Macroeconomic Factors Affecting Capital Market- With Reference to Recent Economic Slowdown

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ABSTRACT:
The current research is based on macroeconomics factors affecting capital market – with reference to recent economic slowdown. This study includes several factors which influence the capital market and results in creating bullish or bearish trend in the market. Different macroeconomics factors which include inflation, foreign exchange rate, foreign capital inflow, global trade, business cycle and Government policies and regulation have been studied in this paper. In this paper primary and secondary data has been collected and analyzed to find out how the changes in the capital market exert pressure on the business functioning in align to macroeconomic factors stated above, how different elements work together to exert situational force on the capital market, how the behavior of the general public controls the capital investment. Also focuses on how the business is influenced by the global ups and downs, or the global changes taking place in exchange rate, FDI and FII throughout the globe which helps in better understanding of the macroeconomics factors creating impact on capital market.

Keywords: Macroeconomic Factors, Economic Slowdown, Capital Market, Foreign Capital, Us – China Trade Deal, Brexit

INTRODUCTION

With the recent slowdown in the Economy, all the sectors are facing serious problems. Business Community is struggling to gather pace at the very moment. But one thing which can be noticed is that there is constant increase or Bullish trend in the Capital Market be it **BSE** (Bombay Stock Exchange) **SENSEX** or **NSE** (National Stock Exchange) **NIFTY**. Businesses are struggling to generate revenue but the investors are happy with the return they are getting from the current rally in the stock exchange

DALAL STREET is constantly creating enthusiasm among both the small and large investors which is a positive sign at the time of such Economic Adversity. But for a board perspective such development cannot be considered as a true Growth or benefit of the economy. The Capital Market is very vital in the Financial System. Capital Market provides the support of Capitalism to the Country. Several Economic and Non-Economic Reforms initiated by the Government has vast impact on the functioning, approach, working and Governance of capital market. Especially in India several structural transformations is going on since The New Economic Policy **(NEP)** or New Industrial Policy **(NIP)** has been announced way back in **1991** by the Central Government. India opening its door for the big foreign players across the entire sector has been constant phenomenon from that period. Government created **SEBI** (Securities Exchange Board of India) to facilitate and smoothing the work and process of capital market in the Country. Implementing new Technology like online trading has revolutionized the stock exchange.

DALAL STREET has seen several changes from years and now has rose up to a stage where it matches footsteps with the other capital market like NYSE, TSE, ETC. Capital Market is a summation of industrial security market, Government securities market and Long Term Loan Market. It provides Long Term and Medium Term Funds to the businesses. The capital market aids Economic growth by mobiling the savings of the economic sector and leading it to productive uses. Companies, firms and enterprise raise funds from the market through IPOs or Debentures issues. Capital market is also a source of income for the investors.

As defined by F. LIVINGSTON, "In a developing economy, it is the business of the capital market to facilitate the main stream of command over capital to the point of the highest yield. .By doing so it enables control over resources to pass into hands of those who can employ them most effectively thereby increasing productive capacity and spelling the national dividend".

Capital plays a very important role in the life of a business which in turn impacts the economy of the country. In this Research Analysis the impact of capital market on the business is observed and noted well. That's how the capital market impact the business scenario as in the modern business era where digitalization become a permanent aid for every business long term capital requirement are fulfilled by the capital market itself.

Companies issue shares and the money afterwards remains with the company until liquidation. Capital market helps in development of various Financial Institution which helps the businesses to acquire funds. Various noted agencies are – **IFCI** (Industrial Finance Corporation of India), **SFC** (State Finance Corporation), **IDBI** (Industrial Development Bank of India), **ICICI** (Industrial Credit and Investment Corporation of India), **UTI** (Unit Trust of India) and **LIC** (Life Insurance Corporation).

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Business and its working are very much dependent on the Capital market in the New Digital Era. Success parameter has changed with the time as not only profit but wealth accumulation is considered while judging the performance of an enterprise. Companies hire big Rating Agencies for evaluating their Capital funds for the better outcome. Several researches are also being conducted to understand current working of the Economic and Financial System in the new scenario.

So, that the direction of the businesses can be observed and notified at times. Better business performance is directly related to Capital market functioning. All the time different factors keep on changing and affect the business and its working. Observing all those development means a lot as it will help to find out what is suited best for the business.

