



PERFORMANCE OF BANK NIFTY DURING PRE AND POST COVID

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ABSTRACT

The paper exposure to target on Nifty Bank, or Bank Nifty, is an index comprised of the most liquid and large capitalized Indian banking stocks. It provides investors with a benchmark that captures the capital market performance of Indian bank stocks during Pre and Post COVID. The bank nifty is the combination of 12 stocks related to Banking sector. They are Axis Bank, Bandana Bank, Bank of Baroda, Federal Bank, HDFC Bank, ICICI Bank, IDFC Bank, INDUSIND Bank, Kotak Bank, PNB, RBL BANK, SBIN Bank.

Key words- Bank NIFTY, Stocks, Covid , Market performance

INTRODUCTION

Bank Nifty plays a very important and significant role in stock market. Especially in the option market either it can be the call option or put option so many traders will be trading in stock Market. Bank Nifty is a high volatile market. The bank nifty is the combination of 12 stocks related to Banking sector. They are Axis Bank, Bandana Bank, Bank of Baroda, Federal Bank, HDFC Bank, ICICI Bank, IDFC Bank, INDUSIND Bank, Kotak Bank, PNB, RBL BANK, SBIN Bank. All these 12 banks will be impacting on the performance of Bank Nifty. During the period of covid the bank nifty have fall down drastically. In this study I will focus on measuring the performance of Bank Nifty and its impact on stock market.

Objective of The Study

1. To study the performance of Bank Nifty during January-2020 to February-2021.
2. To know the reasons behind the fall of Bank Nifty during the month of March -2020.
3. To know how Bank Nifty impacting on Stock market.

Review of Literature

The following study has been done on Title "A STUDY ON IMPACT OF BANKNIFTY DERIVATIVES TRADING ON SPOT MARKET VOLATILITY IN INDIA" by Manasa N, Ramaiah University of Applied Sciences Suresh Narayanarao, Ramaiah University of Applied Sciences. It got published in Academy of Accounting and Financial Studies Journal Volume 22, Number 1, 2018. The scope of the study is confined to equity future contracts.

I referred the above article to collect the information about Bank Nifty and to know the Volatility in India during the Period.

COVID-19 is an emerging, rapidly evolving situation by M. Praveen Kumar and N.V. Manoj Kumara PMID: PMC7543764, PMID: 33052307

This research paper focuses on the impact of COVID-19 on Indian Stock Market and shares performance. The above article COVID-19 is an emerging, rapidly evolving situation analysis the market capitalization correlation between the performances of shares and the growth of the share market, using the stock market data of Pre and post COVID-19 status by comparing the data from Jan'20 to Jun'20. The variables have positive and statistically strong significance on the changes in the market's performance and the value of its market capitalization.

Methodology

For doing this study on title Performance of Bank Nifty During Pre and Post COVID the secondary data has been used. The data has been collected from Mothilal oswal Stock Brokerage services. Technical analysis has been chosen to analyze and measure the performance. The average of all the 12 stocks (Axis Bank, Bandana Bank, Bank of Baroda, Federal Bank, HDFC Bank, ICICI Bank, IDFC Bank, INDUSIND Bank, Kotak Bank, PNB, RBL BANK, SBIN Bank)has been considered to measure the performance of Bank Nifty. The tool which has been used in Technical Analysis is candle stick analysis.

To Know the performance of Bank Nifty the paired T-Test has been used.

Data Analysis and Interpretation



If we observe the above diagram it is very clearly showing how drastically there was a fall in the month of March from 30479 to 18163 because of the reason Covid. The entire stock market has been collapsed on March 19th 2020.

It was completely bearish market the reason behind it is increase in corona virus cases. It was 73 cases approximately in our country India.

Complete sensx was ended with red. SBI was a top loser followed by Axis Bank, Indusind Bank Etc. The investors was in with full fear because of covid Pandemic situation. The investors starting selling off the shares.



In the month of April it started slowly recovery. If we observe the above diagram which shows us one year one month candle stick analysis by which we can very clearly observe the recovery has started from April and slowly started recovery and by month of February-2021 it reached almost normal position that was around 36100.40 points.

