

Impact of Macroeconomic Variables on Nifty Private Bank Index and Nifty PSU Index

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Abstract: *This study covers the influence of Macroeconomic variables like Inflation rate, Exchange rate of Indian Rupee toward US Dollar and Interest rate on Nifty Private Bank Index and Nifty PSU Index. Data for a period of 10 years from 2012 to 2021 is collected and analysed using Correlation and Multiple Regression. The results of the study shows that Inflation rate is negatively correlated with both Nifty Private Bank Index and Nifty PSU Index; Exchange rate is positively correlated with Nifty Private Bank Index and is negatively correlated with Nifty PSU Index; Interest rate is negatively correlated with Nifty Private Bank Index and positively correlated with Nifty PSU Index. From the regression analysis it is understood that the Macroeconomic variables significantly impact the changes in both Nifty Private Bank Index and Nifty PSU Index.*

Keywords: Inflation rate, Exchange rate, Interest rate, Nifty Private Bank Index, Nifty PSU Index.

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