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Sentiments of Indians With Regard To Stock Markets

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I. INTRODUCTION

The Population of India stands at 1.2 billion, while the number of people who own an active trading account is just 20 million. Most of this number is not frequent, and well-researched investors are traded just once or twice a year. Moreover, this trading volume is heavily distributed in cities, especially in some states like Gujarat and Maharashtra. Stock markets in India have never seen as much or even close trust to other forms of investments, particularly fixed deposits. A new rule circulated by NSE standardized the period of 12 months of no trading activity for categorizing an account inactive, which was earlier based on internal guidelines and policies of the broker. Zerodha, the largest broking company in India, found that 40% of its client base fell under the dormant category, which means that 40% of trading account holders of the company did not even trade once a year. While the percentage in India stands at 2%, the US, by contrast, has 55%, and in China, 12.7% of this population actively trades. The potential of the Indian stock markets, thus, remains highly underrated. The paper focuses on why the percentage of population trading in India remains at such a low rate. However, retail investors have lately seen a massive spike in its numbers. In her speech, Nirmala Sitaraman, Finance Minister of India, stated that the retail Indian investors are ready to face and absorb the impact and any shocks by the foreign investors and institutions. This clearly shows that the retail investor base in India is constantly growing and are positive to invest in the Indian markets. The decisions and behaviors of the investors highly vary and have a significant impact on the markets. (Reliance jio's entry to reduce tariffs by 10-15% in a year: Fitch)

Investor behaviour and sentiments are very uncertain and dynamic in nature. News and rumours also play a very vital role in investor behaviour and decision making. Herding or herd behaviour is another element: individuals tend to replicate and copy other investors, presumably due to a lack of appropriate and dependable knowledge and a lack of courage to behave differently or by the fear of missing out. Retail investors often get carried away by the rumours sent by the tippers and operators and end up losing their capital through such investment activities. However, SEBI is strictly looking into such activities and creating various policies, rules, and regulations to protect its investors. (The rise of Influencers in the pandemic - ET brand equity). Despite the recent rise seen in the Population of India investing in stock markets during the lockdown, the overall penetration remains as low as around 2%, when compared to 55% in America.

The main motivation for selection of this as our research topic was the bull run in the Stock Market around the world and especially the Indian Markets. The rapid recovery of markets after the covid fall was very attractive to us and we were keen to know the change in the investor behavior due to covid. Moreover, everyone in our team is from the finance elective and we have learned a lot about stocks and various markets, so we were very eager to know about the investor behavior and sentiments. Being investors and traders ourselves, we also looked forward to understand and estimate the behavior of the other investors which can help us ascertain the overall market direction.

Through the research, we aim to cover a couple of elements. They are mentioned below:

1) We aim to ascertain the awareness level of the people about the Indian Stock Markets and their view with respect to the same.

II. REVIEW OF LITERATURE

1. (Gaurav and Chhavi, 2022) This research identifies the various factors and elements that influence and affect decision-making and the other behaviors and characteristics of a specific investor. The Indian capital market has existed as one of the numerous best investment zones for investors, both retail & wholesale. The interview was conducted in a questionnaire with around 35 questions based on behavioral parameters like individual notion and popularity, calculation data, unbiased news, promoter advice and individual monetary requirements. The consequence of the research apprehended that male and female infusing in the stock market in Punjab have nearly identical aspects that impact their conduct and opinions.

2. (Gondaliya, 2021) The epidemic and the spread of the Covid19 pandemic have touched our emotional hearts. The Indian stock market has been on a roller coaster ride so far this year amid the Covid19 pandemic. These thoughts turned out to have a significant effect on the movements of the Indian stock market, and the pandemic only added steam. This Covid19 Pandemic Focus Study attempts to study the classification accuracy of selected ML algorithms through NLP (Natural Language Processing) for sentiment analysis and prediction for the Indian stock market. The study provides a psychological prediction and analysis framework for the Indian stock market, where six ML algorithms are tested. Therefore, the study highlights superior algorithms based on accurate results. These unique algorithms can be powerful inputs for building robust predictive models as a logical next step.

