

Impact of Macroeconomic Variable on Selected Sectorial Indices of NSE And BSE

Dr. M. Sumathy¹ and Akshaya S Das²

Head and Professor, Department of Commerce¹

M.Phil. Research Scholar, Department of Commerce²

Bharathiar University, Coimbatore, India

Abstract: *The stock market is one of the measures used to assess the performance of the Indian economy and industry. The study's aim is to find the relationship and impact of macroeconomic variables on selected NSE and BSE sectorial indices throughout the last ten years. The investigation is detailed and clear of investigating objective correlation and regression using the SPSS package. Will any changes or variations in macroeconomic variables have an impact on the Indian stock market? According to the results, various macroeconomic variables have had an influence on the stock.*

Keywords: BSE sectorial indices, Impact, Macroeconomic variable, NSE sectorial indices,, Stock Market

I. INTRODUCTION

On a stock market, stockbrokers and traders can buy and sell securities such as stocks, bonds, and other financial instruments. Stock exchanges may also offer services such as securities and instrument issue and redemption, as well as capital events such as income and dividend payments. Investigations The Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) account for the majority of stock exchange transactions in India (NSE). Since 1875, BSE has been around. The NSE, on the other hand, was established in 1992 and began trading in 1994. The trading system, trading hours, and liquidation process are all the same on both exchanges. As of November 2021, the BSE had 5565 listed companies, compared to 1920 on the NSE as of March 31, 2021. Almost all major Indian businesses are listed on both stock exchanges. The NSE is the largest stock exchange in terms of trading volume, despite the fact that the BSE is the oldest. Because both exchanges compete for order flow, cost savings, market efficiency, and innovation ensue. Due to the involvement of arbitrators, the prices on both exchanges are regulated within a fairly restricted range. Before investing in the stock market, investors must research the market's performance as well as the impact of external factors such as macroeconomic variables, political and social issues, and so on.

II. REVIEW OF LITERATURE

(Narayan Parab & Y. V. Reddy 2019)¹ the study examines the current situation is appraised using the Bai–Perron test, and the effect of selected macroeconomic parameters on financial exchange returns is explored. According to the analysis, macroeconomic factors have a significant impact on financial exchange returns, and this impact varies over time. The findings are meant to aid fund authors, market players, and exploration examiners in assessing Indian financial exchange.

(Godfrey Osaseri & Ifuero Osad Osamwonyi 2019)² study looks at the World Bank Indicator published quarterly time series data on the expansion of the stock market and the economy in the BRICS countries from 1994Q1 to 2015Q4. Researchers used the Panel Least Squares approach, which is based on fixed effect estimation, to look into how stock market development effects BRICS economic growth. The robustness and stability of the regression results were tested using diagnostic tests. The findings show that stock market performance has a big influence on economic growth. According to the research, there is a link between stock market indexes and BRICS economic growth. According to the report, each BRICS member country's flaws should be exploited as a policy priority, with governments quickly executing the appropriate remedies to address them.

(Anak Agung Sri Purnami & Ni Putu Rediatni Giri 2020)³ the reason for this examination is to identify the direct and atypical effects of macroeconomic conditions and key business variables on the orderly risk of producing company offerings on the Indonesia Stock Exchange. This examination uses the defined relative arbitrary examining strategy to

determine the example. For a long time, the number of tests in this inquiry was consistently 20 establishing organisations thanks to this strategy. The findings suggest that macroeconomic conditions and business major determinants have a direct and indirect impact on the orderly danger. As a result, financial backers, likely financial backers, and guarantors should focus on these two components when contributing, particularly in the capital market, to reduce efficient risk when putting resources into the capital market.

III. STATEMENT OF THE PROBLEM

The research has conducted extensive literature on the stock market. The stock market's success reflects the health of the Indian economy. If the stock market is functioning well, it suggests that stock and company values in India are inflated. Modern financial analysis relies heavily on the stock market. This study compares the selected sectorial indexes of both stock exchanges in India, such as the NSE and BSE.

IV. OBJECTIVE OF THE STUDY

- To examine the relationship between macroeconomic variables on selected sectorial indices of NSE and BSE.
- To study the impact of the macroeconomic variable on selected indices of NSE and BSE.