Literature Review: S. M. Kurtz, K. L. Ong, E. Lau, & K. J. Bozic, (2014) have explored the role of the National Health Expenditure and macroeconomics on the utilization of total joint replacement. The economic downturn has raised questions about the sustainability of growth for total joint replacement in the future. Previous projections of total joint replacement demand in the United States were based on data up to 2003 using a statistical methodology that neglected macroeconomic factors, such as the National Health Expenditure. Data from the Nationwide Inpatient Sample (1993 to 2010) were used with United States Census and National Health Expenditure data to quantify historical trends in total joint replacement rates, including the two economic downturns in the 2000s. Primary and revision hip and knee arthroplasty were identified using codes from the International Classification of Diseases, Ninth Revision, and Clinical Modification. Projections in total joint replacement were estimated using a regression model incorporating the growth in population and rate of arthroplasties from 1993 to 2010 as a function of age, sex, race, and census region using the National Health Expenditure as the independent variable. The regression model was used in conjunction with government projections of National Health Expenditure from 2011 to 2021 to estimate future arthroplasty rates in subpopulations of the United States and to derive national estimates.

Results:
The growth trend for the incidence of joint arthroplasty, for the overall United States population as well as for the United States workforce, was insensitive to economic downturns. From 2009 to 2010, the total number of procedures increased by 6.0% for primary total hip arthroplasty, 6.1% for primary total knee arthroplasty, 10.8% for revision total hip arthroplasty, and 13.5% for revision total knee arthroplasty. The National Health Expenditure model projections for primary hip replacement in 2020 were higher than a previously projected model, whereas the current model estimates for total knee arthroplasty were lower. **R. Gahlot, (2019)**, the purpose of this research is to examine the effect of FIIs and DIIs activities on volatility of Indian stock market. This study also examined the causal relationship between FIIs and DIIs. This will also help investors to make investment decisions, especially investing in these indices as they will be able to forecast effect of recent news and historical volatility of returns. **Impact of Selected Macroeconomic Variables on Indian Stock Market Index, H. Kaur, & J. Singh, (2019).** The purpose of the present study is to examine the long run and the short run relationship between stock price and a set of macroeconomic variables for Indian economy. VECM method is used to test the short and long run causality and variance decomposition is used to predict long run exogenous shocks of the variables. The results confirm a long run relationship among the variables. Evidence suggests that Economic growth, inflation and exchange rate influence stock prices positively. However, crude oil price influences the stock price negatively. This implies that the increase in oil price induces inflationary expectation in the mind of investors and hence stock prices are adversely affected. **Impact of Macroeconomic Indicators on Indian Capital Market, Karam Pal, Ruhee Mittal (2011),** This paper talks about long – run relationship between the Indian Capital and key macroeconomic variables. The author has taken time series data spanning a long period of time. This paper indicates a clear or direct relationship between Capital market and macroeconomic factors – inflation, interest rate, foreign exchange and large investment. As both **BSE Sensex** and **S & P CNX** Nifty are affected to great extent. But it is not statistically significant in all the cases. **Capital Structure – Does Ownership Structure Matter? Theory and Indian Evidence, Santanu K. Ganguli (2013),** This paper deals with ownership structure of capital and its impact on the listed mid-cap companies in India. It gives a conclude evidence that ownership structure does impact capital structure. Presence of Bank and Financial Institution dominated debt financing system in India. **What Determines Capital Structure of Listed Firms in India? Some Empirical Evidences from The Indian Capital Market. Joy Pathak (2010),** This paper examines the relative importance of six factors in the Capital structure decision of publicly traded Indian firm. The author has used over 135 firms over a period range of 1990 - 2009 listed on Bombay Stock Exchange. **Impact of Macroeconomic Variables on Stock Market: Evidence from Emerging Market, Mahmoud Ramadan Barakat1, SARA H. ELGAZZARL& Khalid M. Hanafy (2010),** Stock is one of the most sensitive assets to economic condition. Any aggressive change in stock prices can have negative implications for an economy, which makes the causal relationship between macroeconomic variables and stock returns one of the most debated topics in finance in the past few decades.
Impact of macroeconomic variables on stock markets: Evidence from emerging markets, M. R. Barakat, S. H. Elgazzar, & K. M. Hanafy, (2016), The key objective of this study is to shed light on the relationship between the stock market and macroeconomic factors in the emerging economies. Results indicated that there is a causal relationship between market index and consumer price index (CPI), exchange rate, money supply, and interest rate.

