

CAPITAL MARKETS

Ohntep Sravya¹, Ms. G. Swetha²

¹Department of Management Studies Aristotle PG College, Chilkur, Moinabad, Ranga Reddy District, Telangana, India.

²Assistant Professor Aristotle PG College, Chilkur, Moinabad, Ranga Reddy District, Telangana, India.

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ABSTRACT

A capital market is a market for securities (debt or equity), where business enterprises (companies) and governments can raise long-term funds. It is defined as a market in which money is provided for periods longer than a year, as the raising of short-term funds takes place on other markets (e.g., the money market). The capital market includes the stock market (equity securities) and the bond market (debt). Financial regulators, such as the UK's Financial Services Authority (FSA) or the U.S. Securities and Exchange Commission (SEC), oversee the capital markets in their designated jurisdictions to ensure that investors are protected against fraud, among other duties. In mainstream economics, the concept of a market is any structure that allows buyers and sellers to exchange any type of goods, services and information. The exchange of goods or services for money is a transaction. Market participants consist of all the buyers and sellers of a good who influence its price. This influence is a major study of economics and has given rise to several theories and models concerning the basic market forces of supply and demand.

Keywords: capital market, Securities and Exchange Commission, supply and demand

1. INTRODUCTION

Capital markets may be classified as primary markets and secondary markets. In primary markets, new stock or bond issues are sold to investors via a mechanism known as underwriting. In the secondary markets, existing securities are sold and bought among investors or traders, usually on a securities exchange, over-the-counter, or elsewhere.

The Indian Capital Market is one of the oldest capital markets in Asia which evolved around 230 years ago.

Chronology of the Indian capital markets:

1830s: Trading of corporate shares and stocks in Bank and cotton Presses in Bombay. Though the trading list was broader in 1839, there were only half a dozen brokers recognized by banks and merchants during 1840 and 1850.

CAPITAL MARKET INSTRUMENTS

The capital markets are relatively for long term (greater than one year maturity) financial instruments e.g bonds and stocks). It is the largest source of funds with long and indefinite maturity for companies are there by enhances the capital formation in the country. It offers a investment avenues to investors. The capital market instruments are the vehicles between the companies and the investors. The financial instruments that have short- or medium-term maturity periods are dealt in the money market whereas the financial instruments that have long maturity periods are dealt in the capital market. The different types of financial instruments that are traded in the capital markets are equity instruments, credit market instruments, insurance instruments, foreign exchange instruments, hybrid instruments and derivative instrument Stock market is the capital and SEBI is the driver.

These instruments are of two types

- Primary market
- Secondary market

A part from derivative instruments, the following is the major mediums of approaching capital markets:

- Equity shares
- Preference shares
- Debentures/ bonds
- American Depository Receipts (ADR)
- Global Depository Receipts (GDR)
- Derivatives
- Employee stock option

2. REVIEW OF LITERATURE

Bing Zhu (2012), The Effects Of Macroeconomic Factors On Stock Return Of Energy Sector In Shanghai Stock Market, International Journal of Scientific and Research Publications (Vol. 2, Issue-11), ISSN 2250-3153: The study

aims at understanding the performance of arbitrage pricing theory (APT) in the Shanghai Stock Exchange. In finance, arbitrage pricing theory (APT) is a general theory of asset pricing that holds that the expected return of a financial asset. The research points out the fact that factors such as foreign reserve, exports, exchange rates, and unemployment rate have an impact on the returns of energy sector. As the foreign reserve increases by 1 point, the stock return of energy sector increases by 2.142004. This shows that foreign reserves have a positive direct impact on the returns of energy sector.

Domenico Celenza and Fabrizio Rossi (2012), The Relationship Between Intellectual Capital And Stock Market Performance: Empirical Evidence From Italy, Journal of Modern Accounting and Auditing (Vol. 8, Issue-11), ISSN 1548-6583. This study aims at providing a relation between the intellectual capital (IC) and returns of a company. It also aims at The accounting records are still incomplete inspite of the regulatory accounting standard. •evaluating the value of IC. It is limited in transmitting information that is slowly reflected in the prices of securities As the information arrives into the market, it becomes old. Compared to the degree of •of listed companies to the stock market. The beta factor does not explain the market value of firms and changes in stock prices. •circulation of information in the market, the financial indicators appear to be static. The conclusions stand true as, the financial statements, made at the end of the year; fail to inform the value of the firm. The speculation in the market also affects the investor's sentiment. The beta index indicates the systematic risks associated with the stocks and fails to elaborate the reason for changes in stock prices and market value of firms.