3. (Paramanik and Singha, 2021) Traditional empirical models use macroeconomic fundamentals or financial indicators to examine the impact of attitudes on financial market volatility. Recent approaches of text-based market sentiment research from pertinent news articles about the economy and financial markets are employed in this paper. Different emotions are discovered using typical natural language processing methods to create two unique market sentiments: positive and negative sentiments. Furthermore, by including the aforementioned market sentiments, the research attempts to propose an expanded version of the asymmetric GARCH model of conditional volatility for the Indian stock exchange, Sensex, from April 19, 2007 to January 10, 2020. The empirical data reveal that negative market sentiment has a greater impact than good market sentiment, as well as indications of noisy trading in financially inexperienced Indian stock exchange.

4. (Sreelakshmi, Sinha, Apra, Mandal and Kumar, 2021) The Indian stock market, like the rest of the world, has plummeted in response to the COVID-19 outbreak. This precipitous drop,

however, did not last; instead, a quick comeback occurred as a result of widespread investor euphoria and speculation. During the COVID-19 period, from January 2020 to May 2021, researchers investigate the relationship between investor mood, stock performance, and key macro variables. They also performed an event analysis to determine the significance of key events that occurred throughout the time period. While the Lockdown and the first fiscal package had a big impact on stock returns, the first case reported, the second fiscal package, the vaccination effort, and the second wave did not.

5. (Determinants of Investors' Sentiments, 2021) A mixture of psychological errors, biases, and algorithms influence individual investment behavior. The conventional financial theory states that investors act rationally in the market, while modern or cognitive finance theories claim that investors make irrational investment choices. Psychological finance is a branch of finance that examines how an agent or investor interacts in the finance sector and how that attitude influences decisions when buying and selling securities. Investor sentiments, also related to the market sentiments, are investors' opinions and attitudes toward various assets or equities. This mentality is shaped by many elements, including scientific and fundamental aspects such as seasonal factors, value management, economic data, and domestic and international events.

6. (Hassan, 2020) The stock market history is filled with events significant enough to deserve proper names: the Nifty Fifty bubble of the early '70s, the Black Monday incident of October 1987, and the Internet or Dot.com bubble of the 1990s. Each event refers to a significant degree of change in stock prices, which seems to defy explanation. Standard financial model where investors always tie capital market price to the present fair value of expected future cash flows, having great difficulty adapting to these models. Therefore, behavioral finance researchers have worked to increase the standard model with an alternative model is built on two fundamental assumptions. Delong, Sheifer, summers, and Waldmann (1990) put forward the first hypothesis, whether investors are subjected to sentiment. In behavioral finance, there are limits specified to arbitrage. Recent stock market history cooperated, providing the Internet bubble and the ensuing NASDAQ and telecom crashes, thus validating two premises of behavioral finance.

7. (Mishra, 2020) Actions in the market depend on the emotions of market participants indicated by volatility. Volatility rising and falling at any given time shows the level of panic surrounding the psyche. For example, when fear dominates, the stock market experiences high volatility. India VIX stands for how investors see the immediate future. Retail investors can sue India VIX for successful import and export planning. Such an indicator is more suitable for short-term traders, who depend primarily on market sentiment. It illustrates market harmonization against expected volatility and helps predict market uncertainty. This helps portfolio managers minimize risk and categorize low-priced options. It aims to verify whether Sensex and Nifty directly affect the volatility index (India's VIX). The study also examined the presence of clusters of fluctuations in the data set. Unfavorable market news emerged also impacted India's VIX.

