

**AN IMPACT ANALYSIS OF PANDEMIC IN INDIAN FINANCIAL MARKET****Dr. Tanaji Vitthal Chavan**

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**Abstract:**

The impact or effect of pandemic situation in the financial market from investment point of view, It is very uncertain situation, in the market. There are several reasons. Entire world economy has disturbed. Corona virus has spread all over the world and disturbed. Everybody who is focusing on health, Survival and worried about Earnings and Unemployment. Many firms have adopted work from home as per the feasibility. But still, they are uncertain about the results and performance through work from home. And this scenario has moved down the market. And Every investor's investment has decreased. And nobody knows How much time it will? Take to recover. During pandemic All are focusing on Liquidating investment At actual value. Nobody wants to take a risk. And hence the investment market has collapsed drastically.

**Keywords:** Stock, Share Market, COVID 19, investment, risk, return, trends, etc.

**Introduction-**

In the pandemic scenario general observation that, there is an uncertainty in the investment market. It may have a several reasons. Like Liquidity crunch, loss of job, lockdown, Health issues, Hospital expenses, etc. Fear among people about other peoples. And the investment environment is totally disturbed. In this scenario, the researcher has decided to Select this investment market Study.

**Research Methodology-**

Statement of research problem-

Due to COVID-19 all the global markets falls down. Indian markets also fall to lower level. Markets become very volatile, it becomes very hard to predict the directions of the market. Equity, cash, futures, indices, currencies, commodity all hits their lower circuits due to the pandemic situation of COVID-19. Hence researcher has selected this topic for study.

**Objectives of Research:**

- i. To understand the various investment avenues and the investors risk preference towards it.
- ii. To assess the impact of COVID-19 pandemic in the Indian financial markets.

**Data collection:**

Secondary data – Earlier records from journals, internet and other sources.

**Tools used for analysis:**

Fundamental Analysis and Technical Analysis

**Data Analysis and Interpretation:****Comparative table of Pre, During and Post – COVID19 impact: Indian Financial Markets:**

	Before COVID	During COVID	After COVID
No	Indexes 14 January 2020.	Indexes: 23 March 2020.	Indexes: 12 October 2020.
NIFTY 50	12362	7610	12030
Sensex	41952	25981	40903

Effects of COVID-19 on indices is described in the form of charts and they are as follows:

**Technical analysis of Nifty 50, Before, during and after pandemic situation of COVID-19 as follows:**



**Candle stick chart Nifty 50, 1-day time frame (Chart 1)**

**Interpretation:**

On the date of 20-1-2020 the nifty 50 indices were high i.e. 12430.5. Due to the COVID-19 situation the nifty 50 were down. on 24-3-2020 the nifty 50 was at 7511.1.

Nifty Recovered from pandemic situation of COVID-19. Nifty 50 New high is 12030 On 12 oct 2020.

The red line indicates the simple moving average. Simple moving average helps to find the support and resistance.

The below line is the line chart i.e. RSI (Relative strength index) period 14 it shows overbought and over sale zone Overbought above 80 and over sale line below 20

Nifty 50 total fall 4908.34 (39.70%) with in 45 Trading days.

Nifty 50 Rise after COVID-19 4558.86 (60.81%) within 138 Trading days.

**Technical analysis of Sensex Before, during and after pandemic situation of COVID-19 as follows:**



**Candle stick chart Sensex, 1-day time frame (Chart2)**

**Interpretation:**

On the date of 20-1-2020 the Sensex indices were high i.e. 42263. Due to the COVID-19 situation the Sensex were down. on 24-3-2020 the Sensex was at 25640.

Sensex Recovered from pandemic situation of COVID-19. Sensex New high is 40903 On 12 oct 2020.

The red line indicates the simple moving average.

Simple moving average helps to find the support and resistance.

The below line is the line chart i.e. RSI (Relative strength index) period 14 it shows overbought and over sale zone Overbought above 80 and over sale line below 20

Sensex total fall 16835.70 (65.97%) within 45 trading days.

