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IMPACT OF FINANCIAL BUDGET 2023 ON MARKET INDICES

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Abstract:

A stock demand indicator shortened as a stock indicator is an index that shows all the major changes in India's stock demand. This study is a descriptive research. The data has been analysed using multiple regression analysis and co linearity among the variables was examined. This article tries to analyze the impact of financial budget 2023 on market indices on particular sectors like manufacturing, telecommunication, health care and digitalisation. The study concluded that the budget 2023 will have a positive impact on the following sectors such as healthcare, fertiliser, structure, defence insurance, manufacturing, digitalization (IT), communication, education, small and medium enterprises (SMEs), etc.

Key Words: Financial, Market, Capital, Indices, Sector, Business, Stock, Variables, Etc.,

Introduction:

A stock demand indicator shortened as a stock indicator is an index that shows all the major changes in India's stock demand. The same stocks are named from amongst the securities formerly grouped and listed on the stock exchange to develop an indicator. Still, the selection criteria are grounded upon the type of assiduity, the company's size, and its demand capitalization. This index is used to minimize the mess up and indicate the proper position of the demand. Changes in the price of underpinning means impact the overall value of the indicator. Still, the stock indicator will rise, and if they go down, If the price goes overhead.

Domestic indicators pruned earnings and slipped into negative home and ended on a mixed note amid volatility as budget excitement settled. During the day, the BSE Sensex jumped over 1100 points, touching an intraday high of and NSE Nifty 50 surpassed the, 970 mark but also incontinently after the FM's speech finished, indicators started falling. demands have been trading lower for the once many days as the Hindenburg-Adani saga shook investors' sentiment but moment both the equity standard indicators surged following the budget advertisement by Finance Minister Nirmala Sitharaman but towards the end of the trading session they crashed 1. "demands' response at the end of the budget speech was a big thumbs up with Equity demands up 1 and rates lower in the fixed- income demand.

On the frontline, the insolvable balance of boosting capital expenditure by 33 but still managing the financial prudence FY24 Budget Gap5.9 of GDP, Retains6.4 FY23 and Gross borrowing at15.43 vs exp of15.77. Enterprises of LTCG tweak was also not touched also gave the sugar high for the equity demands. Going ahead, in a world which is decelerating materially, India's Capex frontloading is likely to keep domestic centric Indian frugality. The clear take down from this budget is the focus on India (domestic- centric focus). Consumption (on account of advanced disposable income) and Capex sectors (capex up by 33) both will see strong tail wind along with a focus on railroads, anchorages & airfields and tourism. Financial prudence continues to prove a strong headwind for the banking sector which is only moving towards its long- term valuation bands," said Azeem Ahmad, star Officer & Head PMS, LIC Mutual Fund.

Types of Market Indices:

- **Broad Market Indices:**

Business is affected by the stock demand; a broad demand indicator can be used as a mark or comparison value. Your company might be a intimately traded stock or you could be managing investments for guests. A demand indicator can compare the results investors are earning in your business with what they could have earned in the stock demand

- **Sectoral Indices:**

Both BSE and NSE have some good pointers that measure companies falling under one specific sector. Indicators like S&P BSE Healthcare and NSE Pharma are considered good pointers of their separate changes in the pharmaceutical sector. Another prominent illustration could be S&P BSE PSU, and Nifty PSU Bank Indices are pointers of all the listed public sector banks. Still, both the exchanges do not have to have corresponding indicators for all the sectors, but this is generally a significant cause.

- **Thematic Indices:**

Thematic investing, particularly in form of thematic ETFs which track thematic indicators, has seen exponential growth over the last many times as investors seek to diversify down from traditional cycle-sensitive sector exposures and into long- term structural profitable trends. In doing so, they target the heirs of transformative forces shaping the global frugality and societies. Primarily among them is the surge of technology- driven invention, which creates edge in businesses, shifts mortal exertion to the digital space, and pushes breakthrough advances in healthcare, dispatches, and other diligence.

- **Strategy Indices:**

NIFTY Multi-Factor indicators are designed to reflect the performance of a portfolio of stocks that are named grounded on combination of 2 or further factors named from 4 single- factors videlicet, Quality, Value, Alpha and Low Volatility. It intends to fight the cyclicality of single factor indicator strategy and provides investors a choice to take exposure to multiple factors through a single indicator product.

- **Fixed Income Indices:**

Fixed Income indicators offer independent and comprehensive marks for the fixed income demand in India, covering macrocosm of fixed income means including government securities, T- bills, commercial bonds of different credit standing orders, marketable papers, instrument of deposits and late rate. All NIFTY indicators follow a well- defined; demand applicable and rules- grounded frame that helps us give transparent, replicable and demand representative indicators.