V. HYPOTHESIS OF THE STUDY

- **H01:** there is no significant relationship between the macroeconomic variable and select sectors sectorial of NSE and BSE.
- **H02:** there is no significant effect of the macroeconomic variable on select sectorialsectors of NSE and BSE.

VI. RESEARCH METHODOLOGY

The analysis is entirely based on secondary data gathered from BSE and NSE websites, World Bank reports, the Reserve Bank of India, books, periodicals, and the Internet throughout the last ten years, from 2010-2011 to 2020-2021. Correlation analysis is utilised to find any association between macroeconomic variables like GDP, Balance of Payments, Inflation, Exchange Rate, and Broad Money as independent variables and selected sectorial indices like FMCG, IT, and Energy indices as dependent variables in the stock market. The linear regression method is used to investigate the effects of macroeconomic variables on the NSE and BSE.

VII. RESEARCH ANALYSIS

H01: there is no significant relationship between the macroeconomic variable and select sectors sectorial of NSE and BSE.

Table 7.1: Correlation Matrix for Macro-Economic Variable and BSE Energy in India for the period 2010-2020

	BSE ENERGY	EXCHANGE RATE	BROAD MONEY	INFLATION	GDP	BOP
BSE ENERGY	1					
EXCHANGE RATE	.730*	1				
BROAD MONEY	.377	.133	1			
INFLATION	-.112	-.103	.271	1		
GDP	-.397	-.795**	.029	.457	1	
BOP	.571	.666*	.602	-.079	-.628*	1

Source: Compiled and computed from secondary data through SPSS

The BSE Energy Sector and the Exchange Rate have a strong link, as seen in table 7.1, with a correlation coefficient of .730. The BSE Energy Sector has a favorable link with the Balance of Payments and Broad Money, according to figures of .571 and .377.



Table 7.2: Correlation Matrix for Macro-Economic Variable and BSE FMCG in India for the period 2010-2020

	BSE FMCG	INFLATION	GDP	BOP	BROAD MONEY	EXCHANGE RATE
BSE FMCG	1					
INFLATION	-.147	1				
GDI	-.724*	.457	1			
BOP	.543	-.079	-.628*	1		
BROAD MONEY	.068	.271	.029	.602	1	
EXCHANGE RATE	.960**	-.103	-.795**	.666*	.133	1

Source: Compiled and computed from secondary data through SPSS

The Exchange Rate.960 shows a substantial positive association in the above table 7.2, followed by the Balance of Payments.543. The test result for Broad Money is.068, indicating a moderate positive association. Furthermore, with computed values of -.147 and -.724, the BSE FMCG Sector shows a negative relationship with inflation and GDP.

Table 7.3: Correlation Matrix for Macro-Economic Variable and BSE IT in India for the period 2010-2020

	BSE IT	EXCHANGE RATE	BROAD MONEY	INFLATION	GDP	BOP
BSE IT	1					
EXCHANGER ATE	.838**	1				
BROADMONEY	.572	.133	1			
INFLATION	-.057	-.103	.271	1		
GDP	-.579	-.795**	.029	.457	1	
BOP	.787**	.666*	.602	-.079	-.628*	1

Source: Compiled and computed from secondary data through SPSS

The Exchange Rate has a very significant positive relationship with the BSE IT Sector (.838) and the Balance of Payments (.787), as seen in table 7.3. With test results of -.057 and -.579, the above test also demonstrates a negative connection between inflation and GDP.

Table 7.4: Correlation Matrix for Macro-Economic Variable and NSE Energy in India for the period 2010-2020

	NSE ENERGY	BOP	GDP	INFLATION	BROAD MONEY	EXCHANGE RATE
NSE ENERGY	1					
BOP	.415	1				
GDP	-.385	-.628*	1			
INFLATION	-.183	-.079	.457	1		
BROAD MONEY	.168	.602	.029	.271	1	
EXCHANGE RATE	.694*	.666*	-.795**	-.103	.133	1

Source: Compiled and computed from secondary data through SPSS



The table 7.4 indicates a positive association between the Exchange Rate and the NSE Energy sector, which has a value of.694 and is followed by the Balance of Payments, which has a value of.415. In addition, the Balance of Payments and the NSE Energy sector have a slight positive association. The test then shows that there is a negative relationship between inflation and the BSE IT sector -.183 and GDP -.385.