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Results also revealed that the four macroeconomic are co-integrated with the stock market in both countries. **Causal Relationship Between Macro-Economic Variables and Stock Market: A Case Study for India, D. Singh, (2010),** In this research paper, attempt has been made to explore the relation especially the causal relation between stock market index i.e. BSE Sensex and three key macro-economic variables of Indian economy by using correlation, unit root stationarity tests and Granger causality test. Results showed that the stock market index, the industrial production index, exchange rate, and wholesale price index contained a unit root and were integrated of order one. Granger causality test was then employed. **Indian Economy, S. K. Misra, & V. K. Puri, (2011),** Economic growth is everybody's concern and in such a milieu, growth theory has received particular attention of economists. Yet surprisingly, there is no consensus on the definition of the term. Different economists have used the term 'economic growth' to convey different meanings. **Macroeconomic Factors and the Indian Stock Market: Exploring Long and Short Run Relationships K. Kotha, B. Sahu, (2016),** The rapid growth of Indian economy during the last two decades raises empirical questions regarding the fundamental connection between stock price and key macroeconomic indicators. This paper aims to examine long and short run relations between selected macroeconomic indicators and stock market returns with reference to India. Major stock market reforms viz., ban of Badla system, introduction of rolling settlement and introduction of stock derivatives. With the help of co-integration and error correction model, the study reveals the presence of long run relation between the BSE Sensex and selects macroeconomic indicators viz., Exchange Rate, Wholesale Price Index, T-bill rates and M3. **Stock Liquidity and Firm Value: Evidence from a Policy Experiment in India, Jawed Shameem & K Kiran Kumar (2018),** This study examines the relationship between improvement in firms' value and stock liquidity. This regulatory intervention offers a natural experiment to examine direct causality between stock liquidity and firms' value. The findings of the empirical analysis confirm the existence of a direct causal relationship between stock liquidity and firm value, stemming from an improved operating performance.

Mis-pricing in Single Stock Futures: Impact of Volatility, Liquidity and Short Sale Constraints, R L Shankar, G. Shankar & K. Kiran Kumar (2018), This paper examine the determinants of mispricing in single stock futures traded in the National Stock Exchange of India, the second largest global trading venue for such contracts. **Foreign Fund Flows and Stock Returns: Evidence from India, Viral Acharya, NYU and Ravi Anshuman (2013),** This paper study the impact of foreign institutional investor (FII) flows on stock returns in India. Stocks with high innovations are associated with a coincident price increase that is permanent, whereas stocks with low innovations are associated with a coincident price decline that is in part transient, reversing itself within two weeks. The differential abnormal return between high and low innovation stocks is nevertheless significant and largest during period of market stress. The results are consistent with a price "pressure" on stock returns induced by FII sales, as well as information being revealed through FII purchases and FII sales. Impact of individual's psychology in their investment pattern: An empirical inquest in Indian context, P. Dhar, & B. Dey, (2013). As household income level increases the proportion of individuals owning stocks and bonds is also increasing rapidly. Many surveys or studies have already been done on behavior of individual investors in India represents differential pattern of investing decision affecting Capital formation. A study of investment behavior of middle income group towards different kinds of investment avenues, M. Goyal & A. Sharma, (2014). Indian economy is one of the rapidly growing economies of the world middle class population is the key element for economic development of India. In this paper, researchers want to discuss about investment behavior adopted by middle class as seeker. Investment is one of the major issues of the class families as their small saving today is to meet the expenses of tomorrow.

So this study also examines the risk bearing capacity, management between expenses and saving and other factors which influence their investment decision. Impact of foreign direct investment on economic growth in India: A co integration analysis, S. Ray, (2012), The role of FDI in the growth process has been a burning topic of debate in several countries including India. This paper is an attempt to analyze the causal relationship between Foreign Direct Investment (FDI) and economic growth in India and tries to analyze and empirically estimate the effect of FDI on economic growth in India. It is clarified that both economic growth and foreign direct investment were found to be integrated. The co integration test confirmed an existence of long run equilibrium relationship between the two. For FDI to be a noteworthy provider to economic growth, India would do better by focusing on improving infrastructure, human resources, developing local entrepreneurship, creating a stable macroeconomic framework and conditions favorable for productive investments to augment the process of development.