Review of Literature:

J. Gayothiri & L. Ganesa Moorthy (2018) examined the impact of Union Budget 2018 on BSE sensex. They set up that there was no significant impact of the event of the advertisement of Union Budget on return on Sensex companies. They used events study taking data previous and posterior to the budget.

Dr. Divya Verma, Ms. Neh Kushwaha and Ms. Vinita Ashok (2015) delved impact of Union Budget on NSE Nifty. The result indicated that the maximum impact of budget is seen in short term. Also it gradationally decreases in medium term and diminishes in long term.

Saraswat and Banga (2012) examined the impact of Union Budget from 1995 to 2010 stock demand as represented by Nifty. The result proved that budgets had the maximum impact only on short time of period, moderate impact on medium time and no impact on long time.

Varadhrajan and Vikraman (2011) observed volatility of four major indicators of Indian stock demand and the effect of Union Budget on volatility from 2001- 2011. They set up that return of the indicators post budget is negative when compared top re-budget. They also stated that Sensex and BSE 100 have advanced standard divagation as compared to Nifty.

Singhvi (2014) examined the impact of Union Budget on NSE Nifty in terms of returns taking 3, and 30 trading days ahead and after budget day. She set up that there's no significant impact of union budget on the average returns of Nifty in short term, medium term and long term period.

Gurucharan Singh and Salony Bansal(2010) delved in the impact of periodic budget on India Stock Market. The results indicates that the budget have the maximum impact on short time compared to long period.

Leon Kohan (2008) anatomized that the goods of interest rates on stock demand volatility in Korea using daily returns on KOSPI 200 and NCD 91. The result showed that interest rate had a strong positive power for returns.

Objective of the Study:

- To study the market indices scenario in India.
- To analyze the impact of financial budget 2023 on market indices on particular sectors like manufacturing, telecommunication, health care and digitalisation.

Limitations of the Study:

- This study is done with data of Annual Budget 2023.
- This study is based on annual data and information provided in the reports.
- All the limitations of the primary data and secondary data are applicable for the study.

Research Methodology:

This study is a descriptive research. Descriptive research is used to describe characteristics of a phenomenon being studied. This study contains a secondary data from internet for the year 2023. The financial data have been collected from website of money control, morning star, finance & yahoo. The relevant data available from the stated publications and websites of the Indian market indices. Data are collected, tabulated, analyzed and the finding is presented in this study. Multiple regression analysis was tabulated and correlation among the market indices was examined.

Analysis and Interpretation:

Table 1: Table Showing Multiple Regression Value for Impact of Budget 2023 on Market Indices

Market Indices	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	DF 1	DF 2	Sig. F Change
Broad Market Indices	.713	0.509	0.501	52.9484	0.509	66.34	4	256	0
Sectoral Indices	.719	0.517	0.510	19.90648	0.517	68.535	4	256	0
Strategy Indices	.560	0.314	0.303	89.62797	0.314	29.236	4	256	0
Thematic Indices	.533	0.285	0.273	65.55446	0.285	25.455	4	256	0
Fixed Income Indices	.950	0.902	0.900	12.87036	0.902	587.286	4	256	0

Table 1 shows that model summary R representing the multiple correlation coefficient, shows the linear correlation between all the independent and dependent variables. The maximum the value of R, there will be a strong relationship between the predictor and criterion variables. In this, the value of R is .950, which is high, representing a correlation among the variables. R- Square is a square is a squared value of multiple correlation coefficients. The value of R- square is .900, which depicts that 90 % of the variance in market indices can be impact of financial budget 2023

Similarly for all market indices of India like Broad Market Indices, Sectoral Indices, Strategy Indices, Thematic Indices Oil, Fixed Income Indices.

Table 2: Table Showing Coefficients Of Market Indices

Market Indices	Sector	Un standardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
Broad Market Indices	(Constant)	635.101	294.571		2.156	.032
	Manufacturing	-.021	.012	-.081	-1.815	.071
	Telecommunication	-.890	1.655	-.027	-.538	.591
	Health Care	-5.213	.732	-.664	-7.125	.000
	Digitalisation	2.393	4.250	.055	.563	.574
Sectoral Indices	(Constant)	1213.600	110.747		10.958	.000
	Manufacturing	-.007	.004	-.071	-1.615	.108
	Telecommunication	-5.401	.622	-.429	-8.682	.000
	Health Care	-3.075	.275	-1.034	-11.181	.000
	Digitalisation	-7.315	1.598	-.441	-4.578	.000
Strategy Indices	(Constant)	4599.043	498.633		9.223	.000
	Manufacturing	-.009	.020	-.023	-.442	.659
	Telecommunication	-20.569	2.801	-.433	-7.343	.000
	Health Care	-8.622	1.238	-.767	-6.962	.000
	Digitalisation	-27.088	7.195	-.432	-3.765	.000
Thematic Indices	(Constant)	1509.417	364.703		4.139	.000
	Manufacturing	.012	.014	.045	.841	.401
	Telecommunication	-15.918	2.049	-.468	-7.769	.000
	Health Care	-4.918	.906	-.611	-5.429	.000
	Digitalisation	-9.428	5.262	-.210	-1.792	.074
Fixed Income Indices	(Constant)	1098.598	71.602		15.343	.000
	Manufacturing	.008	.003	.054	2.714	.007
	Telecommunication	.354	.402	.020	.881	.379
	Health Care	1.604	.178	.376	9.018	.000
	Digitalisation	-14.441	1.033	-.607	-13.977	.000

