



STOCK MARKET VOLATILITY IN INDIA: AN ANALYSIS OF SENSEX AND NIFTY INDICES

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ABSTRACT

Volatility has been affecting the stock markets all over the world since past many decades. This unexpected fall/rise in the share prices occurs due to many economic, social, political, national, international and even psychological reasons. Volatility brings positive indications for some investors while negative indications for others. In the light of the same, the present paper studies the trends of monthly volatility in the BSE and NSE indices over a ten year time period, that is, from 1999-2009. The trend is studied using graphs which serve as a visual aid. The paper also focuses on identifying the reasons for high volatility during a particular month in the whole year. Some relevant suggestions are given to the investors to make the best of their investments even during the volatile period of the stock market.

KEYWORDS: BSE Sensex, NSE Nifty, Stock Market, Volatility.