

Impact of Foreign Institutional Investors and Inflation rates on Stock Market Performance in India

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Abstract: *The relationship between inflation rates in the Indian stock market from 2014 to 2024 and Foreign Institutional Investors (FII) is examined in this research. Using quarterly data and statistical techniques including correlation analysis and the Augmented Dickey-Fuller (ADF) Unit Root test, it investigates their combined influence on market performance. Poor Correlations FII and Sensex are The relationship between FII inflows and Sensex movements is very weakly negative (-0.08584), suggesting that FII inflows have little effect on stock market performance. The correlation between inflation rates and the Sensex is 0.12846, which is modestly positive, indicating that inflation has little effect on stock performance.*

Keywords: Foreign Institutional Investors, Inflation Rates, Stock Market Sensex