Sensex Rise after COVID-19 15208 (59.14%) within 138 Trading days.

**Technical analysis of MCX (Multi commodity exchange) Before, during and after pandemic situation of COVID-19 as follows:**



**Candle stick chart MCX, 1-day time frame (Chart 3)**

**Interpretation:**

On the date of 20-1-2020 the MCX indices were high i.e. 1443. Due to the COVID-19 situation the MCX were down. on 24-3-2020 the MCX was at 850.75.

MCX Recovered from pandemic situation of COVID-19. MCX New high is 1755 On 12 oct 2020.

The red line indicates the simple moving average.

Simple moving average helps to find the support and resistance.

The below line is the line chart i.e. RSI (Relative strength index) period 14 it shows overbought and over sale zone Overbought above 80 and over sale line below 20

MCX total fall 628.57 (43.42%) within 47 trading days.

MCX Rise after COVID-19 936.89 (114.09%) within 138 Trading days.

**Technical analysis of Nifty Commodities Before, during and after pandemic situation of COVID-19 as follows:**



**Candle stick chart Nifty Commodities, 1-day time frame (Chart4)**

**Interpretation:**

On the date of 15-1-2020 the Nifty Commodities indices were high i.e. 3545.95. Due to the COVID-19 situation the Nifty Commodities were down. on 24-3-2020 the Nifty Commodities was at 2068.8.

Nifty Commodities Recovered from pandemic situation of COVID-19. Nifty Commodities New high is 3160.55 On 12 oct 2020.

The red line indicates the simple moving average.

Simple moving average helps to find the support and resistance.

The below line is the line chart i.e. RSI (Relative strength index) period 14 it shows overbought and over sale zone Overbought above 80 and over sale line below 20

Nifty Commodities total fall 1496.70(41.77%) within 47 trading days.

Nifty Commodities Rise after COVID-19 1080 (51.76%) within 138 Trading days.

**Technical analysis of Nifty PSU Bank Before, during and after pandemic situation of COVID-19 as follows:**



**Candle stick chart Nifty PSU Bank, 1-day time frame (Chart5)**

**Interpretation:**

On the date of 29-11-2019 the Nifty PSU Bank indices were high i.e. 2737.5. Due to the COVID-19 situation the Nifty PSU Bank were down. on 27-5-2020 the Nifty PSU Bank was at 1085.9.

Nifty PSU Bank Recovered from pandemic situation of COVID-19. Nifty PSU Bank New high is 1661.8 On 31 Aug 2020.

The red line indicates the simple moving average. Simple moving average helps to find the support and resistance.

The below line is the line chart i.e. RSI (Relative strength index) period 14 it shows overbought and over sale zone Overbought above 80 and over sale line below 20

Nifty PSU Bank fall 1647.05 (60.31%) within 121 trading days.

Nifty PSU Bank Rise after COVID-19 580.28 (53.71%) within 71 Trading days.

**Technical analysis of Nifty Pharma Before, during and after pandemic situation of COVID-19 as follows:**



**Candle stick chart Nifty Pharma, 1-day time frame (Chart 6)**

**Interpretation:**

On the date of 20-2-2020 the Nifty Pharma indices were high i.e. 8473.8. Due to the COVID-19 situation the Nifty Pharma were down. on 13-3-2020 the Nifty Pharma was at 6242.85.

Nifty Pharma Recovered from pandemic situation of COVID-19. Nifty Pharma New high is 12184 On 12 oct 2020

The red line indicates the simple moving average. Simple moving average helps to find the support and resistance.

The below line is the line chart i.e. RSI (Relative strength index) period 14 it shows overbought and over sale zone Overbought above 80 and over sale line below 20

Nifty Pharma total fall 2239.37 (26.28%) within 14 trading days.

Nifty Pharma Rise after COVID-19 5909.5 (93.53%) within 138 Trading days.