Determinants of foreign direct, M. Singhania, & A. Gupta, (2011), The purpose of this paper is to examine the determinants of foreign direct investment (FDI) in India. It was found that of all macroeconomic variables taken, only GDP, inflation rate and scientific research are significant and that FDI Policy changes during years 1995-1997 have had a significant impact on FDI inflows into India.

As a recommendation for future FDI policy planning and implementation, the authors suggest the Government of India gives resources towards variables that have been classified as significant in this paper, namely GDP growth and inflation rate and should open the economy further. Sectors not yet open to FDI investments should be opened and although inflation rate should be controlled but some inflation is beneficial

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Objectives: -Several objectives can be noted from above stated topic which is directly relevant to the under stated issue: -

· To study macroeconomic factors creating impact on Capital market **(SENSEX & NIFTY)**
· To study impact of international issues on Capital market
· To study effect of local reforms on Indian business and Capital market
· To study of **FDI** flow in India and its impact on Capital market

Data Collection: -Primary data has been collected for the study. Interviews have been conducted using structured questionnaire, so that the current behavior approach towards the capital market can be observed. In the process different LLPs (Limited Liability Partnership), Private Firms, Agencies and Privately formed companies were included so that impact on the ground directly can be observed.

A pattern of 10 questions was created (Attached in the Annexure), which all are related to recent developments around the world which affect the Capital market. A sample size of 35 enterprises was taken into consideration. Due to privacy clause stated by the private firm's name cannot be disclosed. As the respondent are free to decide on the publication of their personal information.

Limitations:

➢ Sample size is very small, so it doesn't indicate the whole scenario

➢At times different issues have different impact on business

➢It doesn't present whole picture

➢Sometimes various problems need different view point

➢Complexities in the Capital market cannot be drawn by some stated statement or judgment criteria

COVID-19 Is an Emerging, Rapidly Evolving Situation: - Pre COVID-19, market gaining by each significant trade in India was about $2.16 trillion. The 2019 securities exchange rally was restricted to 8–10 stocks inside the huge covers. The Sensex returned around 14% (barring profits) for the year 2019 yet conspicuously highlighted blue-chip organizations like HDFC Bank, HDFC, TCS, Infosys, Reliance, Hindustan Unilever, ICICI Bank and Kotak Bank, without which Sensex returns would have been negative. Nonetheless, in the beginning of 2020, there was in general recuperation which prompted both NSE and BSE exchanged at their most elevated levels ever, hitting pinnacles of 12,362 and 42,273 separately. Toward the start of the year, there were near 30 organizations that were relied upon to document IPO's. The economic situations were by and large ideal as they saw record highs in mid-January.