Kaushal A. Bhatt (2013), Investment and Trading Pattern of Individuals Dealing in Stock Market, The SIJ Transactions on Industrial, Financial & Business Management (IFBM) (Vol.1, Issue-02), ISSN: 2321 – 242X: The paper aims at studying the literacy and awareness of capital markets among investors regarding various investment avenues. To find and identify segments preferred more by the people and the influencing force behind the decision making, while investing in currently available options including stock markets. It concludes that investors are moving to new investment avenues such as equity market, mutual funds, bonds, and others like gold, land etc. This is due to the decreasing trend of bank rates. This also increases the scope of business for the investment companies. The investors are also risk sensitive. They want more safety and security. The stock markets have become very popular due to high rate of return but due to uncertainty and risk many people do not invest in equity markets

.RESEARCH GAP:

This study focuses on the This difference goes to the broker as his/her profit for selling you the particular stock. Specialists are in charge of the coordination between bids and ask, so that the amount of the spread is kept at a minimum.

OBJECTIVES:

- To study about the Capital Market Instruments.
- To study about Dematerialization or Demit in the stock exchange for easy transfer and error prone system.
- To study about the latest and future developments in the stock exchange system.
- To study about recent development in derivatives market.
- To know why the companies, go to new issue market.

3. RESEARCH METHODOLOGY

Need For The Study

Capital market deals with long term funds. These funds are subject to uncertainty and risk. It supplies long term funds and medium-term funds to the corporate sector. It provides the mechanism for facilitating capital fund transactions. It deals with ordinary shares, debentures and stocks and securities of the governments. In this market the funds flow will come from savers. It converts financial assets into productive physical assets. It provides incentives to savers in the form of interest or dividend to the investors.

Scope Of The Study:

The current study involves a variety of work in economics, accounting and finance would have some linkages with capital markets. Works in corporate finance have strong linkages with security markets.

For our purpose therefore, we considered works falling into any of the following categories as those belonging to the field of capital markets: Valuation of stocks and functions of the stock markets, valuation of bonds convertible debentures and market for debt, new issue market and merchant banking, market efficiency, dividends, bonus and right issues and rates of return and performance regulations of mutual funds.

Methodology

The data collection methods include both the Primary and Secondary Collection methods.

Primary Collection Methods:

This method includes the data collected from the personal discussions with the authorized clerks and members of the Exchange.

Secondary method:

The secondary data collection method includes:

- Websites
- Journals
- Text books

The data also collected from the News, Magazines of the NSE, HSE and different books issues of this study.

Method Used For Analysis of Study

The methodology used for this purpose is Survey and Questionnaire Method. It is a time consuming and expensive method and requires more administrative planning and supervision. It is also subjective to interviewer bias or distortion.

Sample Size: 100 respondents

Sampling Unit: Businessmen, Government Servant, Retired Individuals

Tools and techniques:

The SPV (Special Purpose Vehicle) also known as a SPC (Special Purpose Corporation) or a SPE (Special Purpose Entity), is not owned by the issuing insurance company; it is an off-balance sheet entity specifically created to act as a no admitted reinsurer providing reinsurance to the issuer. All SPVs are located offshore for this reason. However, a number of onshore captive domiciles have legislation permitting the establishment of what are called Special Purpose Financial Captives (SPFC). A SPFC can fulfill the role of the offshore SPV. Vermont and South Carolina allow SPFCs.

4. DATA ANALYSIS & INTERPRETATION

STOCKMARKET

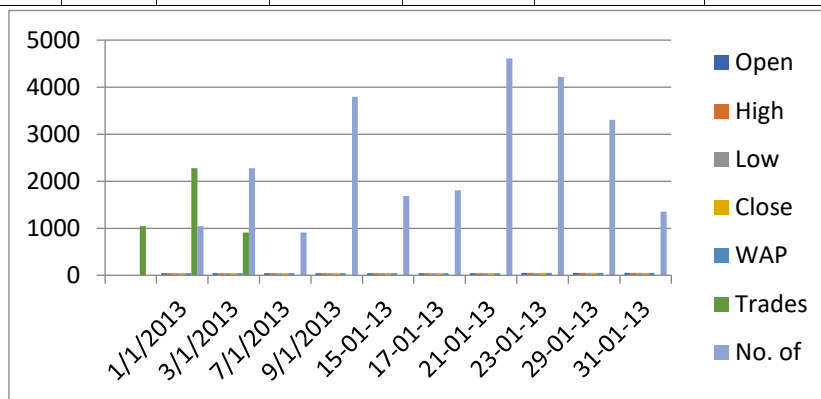
Stock Prices

Company : HDFC BANK LTD(532106)