Table 2 depicts the coefficients between variables when multiple regression analysis is applied. Beta coefficient reflects the change in the dependent variable for each unit change in the independent variable. It can be used to compare the relative strength of various predictors within the model. Larger will be the beta coefficient, the smaller will be the significant level.

As per the Table 2, Broad Market Indices - Manufacturing (Beta= -.081, $p > 0.01$), Telecommunication (Beta = - 0.027, $P > 0.01$), Health care (Beta = -.664, $p < 0.01$) and Digitalisation (Beta = - . 055, $p > 0.01$) has largest beta coefficient which is statistically significance at the 1% and 0.1 % significance level. There is a relationship between Manufacturing, Telecommunication, Digitalisation and market indices and there is no relationship between Health care and impact of financial budget 2023.

As per the Table 2, Sectoral Indices - Manufacturing (Beta= -.071, $p>0.01$), Telecommunication (Beta = - .429, $P < 0.01$), Health care (Beta = -1.034, $p < 0.01$) and Digitalisation (Beta = - .441, $p < 0.01$) has largest beta coefficient which is statistically significance at the 1% and 0.1 % significance level. There is a relationship between Manufacturing and market indices and there is no relationship between Telecommunication, Digitalisation and Health care and impact of financial budget 2023.

As per the Table 2, Strategy Indices - Manufacturing (Beta= -.023, p > 0.01), Telecommunication (Beta = -.433, P < 0.01), Health care (Beta = -.767, p < 0.01) and Digitalisation (Beta = -.432, p < 0.01) has largest beta coefficient which is statistically significance at the 1% and 0.1 % significance level. There is a relationship between Manufacturing and market indices and there is no relationship between Telecommunication, Digitalisation and Health care and impact of financial budget 2023.

As per the Table 2, Thematic Indices - Manufacturing (Beta = .045, p > 0.01), Telecommunication (Beta = -.468, P < 0.01), Health care (Beta = -.611, p < 0.01) and Digitalisation (Beta = -.210, p > 0.01) has largest beta coefficient which is statistically significance at the 1% and 0.1 % significance level. There is a relationship between Manufacturing, Health care and market indices and there is no relationship between Telecommunication, Digitalisation and impact of financial budget 2023.

As per the Table 2, Fixed Income Indices - Manufacturing (Beta = .054, p > 0.01), Telecommunication (Beta = .020, P > 0.01), Health care (Beta = .376, p < 0.01) and Digitalisation (Beta = -.607, p < 0.01) has largest beta coefficient which is statistically significance at the 1% and 0.1 % significance level. There is a relationship between Manufacturing, Telecommunication and market indices and there is no relationship between Health care, Digitalisation and impact of financial budget 2023.

Conclusion:

Stock Demand investors anticipate a balanced Budget with an emphasis on job creation, increased structure expenditure, containing the deficiency, and resuming the frugality on January 25, PTI quoted judges as saying. Stock demands have been fairly quiet in the run- up to the Union Budget, with the BSE's standard Sensex remaining nearly flat this month. Indeed the commercial earnings season failed to exhilaration the demands, albeit several indicators, similar as IT and banks, saw favourable movement. Overall, six of the last ten times have enduredpre-budget rallies, and six of those ten times have also seenpost-Budget demand declines. also, the Nifty 50 standard indicator of the National Stock Exchange(NSE) has dropped seven times on budget days.

The government's fiscal situation, as well as the projected costs and earnings for the forthcoming time, are presented in the budget. According to common agreement, stock demands may profit if a budget contains programs that are viewed favourably by businesses and the frugality as a whole. In discrepancy to the ambitious estimates of former Budgets, the government is likely to be conservative in its asset monetization intentions, according to Amar Ambani, Head of Institutional Equities at Yes Securities. Given the adverse global terrain, India's GDP growth ideal is nearly clearly going to be in the low double integers, and the government will not diverge from its financial responsibility plan. The study concluded that the budget will have a positive impact on the following diligence healthcare, fertiliser, structure, defence insurance, manufacturing, digitalization (IT), communication, education, small and medium enterprises (SMEs), etc.

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