Since the time COVID 19 strike, markets loom under dread as vulnerability wins. It has sent business sectors around the planet colliding with levels not saw since the Global Financial Crisis of 2008. Following the solid relationship with the patterns and records of the worldwide market as BSE Sensex and Nifty 50 fell by 38%. The absolute Market Capitalization lost a stunning 27.31% from the beginning of the year. The securities exchange has mirrored the opinions this pandemic released upon financial backers, unfamiliar and homegrown the same. Organizations have downsized; cutbacks have duplicated and representative pay have been influenced bringing about immaterial development over the most recent few months. Certain area like cordiality, the travel industry and diversion has been affected antagonistically and loads of such organization have dove by over 40%.Impact of FII On Indian Stocks: Institutional Investor is any financial backer or venture reserve that is from or enlisted in a country outside of the one wherein it is right now contributing. Institutional financial backers incorporate flexible investments, insurance agencies, benefits reserve and common assets. The developing Indian market had pulled in the unfamiliar financial backers, which are called Foreign Institutional Investors (FII) to Indian value market. Job of FII has expanded and changed the substance of Indian Stock Market. It has brought both subjective and quantitative change. It had likewise expanded the expansiveness and profundity of market. Economies like India, which offer generally higher development than the created economies, have acquired courtesy among financial backers as alluring venture objections for unfamiliar institutional financial backers (FIIs). Financial backers are idealistic on India and opinions are great after government's declaration of a progression of change measures lately. . As per Ernst and Young's (EYs) Global Capital Confidence Barometer (CCB) - Technology report, India positions third among the most appealing speculation objections for innovation exchanges on the planet. India is the third biggest beginning up base on the planet with in excess of 4,750 innovation new companies, and around 1,400 new businesses being established in 2016, as indicated by a report by Nasscom. FII's net interests in Indian values and obligation have contacted record highs in the past monetary year, sponsored by assumptions for a financial recuperation, falling loan costs and improving income viewpoint. FIIs net interests in Indian values and obligation remained at US$ 7.46 billion of every 2016-17 (up to April 14, 2017). Albeit the Foreign institutional financial backers (FIIs), whose ventures are frequently called 'hot cash' since they can be pulled out whenever, have been reprimanded for enormous and coordinated withdrawals of capital from the country at the hour of late monetary emergency, they have arisen as significant parts in the Indian capital market. However, Indian capital business sectors appear to lose their 'place of refuge' status among unfamiliar portfolio financial backers as they seem set out toward almost USD 2-billion pullout of the alleged 'hot cash' 2016, making it the most exceedingly awful period in most recent eight years regarding unfamiliar speculations and it is accepted that any relief from such an auction is likely just in the second 50% of the 2017. The general net outpouring has made 2016 the most exceedingly awful year for Indian capital business sectors as far as abroad speculation since 2008, when FPIs had pulled out a huge Rs 41,215 crore in the wake of the worldwide monetary emergency.

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US – China Trade Deal: Few developments in recent years have seen quite the kind of worldwide ripples that the trade war between two heavyweights **United States** and **China** have generated. Therefore, the path towards conciliation is bound to be watched very closely.
On December 13, the world was told about a phase one trade deal between **United States** and **China.** The Office of the US Trade Representative announced: "The United States and China have reached a historic and enforceable agreement on a phase one trade deal that requires structural reforms and other changes to China's economic and trade regime in the areas of Intellectual property, Technology Transfer, Agriculture, Financial Services, and Currency & Foreign Exchange". It is considered a big step in the path of Global Interdependence of economies for the welfare of domestic constituencies including workers & corporations and to address domestic economic concerns emanating due to external trade and economic variables by engaging on those external variables as well. This move influenced the growth and running of the Stock market throughout the world and it impacts the developments in the **DALAL STREET** and which in turn created a Bullish trend.

UK Election & Brexit: BORIS JOHNSON won as British Prime Minister with a landslide majority in the Country's general elections, a victory that will end the uncertainty over Brexit and will help him to take UK out of the European Union by the end of next month. As a result, domestic companies which earn significant revenues from the UK market hogged limelight in recent trade. Shares of Tata Motors, which earns around 16.30% revenue from **UK,** were up nearly 3% on **BSE**. Tata Communications traded nearly 2% up at **Rs 398.25.**

The power regain by Conservative party is considered to be a decisive outcome to a Brexit dominated election. Analysts see this as a positive for about dozen stocks in Auto, Pharma, IT sectors. The potential unraveling of regulatory changes in the new order could spell opportunity in the form of new business – but only over the medium – to – long term, according to most of the analysts. In recent years' risk and regulatory compliance – related work has been a growth driver for the BFSI in Indian IT. Top Indian Software services firms like Tata Consultancy Services, HCL Technologies, Tech Mahindra and Mind-tree get 20-40%.

All these developments have a positive mark on the share trading in the Stock market creating more capital in the country. DALA L STREET is highly influenced by the development.

Firm Asian Markets: Majority of Asian peers ended higher following positive global developments. Hang Seng (Hong-Kong), Nikkei (Japan) and Shanghai (Chennai) also gained up to 2.50% in recent trade. In the survey I have noted those local business makers were not much interested in the development on the global stage, as the favor is around 50%. But these developments do create or influence the working of the Share/Capital market.

Technical Reasons: In the latest Golden Cross, the 50- day moving average of the MSCI EM Index has reached 1038 compared with the 200 – day moving average of 1033, according to the Bloomberg data. In March, the EM index had gained nearly 6% after forming a Golden Cross Pattern before topping out. The Sensex and Nifty 50 too reported the Golden Cross formation about a fortnight ago. A Golden Cross occurs when the Short – term moving average crosses above the Long – term average. It is perceived as a Bullish Technical pattern.