Period(01-Jan-2023 to 31-Jan-2023)

Date	Open Price	High Price	Low Price	Close Price	WAP	No. of Shares	No. of Trades	Total Turnover (Rs.)
1-01-23	43.23	43.60	42.85	43.10	43.25	1,82,106	1,046	78,76,672
2-01-23	43.23	44.50	43.23	44.10	43.84	1,87,107	1,464	82,03,362
3-01-23	44.55	45.85	44.35	45.00	45.23	3,88,564	2,278	1,75,71,610
4-01-23	45.10	45.15	43.90	44.10	44.55	1,27,734	1,230	56,90,923
7-01-23	44.40	44.95	44.10	44.35	44.55	92,155	912	41,05,238
8-01-23	44.50	46.50	44.45	46.05	45.67	3,86,437	2,565	1,76,47,452
9-01-23	45.95	47.85	45.50	47.45	46.82	7,65,524	3,796	3,58,45,260
12-01-23	47.95	49.60	47.40	49.23	48.61	12,59,808	5,915	6,12,41,940
12-01-23	49.90	50.25	46.70	47.23	48.81	10,53,496	4,830	5,14,25,510
14-01-23	47.23	47.23	46.05	46.23	46.56	2,10,233	1,451	97,40,861
15-01-23	46.40	46.40	44.00	44.85	45.46	4,49,893	1,684	2,04,49,899
23-01-23	44.30	45.80	43.65	44.95	45.03	5,00,232	2,340	2,25,24,008
23-01-23	45.00	45.60	44.55	44.90	44.98	3,59,231	1,805	1,61,58,233

23-01-23	43.25	45.00	43.25	43.95	44.42	3,65,123	1,387	1,62,23,480
21-01-23	43.50	47.23	43.50	46.10	46.10	9,55,648	4,612	4,40,53,990
23-01-23	46.50	49.85	46.15	48.85	48.56	23,38,623	8,107	9,90,02,539
23-01-23	48.95	49.80	47.60	48.50	48.75	8,25,921	4,232	4,02,66,363
24-01-23	48.60	48.90	47.23	48.00	48.14	3,49,523	2,239	1,68,26,351
29-01-23	47.95	50.50	47.05	50.00	49.32	6,93,983	3,303	3,42,26,632
30-01-23	50.25	50.80	48.80	49.15	50.05	6,63,300	3,810	3,32,01,023
31-01-23	49.50	49.65	48.05	48.65	48.95	2,45,452	1,348	1,23,14,941



Interpretation:

On 1st Jan open value has decreased to 43.10 than compared to lower value of EPS 41.25. Then coming to higher price to 49.29 wholly the conclusion is 43.67. Then coming to the volume on the same dates or days volume are increased. Because totally this month HDFC BANK LTD. EPS value is decreased i.e. percentage 03.52%.

