

IMPACT OF COVID -19 ON STOCK MARKET

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Abstract:

Primary Market is a place where company mobilize capital by distributing a portion of shares to general public .These shares are been Traded in Stock market i.e. Called Secondary Market. There are two types of shares namely equity and preference shares. This is worked on demand and supply concept. Prices are fixed by buyer and seller and holding get transferred. The purpose of research is to monitor the market behaviour during the pandemic period (COVID-19). This research helps us to know the movements of the holdings based on investors behaviour with the fear of pandemic. This Research is based on observation made from March2020 to March 2022(2-Years) The Objective of this research is to Analyse the stocks which is been influenced by the Sudden outbreak of COVID-19 . Another Objective of this Research is to Suggest some measure to ensure Protection of Investment.

Keywords- Stock Market, Primary Market, Secondary Market, Equity and Preference, Holdings, COVID-19

INTRODUCTION

A highly contagious infection called COVID-19 caused by the severe respiratory problem affects our immune system this contagious infection is cost by respiratory syndrome Coronavirus two which affects most of our world's graphs resulting in more than 3,9 million deaths worldwide. global health organisation was unable to find a cure for this infection. This has affected the financial status of many individuals this is the most impacted virus ever since 1918. This virus originated in China where the first case was reported in Wuhan. The virus was increased to a greater extent from the year 2020 during the month of March and there was a lockdown released by the Central government, which was throughout the nation. Many have lost their livelihood and was pushed into financial crises where they are treated as individuals below the poverty line. Many have lost their jobs as it was the nature of physical existence and made us stay in the home and work online this gave an outbreak for many platforms like zoom Google meet etc..and many of them have shut down their businesses as it was considered to be most dangerous as the infection code Pass to you only through physical contact and this research made us think about what are the factors which affect the stock market prices. There are four types of viruses that emerged in China. Many of them had to post Covid effects like respiratory problems lack of immunity and so on it was very hard for many individuals to overcome this situation due to the extensive downfall of the well-being of individuals despite the vaccination were introduced there was a massive effort on safety protocols which emerged as a protection for us from various viruses and a boosted our immune system. These viruses are subdivided into two types symptomatic and asymptomatic symptomatic mean is the symptoms like a High fever lack of control of immunity. Symptoms of COVID-19 include fever, cough, tiredness, loss of taste or smell so throat headache aches and pains diarrhoea and red eyes.

Coronavirus can be transmitted from person to person and can be diagnosed with the test there is a many protective measure like wearing a mask washing hands and practising social distancing.

The researchers have found that Coronavirus is a disease that has spread through droplets of virus particles released into the air by an infected person through talk laugh and sing a sneeze large droplets in the common places, especially where many people gather so we must wear masks and sanitise and maintain social distancing to prevent COVID-19.

The impact of corona in the stock market include an increase in the market price of Pharma industries like CIPLA, and the shares value of hospitals like APOLLO. Since many of us were indoors due to lockdown the

demand for transportation has come down drastically. The financial sector is also affected because a lot of people have not paid their loan instalments to the bank so the financial sector is affected to that extent because of a lot of medical expenses people were rushed to take Medical - claim policy So, the Insurance sector went on well. The information Technology did very well during this pandemic period as they were connected digitally. The Health and Sanitisation department produced many anti-Bacterial liquids which could keep our surroundings clean. Hence the financial impact of Covid 19 on the stock exchange is been analysed and interpreted in our research. And various measures of how to overcome the same and have a prospective investment in the stock market can be acquired as knowledge from this research.