Saving Habits of General Public: In the recent time with several developments and reforms indulge habits of saving among the general public which increase the invested capital in the market. Healthy returns from the Capital market (includes all financial sector intermediaries –Banks, Non –Banking Financial Institution, Stock market, Assets market, Real estate market) inspire the crowd to pull more funds in the Capital market. Slowdown in the economy has changed the saving pattern but there is no such deep in the investment.

Rising stock represent either a Booming Economy or one that is headed in that way, while a weak trend serves as a Harbinger of an impending slowdown. As long as the parity is maintained, it helps in investing decision – buying up value stock or defensives in a down – turn and selecting growth stock in an upturn. As it has been a tried and tested way to generate alpha or excess returns over the broader market or specific benchmark indices.

Investors are passing through a chaotic phase where stock indices are scaling new peaks amid faltering economic growth, shrinking employment, and slowing capital investments. However, Indian house – holds, who for long relied on fixed deposits and provident funds to build their retirement nest eggs, are turning to the equity market for higher returns. Experts attributes the current euphoria in the Stock markets to factors such as investment funds chasing a select few equities at a time when other assets classes such as Real Estate, Fixed Deposits, and Commodities look less alluring. In the ongoing survey it has been noticed that several Government reforms are able to develop the habit of savings among the people and which increases capital inflow in the market creating merrier period for businesses.

All these developments are observed in the Indian Stock Market comprises especially of Bombay Stock Exchange and National Stock Exchange and some other ancillaries.

As notes SIP inflow grow by 12% in Jan – Nov to Rs. 90,094 crore. Indicate better performance and trust by the public. (BSE & NSE)

Saving Pattern Among Indian Household

For The Period (2018-2019)

%	INFERENCE
17	Are saving up to 10% of their earnings
30	Are saving up to 15%
39	Are saving a quarter of their salaries
9	Are saving half their salaries
4	Are saving 60% of their pay
1	Is keeping away 80% of their pay

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SOURCE: - **DATA PUBLISHED IN THE ECONOMIC TIMES – (BY TATA CAPITAL SURVEY) (Dec 24th 2019)**

Performance of Indian Firm in Tough Situation

In tough situation (Economic Slowdown) several Indian Firms performed exceedingly well and the investors received great return which created more belief in the Stock Market. IT sector saw one of its best performances till date.

Bata returns for the current fiscal year is around 1600% and further inching higher, Infosys 10.2% growth in top line to $6341million in first half of FY20 and overall growth rate of 9% this fiscal year, TCS likely to see 8 – 8.5% growth this fiscal, even Consumer Goods Festive Sales hit a four – year high this time indicates a overcoming impact on the Indian Firms. Such performance especially when the World as a whole is facing Economic crisis entrust the investors to have constant return factor in their favor. Increasing base with the Indian enterprise in manufacturing, generating profit, better return to stakeholders and growth. All these macroeconomic factors check the performance index of the Indian Industry.

As calculated roughly IPO's worth Rs. 50,000 crores to light up DALAL STREET this year FY 20. Experts claim that Auto, Private Banks and FMCG sector will continue to bloom, whereas Titan, Vedanta, Aavas are better or to gain more in short run while RIL, TCS and HDFC to be the long – run winner creating a positive environment for the investors which increases the flow of funds and even survey indicates the same situation that in tough time (Economic Slowdown) company's performance on a higher scale is beneficial for Capital market as well as business.

(As stated in The Economics Times)

FDI and FII Inflow in Indian Companies

The Top PE – VC Investments in Edtech startup also receive funds from foreign investors under FDI regime.

Startup	Fund	Date	Investor
Byju's Classes	$150million	July 2019	Owl Ventures, Qatar Investment Authority, General Atlantic, Others.
Unacademy	$51million	Jun 2019	Steadview Capital, Blume Ventures, Nexus Venture Partners, Sequoria Capital India, Others
Vedantu	$42million	Aug 2019	Trifecta Capital, West Bridge, Omidyar Network, Accel India, Tiger Global, Others
Eraditus	$40million	Jan 2019	Bertelsmann India Investments, Sequoia Capital India, Others
Spring Board	$11million	Dec 2019	Blue Fog, Capital, Pearson, IFC, Others

SOURCE: - The Economic Times (Dec 24th 2019)

Indian Corporation even rose roughly around record $30Billion in overseas market which creates a sign of more developing measures leading towards growth of Capital market and Industries – Business – Economy.