Table 7.5: Correlation Matrix for Macro-Economic Variable and NSE FMCG in India for the period 2010-2020

Table with 7 columns: NSE FMCG, BALANCE OF PAYMENT, GDP, INFLATION, BROAD MONEY, EXCHANGE RATE. Rows include NSE FMCG, BOP, GDP, INFLATION, BROAD MONEY, EXCHANGE RATE with correlation values.

Source: Compiled and computed from secondary data through SPSS

The Exchange Rate has a positive relationship with the NSE Energy sector, which has a value of.694 and is followed by the Balance of Payments sector, which has a value of.415. Furthermore, there is a modest positive correlation between the Balance of Payments and the NSE Energy sector. The test then reveals a negative correlation between inflation and the BSE IT sector (-.183) and GDP (-.385).

Table 7.6: Correlation Matrix for Macro-Economic Variable and NSE IT in India for the period 2010-2020

Table with 7 columns: NSE IT, BOP, GDP, INFLATION, BROAD MONEY, EXCHANGE RATE. Rows include NSE IT, BOP, GDP, INFLATION, BROAD MONEY, EXCHANGE RATE with correlation values.

Source: Compiled and computed from secondary data through SPSS

Table 7.6 reveals that the Exchange Rate and NSE IT sector have a highly favourable correction of.916, followed by Balance of Payments at.713. Furthermore, there is a negligible relationship between Broad Money and.331. The test also revealed that there is a negative association between inflation (-.061) and GDP (-.649).

H02: there is no significant effect of the macroeconomic variable on select sectorialsectors of NSE and BSE.



Regression Analysis of Macro Economic Variables on NSE Energy sector in India for the period 2010-2020

Table 7.7: Model summary of Macro-Economic Variables in the NSE Energy Sector

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.836 ^a	.698	.397	571887.84606	1.864
a. Predictors: (Constant), EXCHANGERATE, INFLATION, BROADMONEY, BALANCE OF PAYMENT, GDI					
b. Dependent Variable: NSE ENERGY					

Source: Compiled and computed from secondary data through SPSS

R=.836 in Table 7.7 indicates that the association is very strong. Because the R-Square is .698, the cumulative linear impact of the independent variable accounts for 69.8% of performance variation. The corrected R square value of .397 indicates that the model explained 39.7% of the variation in the criterion variable. Durbin Watson statistics value of 1.864 indicates that this model is a positive autocorrelation.

H₀ = there is no significant effect of macro-economic variables on NSE Energy

Table 7.8: ANOVA of Macro-Economic Variables on NSE Energy Sector

Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	37851.58	5	75703.16	2.315	.189 ^b
	Residual	16352.78	5	32705.57		
	Total	54204.36	10			
a. Dependent Variable: NSE ENERGY						
b. Predictors: (Constant), EXCHANGE RATE, INFLATION, BROADMONEY, BALANCE OF PAYMENT, GDI						

Source: Compiled and computed from secondary data through SPSS

The ANOVA for the NSE Energy sector from 2010 to 2020 is shown in Table 7.8. The above model has a significant value of more than 0.05, with the NSE Energy as a dependent variable and the five macroeconomic variables as independent variables. The null hypothesis is therefore accepted. The conclusion is that the Macroeconomic Variable has no meaningful impact on the NSE Energy sector.

Table 7.9: Coefficient of Macro-Economic Variables on NSE Energy sector for the period 2010-2020

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1	(Constant)	-5822429.321	6835406.649		
	BALANCE OF PAYMENT	-.105	1.215	-.047	-.087
	GDI	1.944	1.260	.897	1.542
	INFLATION	-1.320	.870	-.488	-1.517
	BROADMONEY	2.266	7.742	.120	.293
	EXCHANGERATE	107674.112	37608.466	1.372	2.863
a. Dependent Variable: NSE ENERGY					

Source: Compiled and computed from secondary data through SPSS

The coefficients for the Macroeconomic Variable's impact on the NSE Energy sector are shown in Table 7.9. The significance level is greater than 0.05. It was discovered that NSE Energy has a negative impact on macroeconomic variables.