8. (Gupta, 2020) It explores the relationships between the stock market, investor sentiment, and economic activity in the Indian context. The study examines the relationships between Indian stock prices (NSE Nifty 50; NSE 100 and NSE 500), critical macroeconomic variables, and market expectations as measured by the variable index Dynamic (VIX). Monthly time series data from March 2009 to March 2017 were used. Unit root test for stability, ARDL constraint test for integration, and Granger causality were used to study short- and long-term dynamics. The results confirm the existence of integration among the variables, indicating a long-term relationship. The long-term coefficients show that Indian stock prices are positively influenced by FII, volatility index, and inflation and negatively by crude oil price, gold price, and exchange rate. Money supply, call rates, total budget deficit, and industrial production index turned out to be insignificant in affecting the stock prices of all three indices. According to Granger's causal view, it is found that Granger's share price causes crude oil prices, the exchange rate, and industrial output for all three indices. The exchange rate and VIX Granger are also driving forces for the NSE50 and NSE100 stock prices.

9. (Panicker, 2020) The investment decision-making process has become a very complex task in the present information age the purpose of this research work to prepare demographic profile of investor and investigate the psychological and emotional factor and their influence in equity investment decision-making in Indian security market. The paper collects data from a comprehensive survey conducted among 347 Indian security market investors in Agra and Uttar Pradesh city of Mathura. This paper used descriptive statistics, chi-square test, ANOVA test (F-test) Cluster analysis to analyze the investor emotional factor and segmenting the investor according to their emotional factor and test the interrelatedness and influencing in decision making.

10. (Kumar, 2020) This article examines the association between daylight hours as a proxy for the seasonal affective disorder (SAD) and stock market return. Past studies have documented different decision-making mechanisms induced by investors' cognition mainly influenced by greed and fear. However, this study appears to be different from evidence where investors' mood is affected by seasonality, which plays a vital role in risk-taking propensity. Data have been taken from three indexes of Bombay Stock Exchange (BSE), for the period between April 2003 and December 2016. The impact of SAD on stock market return was examined by using naïve ordinary least square (OLS) model. This study reports a negative relationship between daylight hours and pattern of midcap as well as small cap indexes, which are in alignment with mood maintenance hypothesis (MMH). The result of negative correlation suggests a summer-type (SAD), which is an addition to the findings of the existing literature.

11. (Verma and Sinha, 2020) This research paper dealt with the scenario when covid increased and countries were resorting to nationwide lockdown. This period was a situation of economic slowdown and slump. The sensation of the stock market all around the globe was also very pessimistic and gloomy. This is reflected in the regular smashes and falls in the stock market of various parts of the world. This report researches the increasing cases and impact on the markets. Different models and techniques are used to ascertain the result. However, Nifty shows a positive variance in a more extended timeframe as the recovery of the Indian market was solid and massive.

12. (Biswas, 2020) There has not been a disease as devastating as the Novel Corona Virus (COVID-19) in the history of humanity. Global economies and stock markets are witnessing uncertainty in trades as the world's nations band together to counter this disease and search for a vaccine to counteract this existing disease. Researchers use attitude analysis to detect users' prevailing attitudes from comments and posts on social networking sites. This paper proposes a method for forecasting investor reaction to corona disease trends and updates. We illustrate how their proposed model can estimate market trends after collecting comments on the flavivirus pandemic using Python programming language and Text Blob, a Python module. We then go over published literature on sentiment classification and natural language.

13. (Steyn, 2020) Utilizing textual data extracted from the social media platform Tweet, the paper investigates the unpredictability of stock market movements. They analyze textual data to remove sentiment and emotion from Tweet that we then use as explanatory variables to predict share price movements. The paper adds information by examining and contrasting the outcomes of developed and emerging markets studies accordingly. The analysis utilizes three Machine Learning Algorithms to reach this aim: the Nave Bayes, K-Nearest Neighbors, and Support Vector Machine algorithms. Furthermore, we test and compare the performance of an algorithm using numerous evaluation metrics such as Accuracy, Remember, Selectivity, and the F-1 score. Lastly, we validate the results that use the K-Fold Cross-Validation technique.