Findings and Conclusion:

Through to this research several findings have been noted. Following can be noted as important findings throughout this research: -

- ➢70% respondent showed positive intent towards current market rally 20% said no and remaining 10% were not sure whether the current trend continues for the ongoing period.
- ➢Global developments creating merrier period – 50% say yes, 5% say no, 45% are not sure about the same.
- ➢Global Equity Market got a leg up after reports that the Trumps administration and China are close to finalizing a modest trade agreement – 35% responded on a positive note, 10% said no and remaining 45% were not sure.
- ➢UK's Brexit beneficial for the Indian Firms operating in Europe especially in Britain – 50% respondents agreed to the same.
- ➢Boris Johnson won as British Poll with a landslide majority in the Country's General Election creating impact on Indian Firms operating in UK, approximately 30% respondents agreed to the same and rest were not sure.

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➢ Indian firms performed extra ordinarily in the global scenario increasing trust among the investors – respond 80% Yes, 5% No and 15% were not sure.

➢ Cultivating the habits of saving among public impact Capital market – respond recorded as follows: -Yes 90%, No 3% and 7% Not Sure

➢ Companies performance in tough situation (Economic Slowdown) exert pressure on the trends in the Capital market – 21% said Yes, 13% responded No and 66% were Not Sure

➢ Foreign Direct Investment (FDI) has been source of funds for Indian market and Indian Firms has been favorite in the approach of acquiring FDI and FII, several startups received huge amount of funding from foreign territories – Yes 22%, No 8% and Not Sure 70%

➢ Constant reforms initiated by the Government: -Corporate tax break announcement lead Nifty to raise further increasing dividend base with the company – respond Yes 78%, No 9% and Not Sure 13%

➢ Foreign exchange rate impact flow of funds in the Capital market

➢ Majority of Asian peers ended higher following positive global development creating positive trends in Dalal Street

➢ Arrival of Insolvency and Bankruptcy Code (IBC) in 2016, leading to better functioning of financial sector creating conducive environment

➢ Strategic PSU's and their upliftment leading towards better market trends

➢ Several corrective measures adopted by SEBI (Securities Exchange Board of India) increasing base for AIF (Alternative Investment Fund) develop trust among investor community

➢ As for sector specific, trades view continues to remain positive for private bank – AXIS, ICICI and HDFC Bank among auto stocks – Ashok Leyland, Bajaj Auto and Tata Motors

➢ Interest of Indian Equities keep on rising among Norway, Canada, Dutch Funds

➢ India's weight in MSCI EM Index is set to go up in near future from 8.9% to 9.6%

➢ Top Indian firm inching towards Rs.20 lakh crore market cap by 2025 includes – HDFC Bank, TCS&RIL

➢ China and India have increased their share of the growing world output of peer reviewed science and engineering CS&E, journal articles and conference paper creating a innovative trend in industry

Conclusion: -All the findings stated create enormous impact on the Capital market which in turn affects the business environment of the Country. Different Macroeconomics factors impacts the Capital market in the country. Small and Medium Enterprises are widely slackened by a drastic or dramatic changes occurring simultaneously one after the other. To begin with the International or Global developments this exerted tremendous up and downs in the Capital market. All the factors suggest that we need to keep eyes on all the major factors for the functioning of the different aspects in the working of the Capital market even measuring all these factors is quite cumbersome as they are very dynamic in nature.

By going through all these points and data it can be noted that the nature of Capital market is very volatile and VUCA phenomenon fit best in the context. As every elements exerts its own importance and limitation leading to development or exploitation of the Capital market which ultimately impacts the business and it's functioning in the economy as all the macroeconomic factors are enter related and exert pressure on each other simultaneously.

VUCA Meaning:

V – VOLATILE (Earning catching with equity price)
U – UNCERTAINITY (Related to Inflation)
C – COMPLEXITIES (Global developments)
A – AMBIGIOUS (Changes in portfolio, SEBI scheme mergers)

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