Regression Analysis of Macro Economic Variables on NSE FMCG Sector in India for the period 2010-2020

Table 7.10: Model summary of Macro-Economic Variables on NSE FMCG

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.975 ^a	.950	.901	609142.76257	2.012
a. Predictors: (Constant), EXCHANGERATE, INFLATION, BROADMONEY, BALANCE OF PAYMENT, GDI					
b. Dependent Variable: NSE FMCG					

Source: compiled and computed from secondary data through SPSS

The model summary Macroeconomic Variable on the NSE FMCG sector as the dependent variable is shown in Table 7.10. The value of R=.975 in the test result indicates that there is a highly positive association. The R Square value of .950 indicates that the overall linear impact of independent variables accounts for 95 percent of current performance variation. The adjusted R square value of .901 indicates that the model has explained 90.1 percent of the variation in the criterion variable

H₀= there is no significant effect of macro-economic variables on NSE FMCG

Table 7.11: ANOVA of Macro-Economic Variables on NSE FMCG

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	35585.28	5	71170.57	19.181	.003 ^b
	Residual	18552.74	5	37105.49		
	Total	37440.56	10			
a. Dependent Variable: NSE FMCG						
b. Predictors: (Constant), EXCHANGE RATE, INFLATION, BROADMONEY, BALANCE OF PAYMENT, GDI						

Source: compiled and computed from secondary data through SPSS

The ANOVA for the NSE FMCG Sector from 2010 to 2020 is shown in Table 7.11. The NSE FMCG sector is the dependent variable on the specified macroeconomic variables as the independent variable, with a significant value of less than 0.05. As a result, the null hypothesis is rejected, indicating that the effect on Macroeconomic Variable has a significant impact on the NSE FMCG Sector.

Table 7.11: Coefficient of Macro-Economic Variables on NSE FMCG Sector for the period 2010-2020

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-14622.79	72806.90		-2.008	.101
	BALANCE OF PAYMENT	-1.160	1.294	-.196	-.896	.411
	GDI	.979	1.342	.172	.729	.499
	INFLATION	-.963	.927	-.135	-1.039	.346
	BROAD MONEY	5.243	8.246	.106	.636	.553
	EXCHANGE RATE	24764.71	40058.42	1.201	6.182	.002
a. Dependent Variable: NSE FMCG						

Source: compiled and computed from secondary data through SPSS

The coefficient for the impact of the Macroeconomic variable on the NSE FMCG Sector is shown in Table 7.11. The significant value is more than 0.05, indicating that macroeconomic variables have a negative impact on the NSE FMCG Sector, with the exception of the Exchange Rate, which has an impact on the NSE FMCG Sector.

Regression Analysis of Macro Economic Variables on NSE IT Sector in India for the period 2010-2020

Table 7.12: Model summary of Macro-Economic Variables in the NSE IT Sector

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.950 ^a	.903	.806	420352.71952	1.700
a. Predictors: (Constant), EXCHANGE RATE, INFLATION, BROAD MONEY, BALANCE OF PAYMENT, GDI					
b. Dependent Variable: NSE IT					

Source: compiled and computed from secondary data through SPSS

The model summary of the Macro-Economic Variable in the NSE IT Sector is shown in Table 7.12. The value of R=.950 indicates that the dependent variable and the independent variable have a very positive connection. The R Square value of .903 indicates that the overall linear influence of independent variables on the dependent variable accounts for 90.3 percent of performance variation. The corrected R square value of .806 indicates that the model explained 80.6 percent of the variation in the criterion variable. The Durbin-Watson statistic value of 1.700 indicates that the model is free of autocorrelation; otherwise, there is no autocorrelation.

H₀ = there is no significant effect of macro-economic variables on NSE IT

Table 7.13: ANOVA of Macro-Economic Variables on NSE IT Sector

Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	82301.79	5	16460.35	9.316	.014 ^b
	Residual	88348.20	5	17669.64		
	Total	91136.61	10			
a. Dependent Variable: NSE IT						
b. Predictors: (Constant), EXCHANGE RATE, INFLATION, BROAD MONEY, BALANCE OF PAYMENT, GDI						

Source: compiled and computed from secondary data through SPSS

The ANOVA for the Macroeconomic variable is described in Table 7.13 as independent of the NSE IT Sector as a dependent variable. The significant value is less than 0.05, indicating that the Macroeconomic variable in the NSE IT Sector has a significant effect. As a result, the null hypothesis is a rejection saying that the independent variable has an influence on the dependent variable.