14. (P.H and Uchill, 2020) The goal of this study is to examine the relationship between the elements that influence investor sentiment and individual investors' investment decision-making (DM). This research provides a unique conceptual framework that takes into account herding, market, and awareness aspects that influence investor sentiment (IS) and decision-making among individual investors. This study used the convenience sample method to obtain data from 875 individual investors using a questionnaire-based survey. Market impact, herd behavior, media, social interaction, and advocate suggestion were all elements that influenced IS and DM, and structural equation modelling was utilized to examine the link between them. The most major influencing variables of investor attitude, according to the current study, are market effect and herding. When compared to media, social interaction, and advocate recommendation, the internet has the least impact among the sources of awareness.

15. (Shrotryia and Kalra, 2019) This paper verifiably scrutinizes herding or flock behavior in the Indian markets and exchanges and analyses its assertiveness during market fluctuations and imbalance. The research paper uses daily, weekly, monthly, and quarterly observations and surveillance of S&P BSE 30 for 2006-2018 (till March) to examine herd manners using traditional techniques. The outcomes demonstrated non-existent flock movement among the Indian investors for regular and stormy (crisis) market degrees. The favorable herding coefficients represent divergent trading deriving from the evident rationality of the investors. This study donated to the publications by experimenting with herding using elevated and low-frequency information.

16. (Shah, 2019) The significance of stock market prediction in the management of corporate activities cannot be overstated. Many scholars across various disciplines, including computer science, statistics, economics, finance, and operations research, have been drawn to stock price prediction. Recent research suggests that the massive amount of publicly available internet information, such as Wikipedia usage patterns, mainstream news items, and social media discussions, could have a noticeable impact on investors' sentiments regarding financial markets. Because the stock market is so susceptible to the economy and can ultimately result in financial loss, the reliability of computational models for stock price prediction is critical. The effects of news attitudes on the stock market were recovered, extracted, and analyzed in this paper. The development of sentiment is one of the main contributions.

17. (Sharma, Khemnar, Kumari, & Mohan, 2019) For several years, stock market has been an essential topic of study. Precise projections can help shareholders in making the best stock buying decisions. This paper uses machine learning and artificial intelligence, textual analysis, and fundamental and technical analysis to predict and assess inventory costs and patterns, providing investors a practical learning tool of keen predictions, especially in the volatile Indian Stock Market. We propose a method to analyze and forecast the stock price with the help of sentiment analysis, a decomposable time series model, and multivariate-linear regression.

18. (Kalra and Prasad, 2019) Because of its stochastic character, predicting stock market trends will always be difficult. For scholars and investors, the massive volume of data provided by news, blogs, reviews, financial reports, and social media is seen as a gold mine of information. The goal of this research paper is to track changes in stock prices in relation to news articles of the company. In this study, a daily prediction model is given for predicting Indian stock market movements utilizing historical data and news items. The Nave Bayes classifier is used to categorize news material that has a negative or positive sentiment. For prediction, the count of positive and negative sentiment in news items for each day, as well as the variation of adjacent days close price, are combined with historical data, and an accuracy of 65.30 to 91.2 percent is attained using various machine learning algorithms.

19. (Kumari, Chandra, Pattanayak, 2018) This Research paper investigates the connections, associations and relationships between character, inspiring elements, and herding conduct of specific investors. Investors' nature has been categorized consonant to the attributes (Respectful, assertive and disconnected) encapsulated in Horney's tripartite model. The outcome indicates that envision compliant core, none shows inclination towards herding habits. Investors possessing obedient personalities are more impacted by encouraging social aspects; however, the mental element promotes aggressive behavior, inhibiting herding behavior. Likewise, investors having disconnected characters are not affected by any motivating factors of herding.

20. (Pathak and Shetty, 2018) The equity industry is a highly volatile, quasi system with a wide range of variables impacting the direction of the trend on multiple scales & layers. As per the Market Hypothesis (EMH), the marketplace is unbeatable. This renders projecting an upswing or slump incredibly difficult. This research aims to merge various strategic approaches into a substantially more powerful prediction model that can handle several scenarios in which investing is profitable. Existing techniques, such as sentiment classification or neural network techniques, can overly narrow, leading to biased results in various scenarios. This predictive algorithm can provide more accurate and adaptable recommendations by integrating both strategies. The inclusion of technical indicators will aid the investor in decreasing risk while maximizing earnings.