**Findings:**

- i. The chart No.1 of nifty 50 shows how the nifty reacts to the COVID-19 pandemic situation. Nifty 50 fall from its high 12430 to its low 7511 within the 45 trading days. Nifty collapsed 39.70% from its actual value and nifty hits their lowers circuits after a long time due to corona virus. But the Nifty Recovered from pandemic situation of COVID-19. Nifty 50 New high is 12030 On 12 oct 2020. Nifty 50 Rise after COVID-19 4558.86 (60.81%) within 138 Trading days.

- ii. The chart no.2 is of Sensex which is under BSE. Sensex falls during the pandemic situation of the COVID-19. Sensex high before the COVID-19 is 42263 and the low is 25640 during the corona virus impact. Sensex hits their new low after a longer time, within 45 trading days Sensex fall 65.97% from its actual value. But the Sensex Recovered from pandemic situation of COVID-19. Sensex New high is 40903 On 12 oct 2020. Sensex Rise after COVID-19 15208 (59.14%) within 138 Trading days
- iii. The chart no.3 is of MCX which is under NSE. MCX falls during the pandemic situation of the COVID-19. Sensex high before the COVID-19 is 1443 and the low is 850.75 during the corona virus impact. MCX hits their new low after a longer time, within 47 trading days MCX fall 43.42% from its actual value. But the MCX Recovered from pandemic situation of COVID-19. MCX New high is 1755 On 12 oct 2020. MCX Rise after COVID-19 936.89 (114.09%) within 138 Trading days.
- iv. The chart no.4 is of Nifty Commodities which is under NSE. Nifty Commodities falls during the pandemic situation of the COVID-19. Nifty Commodities high before the COVID-19 is 3545.95 and the low is 2068.8 during the corona virus impact. Nifty Commodities hits their new low after a longer time, within 47 trading days Nifty Commodities fall 41.77% from its actual value. Nifty Commodities Recovered from pandemic situation of COVID-19. Nifty Commodities New high is 3160.55 On 12 oct 2020. Nifty Commodities Rise after COVID-19 1080 (51.76%) within 138 Trading days.
- v. The chart no.5 is of Nifty PSU Bank which is under NSE. Nifty PSU Bank falls during the pandemic situation of the COVID-19. Nifty PSU Bank high before the COVID-19 is 2737.5 and the low is 1085.9 during the corona virus impact. Nifty PSU Bank hits their new low after a longer time, within 121 trading days Nifty PSU Bank fall 60.31% from its actual value. But the Nifty PSU Bank Recovered from pandemic situation of COVID-19. Nifty PSU Bank New high is 1661.8 On 31 Aug 2020. Nifty PSU Bank Rise after COVID-19 580.28 (53.71%) within 71 Trading days.
- vi. The chart no.6 is of Nifty Pharma which is under NSE Nifty Pharma falls during the pandemic situation of the COVID-19. Nifty Pharma high before the COVID-19 is 8473.8 and the low is 6242.85 during the corona virus impact. Nifty Pharma hits their new low after a longer time, within 14 trading days Nifty Pharma fall 26.28% from its actual value. But the Nifty Pharma Recovered from pandemic situation of COVID-19. Nifty Pharma New high is 12184 On 12 oct 2020. Nifty Pharma Rise after COVID-19 5909.5 (93.53%) within 138 Trading days.

**Suggestions:**

- i. Fundamentals of the all indices or stocks is weak due to COVID-19.
- ii. From the Chart No. 1 it is found that the Fundamentals of Nifty 50 is weak and technical are also weaker side so its suggested to Future Nifty indices holders to close their positions.
- iii. From the chart No. 2 it is found that the Sensex Holders are also advisable to close their positions to avoid huge losses.
- iv. Investors need to do pyramiding in Nifty Bees at lower levels.

- v. According to Chart No 1 to 6 Short sellers also need to book their profits before market corrections.

**Conclusion:**

Study Has focused on pre, during and post pandemic situation. It was sure that each and every economy Will Recover and all will grow. But it will take a time. How much time horizon nobody can say about it. Hence, There is a fear environment in the investment market. And they have to have patience in the investment market. We have observed the same situation in the Indian financial market also.

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