Table 7.14: Coefficient of Macro-Economic Variables on NSE IT Sector for the period 2010-2020

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	-71214.94.	5024204.997		-1.417	.216
	BALANCE OF PAYMENT	.260	.893	.089	.291	.782
	GDI	.883	.926	.314	.953	.384
	INFLATION	-.459	.640	-.131	-.718	.505
	BROAD MONEY	3.943	5.690	.161	.693	.519
	EXCHANGE RATE	10904.33	27643.219	1.072	3.945	.011
a. Dependent Variable: NSE IT						

Source: compiled and computed from secondary data through SPSS

From 2010 to 2020, Table 7.14 displays the Coefficient of Macroeconomic Variables as independent of the NSE IT Sector as dependent. Except for Exchange Rate, the significant value is more than 0.05, indicating that there is a positive impact on Exchange Rate in the NSE IT Sector. Other macroeconomic factors also impacted the NSE IT sector.

Regression Analysis of Macro Economic Variables on BSE Energy Sector in India for the period 2010-2020

Table 7.15: Model summary of Macro-Economic Variables on the BSE Energy Sector

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.887 ^a	.786	.573	180749.05848	1.831
a. Predictors: (Constant), BOP, INFLATION, EXCHANGERATE, BROADMONEY, GDP					
b. Dependent Variable: BSE_ENERGY					

Source: compiled and computed from secondary data through SPSS

The model summary of macroeconomic variables as an independent variable on the BSE Energy Sector as the dependent variable is shown in Table 7.15. R=.887 indicates that the association is really positive. The cumulative linear impact of independent factors is utilised to account for performance variation, and the R Square value was .789, resulting in a 78.9%. The Adjusted R Square value of .573 indicates that the model explained 57.3 percent of the variance in the criterion variable. Furthermore, the Durbin- Watson value was 1.831, indicating that the dependent and independent variables have no autocorrelation.

H₀ = there is no significant effect of macro-economic variables on the BSE Energy Sector

Table 7.16: ANOVA of Macro-Economic variables on the BSE Energy Sector

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	60125.08	5	12025.01	3.681	.089 ^b
	Residual	16335.11	5	32670.22		
	Total	76460.19	10			
a. Dependent Variable: BSE_ENERGY						
b. Predictors: (Constant), BALANCE of PAYMENT, INFLATION, EXCHANGE RATE, BROAD MONEY, GDP						

Source: compiled and computed from secondary data through SPSS

The ANOVA for Macroeconomic Variables on the NSE IT Sector is explained in Table 7.16. The significance value for the above model is more than 0.05, with the BSE IT Sector as the dependent variable and five macroeconomic variables as the independent variables. The null hypothesis is so accepted. It is concluded that the Marco economic variable has no substantial impact on the BSE IT Sector.

Table 7.17: Coefficient of Macro-Economic Variables on NSE ENERGY Sector for the period 2010-2020

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	-30493.79.	21603.76		-1.412	.217
	Exchange Rate	38373.31	11886.41	1.302	3.228	.023
	Broad Money	1.901	2.447	.268	.777	.472
	Inflation	-.448	.275	-.441	-1.628	.164
	GDP	.703	.398	.863	1.764	.138
	BOP	.042	.384	.050	.109	.917
a. Dependent Variable: BSE_ENERGY						

Source: compiled and computed from secondary data through SPSS

The coefficient for the impact of Macroeconomic Variables as an independent variable on the BSE Energy Sector as the dependent variable is shown in Table 7.17. The significant value of the tested result is more than 0.05, indicating that the BSE Energy Sector has a negative impact on macroeconomic variables as an independent factor.

Regression Analysis of Macro Economic Variables on BSE FMCG Sector in India for the period 2010-2020

Table 7.18: Model summary of Macro-Economic Variables on BSE FMCG Sector

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.974 ^a	.949	.898	234624.86570	2.055
a. Predictors: (Constant), EXCHANGE RATE, INFLATION, BROAD MONEY, BALANCE OF PAYMENT, GDI					
b. Dependent Variable: BSE FMCG					

Source: compiled and computed from secondary data through SPSS

The model summary of Macroeconomic Variables as the independent variable and BSE FMCG Sector as the dependent variable is shown in Table 7.18. The value of R =.974 in this table indicates that there is a very favorable relationship. And the R Square value was .949, indicating that the overall linear influence on the independent variables accounts for 94.9 percent of the variation in performance. The Adjusted R Square value of .898 indicates that the model explained 89.9% of the variation in the criterion variable. Furthermore, the Durbin Watson value was 2.055, indicating autocorrelation.