21. (Vijay, Singh and Malhotra, 2018) This research examines the correlation between financial news reported in the media and stock market returns. It utilized internet and web & deep learning methods in Python to collect media texts from significant financial news websites like Economic Times, Money Control, Reuters, The Hindu, and others. It developed an engine that successfully determines polarity in financial writings. The data collected is

categorized into 3 categories: positive, negative, and compound opinions. They concluded that stock market returns are affected by news and any substantial headlines or surprises by correlating the closing prices of prominent companies in important segments (including such ITC-FMCG, TCS–IT, HDFC-Banking, ONGC-Energy, Sun Pharma Pharmaceuticals, Maruti Suzuki-Automobile, and SBI-Banking) with sentiment generated by algorithm.

22. (Dash and Maitra, 2018) Using data from the Indian stock market, this study investigates the relationship between investor sentiment and stock performance. Researchers investigate the relation using a variety of implicit sentiment indicators and valuation market indexes. Sentiment variables and stock returns were decomposed into distinct timeframe frequencies using the wavelet approach. The significant impact of attitude on yield in both the long and short run utilizing deconstructing values and attitude proxy at varying time frequencies. The study backs up the idea that investors' investments can't be separated from their emotions, whether they're short-term or long-term traders.

23. (Mathur and Rastogi, 2018) Investor mood, according to behavioral finance theory, can contribute to significant stock mispricing. The design of an investor sentiment index for India, a developing market, is described in this research paper in order to investigate the relationship between sentiment and stock returns. Over the sample period of 2004 to 2016, we evaluate whether the sentiment index predicts long-term stock market returns, as well as of stock portfolios created on the basis of size and value characteristics. The sentiment index does not predict broad market returns, but it is negatively related to the returns of small low-priced stocks, which is consistent with behavioral finance theory's restricted arbitrage argument and the information uncertainty associated with such stocks.

24. (Bammi and Ruchika, 2017) The research work explores the influence impact on the Indian stock market. The outcome of positive and negative news on instability during development, slump and the after-recession period or recovering period is scrutinized taking American slump of 2008–2009 as the standard. BSE 30 index was used as the representative for the Indian stock market. Using various developed models and prototypes based on input measures to examine the imbalance for the course and sub-course, the research uncovered that the Indian stock market responds distinguishably to excellent and bad announcements demonstrating influence effect. Moreover, it was observed that during gloomy periods a more significant impact was observed.

25. (Bhardwaja, 2015) Over the last 20 years, Internet-based technologies have significantly impacted the Indian stock market. The usage of the Internet has eliminated barriers of brokers and geographical location, but now investors can buy and sell their shares through accessing stock market status from anywhere. Before investing money, investors need to predict the stock market. In today's digital world, Internet-based technologies such as Cloud Computing, Big Data analytics, and Sentiment analysis have changed the way we do business. It uses text mining and natural language processing (NLP) to identify and extract the subjective content by analyzing users' opinions, evaluations, sentiments, attitudes, and emotions. The importance of sentiment analysis for stock market indicators such as Sensex and Nifty has been done to predict the stock's price.

26. (Bakar and Yi's, 2016) article looked into how investors' psychological feelings influenced their financial decisions. According to research conducted in Asia, the Middle East, and the West, there is a link between psychological elements and investors' stock market decision-making process. The impact of psychological aspects on investors' decision-making processes concerning the Malaysian stock exchange was investigated in this study. A total sample size of 200 investors in the Kiang Valley and Pahang region between 18 and 60 years old who dealt with Malaysian stock exchanges was used for this study. The study's findings were as follows: Overconfidence, conservatism, and availability biases were found to have a considerable impact on investor decision-making. Herding behavior, on the other hand, has no discernible effect. Furthermore, psychological aspects are affected by an individual's gender.