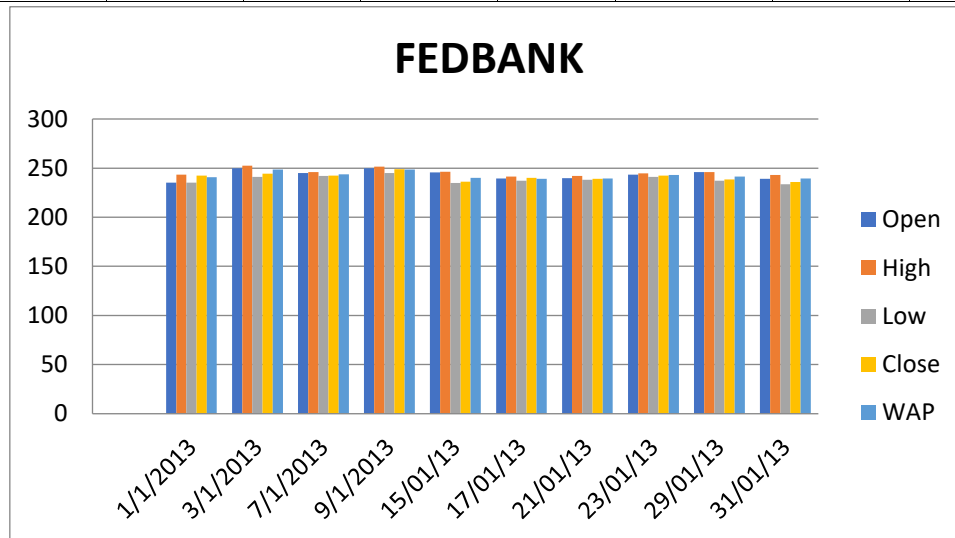
Stock Prices

Company: FEDBANK (500469)

Period (01-Jan-2023 to 31-Jan-2023)

Date	Open Price	High Price	Low Price	Close Price	WAP	No. of Shares	No. of Trades	Total Turnover (Rs.)
1-01-23	235.35	243.50	235.35	242.45	240.68	45,995	847	1,10,70,123
2-01-23	250.00	250.00	243.50	248.05	246.87	1,06,279	1,296	2,62,37,525
3-01-23	250.00	252.50	241.10	244.25	248.61	64,766	1,051	1,61,01,503
4-01-23	244.00	247.50	241.10	242.65	244.38	23,523	527	45,26,643
7-01-23	244.85	246.10	242.00	242.30	243.61	23,010	467	56,05,125
8-01-23	241.25	249.00	241.25	248.00	245.23	36,680	545	89,94,523
9-01-23	250.00	251.50	245.00	248.75	248.68	74,775	1,288	1,85,94,943
12-01-23	251.00	251.00	246.00	248.65	248.55	42,812	797	1,06,40,995
12-01-23	250.80	252.00	244.00	246.00	246.86	42,870	597	1,05,82,682
14-01-23	248.00	248.00	244.05	244.90	246.32	51,843	491	1,27,70,058
15-01-23	245.50	246.40	235.00	236.05	239.98	93,850	697	2,25,23,232
23-01-23	237.00	240.00	233.10	237.25	234.79	5,39,359	661	12,66,36,232
23-01-23	239.50	241.50	237.15	240.05	239.23	29,893	506	71,50,961
23-01-23	243.00	243.00	237.50	239.35	238.75	43,269	325	1,03,30,482
21-01-23	239.90	241.95	238.00	239.23	239.57	38,505	379	92,24,706

23-01-23	240.80	242.00	240.00	241.00	240.98	25,454	232	61,33,910
23-01-23	243.50	244.80	241.15	242.25	242.99	21,337	325	51,84,704
24-01-23	244.90	245.00	239.05	241.55	241.79	32,042	435	77,47,452
29-01-23	245.90	245.90	237.30	238.35	241.36	50,514	582	1,21,92,235
30-01-23	239.30	240.70	235.00	237.45	237.33	1,75,678	1,023	4,23,93,769
31-01-23	239.25	243.00	233.70	235.75	239.37	98,236	723	2,35,05,523



Interpretation: On 1st Jan open value has increased to 242.45 than compared to higher value of EPS 285.63. Then coming to higher price to 296.32 wholly the conclusion is 245.23. Then coming to the volume on the same dates or days volume are increased. Because totally this month FEDBANK OF INDIA. EPS value is increased i.e. percentage 10.37%.