H₀ = there is no significant effect of macro-economic Variables on the BSE FMCG Sector

Table 7.19: ANOVA of Macro-Economic Variables on the BSE FMCG Sector

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	51206.26	5	10241.25	18.604	.003 ^b
	Residual	27524.41	5	55048.82		
	Total	53958.70	10			

a. Dependent Variable: BSE FMCG

b. Predictors: (Constant), EXCHANGE RATE, INFLATION, BROADMONEY, BALANCE OF PAYMENT, GDI

Source: compiled and computed from secondary data through SPSS

The ANOVA for Macroeconomic Variables on NSE FMCG Sector as the dependent variable is shown in Table 7.19. The significant value for the aforementioned model is less than 0.05, indicating that the BSE FMCG Sector is undervalued. It is determined that macroeconomic variables have a major impact on BSE FMCG. As a result, the null hypothesis is rejected.

Table 7.20: Coefficient of Macro-Economic Variables on BSE FMCG Sector for the period 2010-2020

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	-48700.86	28043.19		-1.737	.143
	BALANCE OF PAYMENT	-.457	.498	-.204	-.917	.401
	GDI	.344	.517	.159	.666	.535
	INFLATION	-.349	.357	-.129	-.976	.374
	BROAD MONEY	1.157	3.176	.061	.364	.730
	EXCHANGE RATE	93962.41	15429.39	1.200	6.090	.002

a. Dependent Variable: BSE FMCG

Source: compiled and computed from secondary data through SPSS



The coefficient for the impact of Macroeconomic Variables as an independent factor on the BSE FMCG Sector as the dependent variable is shown in table 7.20. With the exception of Exchange Rate, the significant value was found to be more than 0.05. This suggests that the Exchange Rate benefits the BSE IT Sector, whereas other macroeconomic variables impair the dependent variable.

5.16 Regression Analysis of Macro Economic Variables on BSE IT Sector in India for the period 2010-2020

Table 7.21: Model summary of Macro-Economic Variables in the BSE IT Sector

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.973 ^a	.947	.893	1736.38363	1.783
a. Predictors: (Constant), EXCHANGERATE, INFLATION, BROADMONEY, BALANCE OF PAYMENT, GDI					
b. Dependent Variable: BSE IT					

Source: compiled and computed from secondary data through SPSS

The model summary of macroeconomic variables as an independent variable on the BSE IT Sector as the dependent variable is shown in Table 7.21. R =.973 indicates that the association is extremely positive. Also, the R Square value was .947, indicating that the entire linear influence of independent components is employed to account for performance variation. The Durbin- Watson score of 1.783 indicates that the dependent and independent variables have no autocorrelation.

Ho = there is no significant effect of macro-economic Variables on the BSE IT Sector

Table 7.22: ANOVA of Macro-Economic Variables on the BSE IT Sector

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	26690.19	5	53380.38	17.705	.003 ^b
	Residual	15075.14	5	30150.28		
	Total	28197.70	10			
a. Dependent Variable: BSE IT						
b. Predictors: (Constant), EXCHANGE RATE, INFLATION, BROADMONEY, BALANCE OF PAYMENT, GDI						

Source: compiled and computed from secondary data through SPSS

The ANOVA for Macroeconomic Variables on the BSE IT Sector as the dependent variable was obtained using Table 7.22. The above model has a significant value of less than 0.05, according to the tested table, which was collected from the BSE IT Sector. As a result, the null hypothesis is invalidated. Since it has been determined that macroeconomic variables have a substantial impact on the BSE IT Sector.

Table 7.23: Coefficient of Macro-Economic Variables on BSE It Sector for the period 2010-2020

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-73709.36	20753.87		-3.552	.016
	BALANCE OF PAYMENT	6.738E-005	.004	.004	.018	.986
	GDI	.004	.004	.280	1.143	.305
	INFLATION	-.004	.003	-.218	-1.611	.168
	BROAD MONEY	.067	.024	.491	2.845	.036
	EXCHANGE RATE	548.651	114.188	.969	4.805	.005
a. Dependent Variable: BSE IT						

Source: compiled and computed from secondary data through SPSS

The coefficient for the impact of Macroeconomic Variables as independent on the BSE IT Sector as a dependent was presented in Table 7.23. The findings show that BSE IT has a beneficial impact on the exchange rate and other macroeconomic variables while harming the independent variables.