Scrip Name	LTP	Open	High	Low	Close	ATP	Volume
BANKNIFTY NSE 25 Feb 2021	36328.40 ▲ 314.60(0.87%)	36580.00	36580.00	35639.00	36013.80	36092.06	37.33L

Bid Price	Bid Qty.	Ask Price	Ask Qty.
36330.45	25	36335.00	25
36330.15	25	36337.30	100
36330.00	25	36337.35	50
36329.90	100	36337.90	75
36329.85	25	36338.75	25

Turnover	52 week high	52 week low
13473.89Cr	36580.00	35639.00
Open Interest	Open Interest Change	Open Interest Change %
1771025	-37400	-2.11%
Premium / Discount	Lot Size	
36292.40	25	

Total Bid Qty : 239975 Total Ask Qty : 138375

The above data is related to Bank Nifty position as on 11th February 2021 for which the spot price was 36,284.15. As on that date it was opened with 36580 and it went on high upto 36580.

It came down till 35639 with a volume of 37.33 lakhs and the last traded price (LTP) was 36328.40. The total Bid quantity as on that date was 239975 and Ask Quantity as on that date was 138375.

Scrip Name	LTP	Open	High	Low	Close	ATP	Volume
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BANKNIFTY NSE 25 Feb 2021 36357.30 ▲ 343.50(0.95%) 36580.00 36580.00 35639.00 36013.80 36092.67 37.42L

VIEW MINI QUOTE



Paired Samples Statistics

	Mean	N	Std. Deviation	Std. Error Mean	
Pair 1	Before Covid	27000.00	32	10989.731	1942.728
	At The time of Covid	15750.00	32	6360.158	1124.328
Pair 2	Before Covid	27000.00	32	10989.731	1942.728
	After Covid	28250.00	32	4150.398	733.694
Pair 3	Covid	15750.00	32	6360.158	1124.328
	After Covid	28250.00	32	4150.398	733.694

Paired Samples Correlations

	N	Correlation	Sig.
Pair 1 Before Covid & At The time of Covid	32	.919	.000
Pair 2 Before Covid & After Covid	32	.786	.000
Pair 3 At The time of Covid & After Covid	32	.481	.005

Paired Samples Test

	Paired Differences			
	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference

					Lower
Pair 1	Before Covid & At The time of Covid	11250.000	5719.237	1011.028	9187.995
Pair 2	Before Covid & After Covid	-1250.000	8139.906	1438.946	-4184.749
Pair 3	At The time of Covid & After Covid	-12500.000	5679.618	1004.024	-14547.721

Paired Samples Test

		Paired Differences	t	df	Sig. (2-tailed)
		95% Confidence Interval of the Difference			
		Upper			
Pair 1	Before Covid & At The time of Covid	13312.005	11.127	31	.000
Pair 2	Before Covid & After Covid	1684.749	-.869	31	.392
Pair 3	At The time of Covid & After Covid	-10452.279	-12.450	31	.000

By observing the above analysis we can make it out that there is no much difference between performance of Bank Nifty before Covid and after covid but if we compare the situation at the time of covid (in the month of March) there is very high difference in performance.

Findings

- Because of the only factor covid there was a drastic fall in stock market.
- The fall in stock market has impacted a lot of economic position.
- The investors were completely in Bearish Mood .
- The imports and exports also completely stopped, it also effected to the fall in stock market.

Conclusion

Bank Nifty effected a lot by covid there was a drastic fall in the stock market. Epically speaking about a Bank Nifty in the month of March-2020 if fell down drastically from 30479 points to 18163 points. Again it has taken almost 10 to 11 months to come again to the

normal position in the month of February -2021 it reached around 36,284 points. The reason behind this fall in bank Nifty was due to increase in covid cases and increase in death rate due to covid. The investors were in completely Bearish mood and started selling off the shares.

Scope of future research

The study on Performance of Bank Nifty During Pre and Post COVID Conditions has etched a large platform for researchers to continue the study effect on the same on economic factors as a whole in future days . I wish the researchers to make the study area broader by considering this article.

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