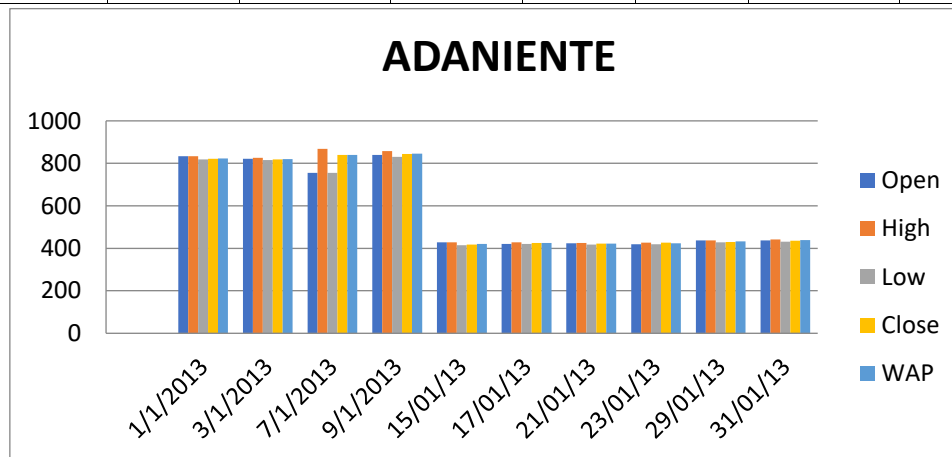
Stock Prices

Company: ADANIENITE (512599)

Period (01-Jan-2023 to 31-Jan-2023)

Date	Open Price	High Price	Low Price	Close Price	WAP	No. of Shares	No. of Trades	Total Turnover (Rs.)
1-01-23	834.23	834.23	823.00	821.10	823.72	21,149	845	1,73,99,664
2-01-23	830.00	830.00	815.15	823.50	823.30	23,502	748	1,60,36,556
3-01-23	821.10	825.50	823.05	823.25	823.12	26,791	661	2,23,71,937
4-01-23	823.00	848.00	823.00	830.70	834.23	64,938	2,239	5,41,68,683
7-01-23	755.00	868.00	755.00	840.30	840.39	35,233	1,478	2,95,50,751
8-01-23	842.45	857.50	833.00	842.10	848.55	93,793	2,445	7,95,87,862
9-01-23	840.00	858.00	831.00	844.85	845.94	78,128	2,381	6,60,91,496
12-01-23	397.00	432.70	397.00	429.00	427.94	84,570	1,607	3,61,91,037
12-01-23	433.00	437.00	424.70	425.60	430.76	39,960	1,157	1,72,23,330
14-01-23	430.10	433.00	423.10	424.55	426.69	24,724	734	1,05,49,479
15-01-23	428.00	429.00	415.10	423.25	423.40	21,599	582	90,80,121
23-01-23	423.00	425.00	415.45	423.70	423.45	25,043	652	1,05,79,386
23-01-23	423.00	427.90	423.00	424.80	425.37	23,562	443	57,68,806
23-01-23	423.40	429.85	423.95	424.23	425.71	23,750	446	1,01,10,614

21-01-23	424.25	425.75	423.23	423.85	423.89	42,108	512	1,78,02,848
23-01-23	424.00	425.80	423.00	423.60	421.30	47,142	541	1,98,60,828
23-01-23	423.00	427.00	423.00	426.15	423.28	42,925	575	1,81,69,379
24-01-23	426.80	431.25	423.60	430.05	427.42	38,796	658	1,65,82,347
29-01-23	437.90	437.90	428.00	429.35	432.10	23,978	531	1,03,60,971
30-01-23	431.00	444.40	427.25	434.25	435.93	7,81,232	2,923	34,05,33,964
31-01-23	437.40	441.80	432.00	436.15	438.57	3,38,999	964	14,86,74,349



Interpretation: On 1st Jan open value has decreased to 821.10 than compared to higher value of EPS 868.00. Then coming to higher price to 865.21 wholly the conclusion is 863.58. Then coming to the volume on the same dates or days volume are decreased. Because totally this month ADANIENTE. EPS value is decreased i.e. percentage 06.38%.