LITERATURE REVIEW:

India is a developing country with emerging economies. And it has impressive growth and has an Open economic policy the COVID-19 has affected and created uncertainty in the business environment across the world Indian stock market has 40% downfall in indices this was observed and recorded in the Journal of Risk and financial management by Yashraj Varma. He also said that the Indian stock market has a major contribution to words the financial system of an economy and also reminiscent in his research that FDI finds as been mostly contributed by our Indian stock exchange and the most important factor is that the stock market has been fluctuating with the respect of the investors and financial analyst who are not ready for this situation. This Covid situation gave rise to 40% of the downfall to nifty 50 shares. Indian stock market had an opening of 10 million new Demat accounts in the stock market and our Indian stock market is considered to be the world's third-largest stock exchange. The stock market in Brazil had the highest impact on COVID-19 of more than 50% this is been recorded and observed and the stock market in Mexico had the lowest impact of 30% another important factor that is being observed by another author is that the impact of Covid case of was recorded with hundred million people out of which 2 million people were dead this lead to financial contraction. This affected many countries' economic stability. The stock market reacted based on investor patterns and corporate sectors the sudden Black swan of COVID-19 had a huge impact on various sectors like healthcare food and gasoline which made a huge profit. The petroleum entertainment and real estate sector has had a huge loss and could not maintain the sudden shock by various investors. Shattered the livelihood of many people is increase the rate of poverty and an increased the rate of unemployment in our country. All this information was recorded by Irfan Rashid Genie in his research article. Corona has affected many people across the world and mainly in highly populated countries like China and India which had a huge impact on Indian stock market prices and China had an impact throughout the world. The total world's 16% GDP is contributed by China .China had the highest market like India for consumption of goods. Yeah has now recovered and is in the stage of becoming a developed country this is been recorded by Rajan B Bhat (assistant professor in Cochin college) VN SURESH (associate professor in Cochin College). The pharmacy and telecom industry performed well and many platforms like zoom Google meet had earned a huge profit in India because of these lockdowns, the rate of gold has been increased to a noticeable level the Indian GDP dropped as they were less inflows. Indian stock market started to record negative returns as there is a huge impact on investors in India there are six04 million people affected out of one lakh people across the globe this was been identified and declared a global alert by WHO which is nothing but world health organisation the pattern of the disease were identified as fast it was found in bad then it was transmitted to another bad from bad it was transmitted to humans in Wuhan in China and from Wuhan it was being transmitted to Hong Kong and places near China as it was a New Year period and this was affecting the global market as many of them were visiting Hong Kong for business visits this led to the spread of this pandemic deadly diseases. The behaviour of indices had a high impact and the workforce was being affected in huge in our society. the impact differs from sector to sector 2022 was mainly forecast in the food sector. The food sector was affected the most as the Swiggy and Zomato played an important role during this season the restaurants had a huge impact this led to the innovation of new cuisines and new restaurants across the nation.

RESEARCH METHODOLOGY:

This research is made with various information and data collected from various sources like websites and research papers as well as the official website of stock exchanges like the National Stock exchange and Bombay Stock exchange. The data collected is been represented in terms of the impact as well as the current position of those companies in various sectors. Rates of the sectors as been recorded on the day of the outbreak of COVID-19, as well as the current market rates, have been recorded this gives us an idea of how those sectors have been performed during the pandemic season and post-pandemic season. The methods used to forecast the performance of the company include fundamental analysis and technical analysis fundamental analysis means watching the news on the television. this fundamental analysis is used commonly by the general public and technical analysis is used by the market big shorts and the company specialist to analyse the performance of the company this includes the candlestick approach and bar graphs. Generally, these approaches place an important

role and show the fluctuations made in the market and these fluctuations can cause by various factors or impacts in various countries hence we should know how much are you investing and where are you investing.

RESEARCH FINDINGS:

India is the second-largest country in the world and it has the highest population which includes lots of investors who were not ready for the sudden shock of Covid 19 so they couldn't tackle the situation but there are certain sectors that performed really well even during the pandemic season and their sales were increased to next level as they were making huge profits they include medical sector like Cipla which had improved four times till date their market share was 422.85 points currently their market value share is increased 1017.35 points. Even the hospitals made huge profits including Apollo Hospital who is market share was 1140.40 points this is considered to be a well-performing sector and we could see that the rate of Apollo Hospital has been bro to 3 times the value which was there in 2020. Many people have started taking insurance in order to protect their lives and ensure that they could save themselves from the uncertainty hence many insurance companies had multiple customers hence they have value was 441.35 points during the pandemic season which was increased to 565.05 points today. The medical sector and insurance sector goes hand-in-hand as they played an important role during this pandemic season because many people were forced to go out for their work and were exposed to many public areas this is the main cause of the outbreak and we should take the proper care precautions to prevent the spread even after a lot of lockdowns there was still a spread of Covid this led to the invention of many vaccinations this had helped to recover the economy to a greater extent. The fast-moving consumer goods which include a daily provisions and food Products which were essentials for a day to day living many people couldn't afford as the prices were increased to a greater extent and many people were starved as they had a very low income. India was under lockdown which was initiated from the month of March 2020 to December 2022. Many have lost their business and were jobless so the increase of online jobs or platforms has been a great innovation and development for the country as whole many schools and colleges have started they are online classes and made use of many online platforms that are led to an increase in their usage of Google meet and zoom as a result they made her huge profit the people started to be more innovative and technologically friendly. Many people were working in India (work from home)and the use of the internet and online platform increased this led to a decrease in automobile usage which includes cars bikes et cetera hence the automobile industry business has been crashed to a greater extent they were facing huge loss during this pandemic season many companies have to forcefully shut down and voluntarily dissolution their company. One of my observation in the automobile industry includes Tata motors who is the market price was fall to 71.05 points which is the lowest point ever faced by the company various strategies and a recovery program is being implemented and new models in India company which includes Tata Harrier Tata Safari and many new products have been introduced in 2022 which boosted their market and they hired otherwise known as they have taken over many new brands and they were also the sponsors of IPL which made them a big market player in today's market. The Tata motors have proved themselves as the superstars of the market. Before investing the money we should first look into the news and know the market situation and we should know which sector is performing very well and which sector is considered to be the best investment. Some tools can be used to measure the market voracity which includes fundamental and technical analysis. After selecting the sector we have to go with the leaders of that sector for example if we want to invest in technology we have to invest in TCS, Infosys. We should always prefer the market leaders. Management of the company is very important. If the management is corrupt the investor will not get the desired results so, we have to invest wisely and only reserves should be invested in the market. we should not invest in the borrowed money. If anything goes wrong in our calculation we will suffer the loss. So invest wisely with our own excess funds. The market is ruled by GREED AND FEAR. So people are investing more in hype than the actual. To safeguard our interest we have to hedge our position at the time of volatility. If we find our decision is wrong we have to square off our position immediately. In the market parlance, the 1st loss is the best loss

If we are in the right investment then we should have the patience to grow the profit a. In the market, we cannot buy on the bottom and sell at the top. The stock market we should open your Eyes and Ears.

We should collect all relevant information related to the stock in which you have invested.

Because the market is ruled by so many factors like the Government policy, the Rbi repo rate, Market sentiments World behaviour, related to Peace Rainfall, Agricultural output, industrial output, Inflation, FII plays important role in the behaviour of the stock market. if they invest more the market will go UP. If they are sold in large quantities the market tends to go DOWN.

For the small investor, he will not have time to look at all factors it is advisable for him to invest through mutual funds. Better to invest every month is called SIP- SYSTEMATIC INVESTMENT PLANNING. Long term

investors should not trade Daily, they have to invest carefully and wait patiently to achieve desired results(profits)

CONCLUSION

The research article made us clear that the Stock market is the best place for investment to beat inflation. It offers good returns, Liquidity and the opportunity to invest our excess funds in a profitable manner. Here you can invest any volume of the amount depending upon your surplus.

In our country Stock market is very Transparent. The investor will know at what rate he had purchased or sold. the top advantage is stock prices same from Kashmir to Kanyakumari Assam to Gujarat. No other commodity is having this advantage. This research made us clear on how various sectors have been performed during this pandemic season and what are the measures taken to overcome the same in the automobile industry in specific and various information switch is unique and more informative for the upcoming investors is been discussed in this research various new terms have been incorporated in research which includes better investment and planning for the same there are various investors in a day to day market and we have discussed the suggestions of investment for the same. Last but not the least we conclude by telling the information that the stock market is the best place for all types of investors in our country.

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