

UNDERSTANDING THE SURGE IN THE INDIAN STOCK MARKET DURING AND POST THE SECOND WAVE OF COVID-19: AN INTERDISCIPLINARY ANALYSIS

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ABSTRACT

The unusual growth in the Indian stock market during and post the second wave of the COVID-19 pandemic has caught the attention of investors both in India and abroad. Between 2020 and 2021, investors were able to receive a whopping 84% returns from the BSE Sensex and Nifty 50. This paper delves into a comprehensive analysis incorporating the various factors contributing to this surge with an interdisciplinary approach. By analysing a range of economic indicators, government policies and market trends, we provide a detailed study explaining this phenomenon. Our study juxtaposes indicators like interest rates, the Volatility Index, the number of Covid cases etc. with the BSE Sensex and NSE's Nifty 50. In addition, we have also analysed the impact of other indicators like India's credit rating, bond yield, employment scenario, demographic factors, liquidity influx, fiscal policies and retail investor behaviour on the Indian stock market. Through a rigorous analysis, we have factored the key drivers which led to the continued growth of the Indian stock market in 2021 and the resulting impact of these on investor sentiments and confidence. This research facilitates greater insights into the trend of the stock market and can be useful for investors to protect their investments and capitalise on future opportunities.

KEYWORDS: *Indian stock market, BSE Sensex, National Stock Exchange, Covid-19 Pandemic, economic indicators, market trends, Volatility index, Repo rates.*