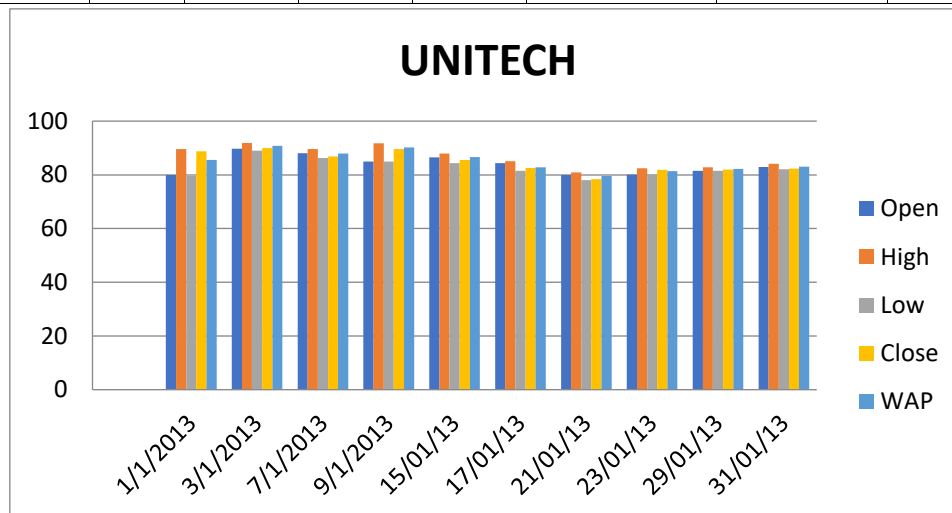
Stock Prices

Company: UNITECH (507878)

Period (01-Jan-2023 to 31-Jan-2023)

Date	Open Price	High Price	Low Price	Close Price	WAP	No. of Shares	No. of Trades	Total Turnover (Rs.)
1/01/23	80.00	89.60	79.60	88.75	85.51	3,30,51,471	99,763	2,82,61,23,251
2/01/23	90.35	92.00	88.25	88.85	90.01	1,79,23,758	63,156	1,61,24,12,787
3/01/23	89.75	91.90	89.00	90.00	90.73	1,30,55,731	45,750	1,23,46,10,423
4/01/23	89.00	89.90	85.10	88.25	88.25	1,12,24,608	35,607	98,23,68,236
7/01/23	88.05	89.65	86.30	86.90	87.98	75,40,276	25,835	66,34,06,523
8/01/23	86.80	91.80	86.05	91.05	89.23	1,23,56,295	39,010	1,01,32,29,410
9/01/23	85.00	91.80	85.00	89.55	90.21	1,57,27,989	50,638	1,41,88,55,277
10/01/23	89.00	90.23	88.23	88.55	89.05	97,14,125	33,159	86,50,55,972
12/01/23	89.23	90.30	85.30	86.65	87.95	92,71,850	32,275	81,54,66,236
14/01/23	87.50	88.25	86.00	86.45	87.06	73,50,436	26,695	63,99,23,604
15/01/23	86.55	87.90	84.30	85.60	86.67	1,04,53,061	30,230	90,59,27,927
23/01/23	85.23	85.70	83.55	84.40	84.65	77,23,497	27,376	65,34,31,576
23/01/23	84.40	85.05	81.45	82.55	82.78	1,44,32,912	41,045	1,23,48,24,023
23/01/23	82.40	82.40	79.55	80.05	80.92	1,34,03,534	45,899	1,08,46,04,898
21/01/23	80.00	80.95	78.00	78.35	79.63	1,05,40,888	33,644	83,94,01,276
23/01/23	78.90	80.35	78.50	79.60	79.60	68,59,464	23,724	54,60,14,064

23/01/23	80.10	82.40	80.00	81.90	81.32	85,56,695	32,473	69,58,15,750
24/01/23	82.50	83.50	81.35	82.00	82.48	91,69,702	32,472	75,63,31,547
29/01/23	81.45	82.85	81.45	81.95	82.23	44,73,304	23,569	36,78,23,331
30/01/23	82.60	83.70	81.45	82.65	82.85	72,52,440	27,832	60,08,34,458
31/01/23	82.90	84.10	82.10	82.30	83.03	45,81,377	23,610	38,03,74,123



Interpretation: On 1st Jan open value has increased to 88.75 than compared to higher value of EPS 91.80 Then coming to higher price to 89.36 wholly the conclusion is 86.58. Then coming to the volume on the same dates or days volume are increased. Because totally this month UNITECH. EPS value is increased i.e. percentage 23.32%.

5. CONCLUSION

- Then coming to the volume on the same dates or days volume are increased. Because totally this month HDFC BANK LTD. EPS value is decreased i.e. percentage 03.52%.
- Then coming to the volume on the same dates or days volume are increased. Because totally this month FEDBANK OF INDIA. EPS value is increased i.e. percentage 10.37%.
- Then coming to the volume on the same dates or days volume are decreased. Because totally this month ADANIENITE. EPS value is decreased i.e. percentage 06.38%.
- Then coming to the volume on the same dates or days volume are increased. Because totally this month UNITECH. EPS value is increased i.e. percentage 23.32%.

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