual currencies underpinned by cryptographic systems. They enable secure online payments without the use of third-party intermediaries. "Crypto" refers to the various encryption algorithms and cryptographic techniques that safeguard these entries, such as elliptical curve encryption, public-private key pairs, and hashing functions.

Crypto market is moderately innovative with its medium of exchange and it has been extended its recognition in the precedent decade. Crypto market is sustained on decentralized network of computers widen approximately around the world. The majority of crypto investor’s estimate that crypto market is going to boost the financial and investment sector in the near future existence if crypto investments get eventual and legal authorization from the government of India. Though crypto investments are very risky when compare to other digital investments like stock market, commodity market and mutual funds etc., number of investors’ attention is towards the crypto market since because of high rate of return in shorter period of time. As well in recent years with the intention of digital trading, that too in pre COVID period stock market also gained added figure of investors and account holders in various brokerage. In India utmost of the trading and dealings in shares take place in two major Indian stock exchanges i.e., Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). This NSE and BSE consists of various companies shares it its portfolio. Moreover, crypto market also consists of an assortment of currencies where investors can choose for their investments like Cardano, Ethereum, Litecoin, Peer coin, EOS etc.,

Habitually in India involvement of individuals in trading is exceedingly low when compare other westerns countries; this is due to unexplored talents of highly educated and professionally qualified graduates. Hence, if crypto market gets legal approval and permission from the concerned government stock market may get reduce of its investors only due to high return from crypto investments in petite period of time.

In view of the fact that, volatility has been the characteristic of crypto market compare to stock market and also its value gets changes in short periods. By the spirit Crypto market are resistant to high inflation than stock market. Quite a lot of studies say that real value of crypto currency deceit in the underlying block chain technology. A number of businesses have implemented block chain technology for recording transactions made with conventional currencies as a way to increase trust and prevent fraud and money laundering. In case of stock market, investors have a preference of whether to buy common or preferred shares, depending on their investment goals.
Number of investors in Stock market and Crypto market as per 2021

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Stock market (2021)
7.7 crore

Crypto market (2021)
20 Million

Review of Literature:

Rahman and Dawood (2019), in their study they have optimized and presented that crypto market can act as a precisely superior option for global development. And also the challenges for crypto development and its effectiveness are supported in their particular study.

Kaushal A, Bhatt (2013), endeavor at studying the literacy and consciousness of capital markets among investors on the subject of various investment avenues. To find and identify segments preferred more by the people and the influencing force behind the decision making.

Rajeev Jain (2012), endeavor the investors attitude towards secondary market equity investments and influence of behavioral finance and investors right decision and experiences.

Objectives:

- The main aim of the study is to recognize the impact of Crypto market on Indian Stock Market
- To make out whether crypto market create a center of attention by investors than stock market.
- To examine the interest of investors towards stock market and crypto market.
Research Methodology:

The data for this study are taken from the investors who are investing in Indian Stock Market and the investors who have same level of curiosity to invest in Crypto market. Furthermore, data required for the present study have been collected from secondary sources. For the fulfillment of the above objectives most part of research publications, research journals, books and website through internet has been used for the data collection.

Data Analysis and Interpretation:

Individual’s opinion towards Indian Stock Market and Crypto Market:

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<th>Responses</th>
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Presently in the investment field stock market has dominated all the investments. Owing to elevated expansion of Indian Stock Market, in recent existence a good number of depositors are getting influence to formulate their investment in stock market. As per their analysis stock market investment stands at the first place in returns when compare to other investment avenues, often examination get differ from one individual to another. Gradually investors instigate to seek for the route where they can get instant profit and returns for their investments. The most popular cryptocurrency and Bitcoin (BTC) are attracting more number of
instantaneous investors. Since it has been forecasted by many financial analysts to worth more $100000, it has become watchdog to most of the investors. Consequently, if crypto market gets legal approval and permission from the concerned government stock market may get reduce of its investors only due to high return from crypto investments in petite period of time.

**Impact of Crypto market on Indian stock market:**

Both stock exchange and crypto markets are forbidden by demand and supply factors created by sellers and buyers. The stock market is furthermore affected by a host of factors like political events, natural disaster etc., but the main intention of crypto market and stock market is to facilitate individuals to embrace out transactions over the internet securely and move from a centralized payment system to a decentralized one through eliminating the need for a third party.

If the reputation of crypto market in the country increases major part of stock market get affects for the reason that most of young investors always looks for the great returns in shorter period of time if this is the situation, number of investors to stock market gradually get decreases.

**Conclusion:**

This study is commenced to recognize the impact of crypto market on Indian stock market. As well this study exposed the perspective and awareness of individual investors on stock market and crypto market. Open to the elements that most of the investors are deficient with realistic acquaintance to take over their investments in crypto market, in the same way young investors are incredibly fascinated to take over their investments in crypto market due to elevated velocity of return in squat phase of moment. Owing to elevated expansion of Indian Stock Market, in recent existence it has lengthened good number of investors. As per the analysis crypto investment stands at the first place in returns when compare to other investment avenues, often assessment get differ from one individual to another. In vision of the fact that investors are slight conscious and risk factor is sky-scraping in the investment of crypto market, most of the investors are avoiding their investments. Consequently, it can be concluded that investors who are aware of investment in crypto market are ready to bear risk on their investments. Other than knowledge, various factors like finance, capital also affect investor’s verdict.