VIII. FINDINGS OF THE STUDY

From the above study the major finding was,

- When compared to other macroeconomic variables, the exchange rate has a significant positive correlation with selected NSE and BSE sectorial indexes.
- There is no significant relationship between the BSE Energy sectors and macroeconomic indicators.
- The macroeconomic factors have a strong relationship with the BSE FMCG, IT, NSE FMCG, IT, and Energy indexes.

IX. SUGGESTIONS OF THE STUDY

An active stock market investor should consider macroeconomic issues such as GDP, inflation, money supply, exchange rate, and the balance of payments. Because fluctuations in the price level of the Indian stock market are influenced by changes in the performance of macroeconomic variables. Both foreign and domestic investors may benefit from the normal exchange rate and GDP. The Exchange Rate and the NSE and BSE indices have a linear relationship, which means that if the exchange rate changes its performance, the stock market would be affected.

X. CONCLUSION

The purpose of this study is to examine the impact of macroeconomic variables on various BSE and NSE indexes in India from the 2010 to 2020 financial year. This study conducted the necessary research to determine whether or not some of the specified macroeconomic variables have influenced the stock market. According to the findings, the BSE Energy sectorial index has no meaningful link with macroeconomic factors, although other sectorial indices such as the BSE IT, BSE FMCG, NSE IT, NSE FMCG, and NSE Energy have.

REFERENCES

- [1]. Algarini, A. (2020). Impact of GDP, Foreign Direct Investment, Inflation Rate, and InterestRate on Stock Market Values in Saudi Arabia. *International Journal of Social Science and Economic Research*, 5(7), 1667–1678.
- [2]. ANBUKARASI, M., & P.J, S. (2022). A Study on Level of Awareness and Perceived Usefulness of Block Chain Technology in Boosting Financial Inclusion. *International Journal for Research in Engineering Application & Management (IJREAM)*, 07(10), 168-173. doi:10.35291/2454-9150.2022.0028
- [3]. Osaseri, G., & Osamwonyi, I. O. (2018). Impact of Stock Market Development on Economic Growth in BRICS. *International Journal of Financial Research*, 10(1), 23. <https://doi.org/10.5430/ijfr.v10n1p23>
- [4]. Parab, N., & Reddy, Y. V. (2020). The dynamics of macroeconomic variables in Indian stock market: A Bai–Perron approach. *Macroeconomics and Finance in Emerging Market Economies*, 13(1), 89–113. <https://doi.org/10.1080/17520843.2019.1641533>
- [5]. Sumathy, M., & Das, A. S. (2021). Recovery channels of npa in scheduled commercial banks. *International Journal of Business and Administration Research Review*, 8(3), 103-108.
- [6]. Sumathy, M., & Das, A. S. (2021). Impact of Stock Price on GDP in India during Outbreak of Covid 19 Special Reference to BSE. *International Journal for Research in Engineering Application and Management*, 7(9), 57-60.
- [7]. M, S., & T P, J. (2022). Awareness and Perception of Investors towards Mutual Fund Investments. IJARSCT.
- [8]. Sumathy, M., & Sujith, T. S. (2018). Effect of Brand on Customer Loyalty among SBI Banking Customers. *International Journal of Scientific Engineering and Research*, 6(9), 2015–2018.
- [9]. Sumathy, M., & T.S, S. (2018). A Comparative Study on Perception of Customers towards Service Quality of. *RESEARCH REVIEW International Journal of Multidisciplinary*, 3085(Special Issue), 187–190.
- [10]. T.S, S., & C.D, J. (2019). Antecedents of Customer or Member Loyalty in Primary Agricultural Credit Societies in Kerala. *Our Heritage*, 68(21), 224–232.
- [11]. T.S, S., & K, M. N. (2019). How Mobile and Internet Banking Service Experience of Canara Bank Influence the

Youngsters of Thrissur District. *International Journal of Research and Analytical Reviews (IJRAR)*, 6(2), 792–799.

- [12]. T.S, S., & Sumathy, M. (2021). User perception and satisfaction of OTT media platform in Kerala. *VEI International Journal of Social Science*, 7(12), 128–134.