27. (Bennet, Selvam, Vivek, and Shalini, 2012) This research aims to examine the particular investor's opinion and sentiment. The investors' sentiment can be described as investors' perspective and impression towards investing and buying the Stocks and securities of different companies. The research work also scrutinizes the impact of market- specific aspects on investors' opinions and views. The investor's philosophy towards financing is highly affected by gossip, instinct, herd manners among investors and media scope of the security or the stock. A simple random sample was chosen from Tamil Nadu in this study. These investors were issued a standard progressive plan containing pre-validated hierarchies to estimate the investor sentiment. Once the available data was received and were both reliable and valid, the influence of Herd Behavior, media houses, rumors', etc., was experimented using the Bootstrapping method. The Market Specific Factors had an influential impact on India's investors' views, opinions, and sentiment.

28. (Chintaman, 2008) studied investor protection in India, namely in Ahmadabad, Vadodara, and Rajkot. The researcher gathered a sample of 150 respondents using the interview method and a structured questionnaire to reflect the entire population. The study lasted 13 years, from April 1992 to March 2005. The study found that 38.67 percent of the population was between the ages of 31 and 45, 26 percent was between the ages of 46 and above, 23.33 percent was between ages of 26 and 30, and just 12 percent was under the age of 25. As can be seen in earlier studies, just 8% of the sample is female. If we examine income intelligently, we find that just a small amount of annual income is invested in the stock market, with half of the respondents lying between 0 and 40% and 41 percent to 81 percent and above. Only a tiny percentage of investors, 11.33 percent, invested long-term, while the rest wanted to invest less thana year. Combinable, just 59 respondents obtained information through television channels, newspapers, magazines, and the internet, while 91 cited other reasons, implying that there was no optimal utilization of reliable information.

29. (Wergler, 2007) Investor sentiment is beliefs about future cash flows and investment risk that are not supported by reality. The question is whether investor sentiment affects stock prices but how to measure investor sentiment and quantify its influence. One approach is 'bottom-up,' using biases in the psychology of individual investors, such as over- confidence, representativeness, conservatism, to explain how individual investors overreact, underreact, or overreact to past returns or fundamentals. On the other hand, the approach to investor sentiment developed in this article is "top-down" and unambiguous macroeconomics: we consider the origin of investor sentiment exogenous and focus on its experimental effects. We show that investor sentiment is measurable and that sentiment waves have a clear, significant, and consistent impact on individual companies and the stock market. The top-down approach relies on two broader and more convincing sentiment assumptions about behavioral finance and the limits of arbitrage to explain which stocks are most likely to be affected by sentiment. In particular, stocks that are difficult to trade and difficult to value are most affected by psychology.

30. (Gupta and Aggarwal, 2004) The day of the Week effect is an occurrence noticed in most developed and evolving markets worldwide. The consequences of many noteworthy analyses reveal that this impact is obeyed on Monday, Tuesday, and Friday in most exchanges. The research work factually reviewed the day of the week in Indian stock markets and the exchanges. Nifty index data as from National Stock Exchange displayed that day of week impact is very dominant in India, and Wednesday is the day when the returns and gains were remarkably distinguishable. In the lack of any reasonable answers for this, researchers and analysts conclude that Wednesday is considered one of the most optimistic days in the Indian Stock Markets.

With the analysis of the above-mentioned studies of literature review we were able to predict that

The nature of the behavior of people with respect to a particular thing continues to change with the changing trends, policies, economic conditions and various other factors. Similarly, the behavioral researches conducted earlier with respect to the behavior and sentiments of people for the Indian Stock Markets are no longer appropriate. Although a lot of research has been conducted on this topic, those research papers are irrelevant for the current period since the global economy has changed rapidly and fast-paced, with new changes taking place every day.

The market conditions a decade ago were entirely different from what it is now regarding the composition of investors, rules and regulations, and overall market conditions that affect an investor's decision. Hence there arises a need to conduct research since the previous research paper is irrelevant and may be misleading for the current period. Moreover, the world was hit by a coronavirus pandemic in 2020, which completely disrupted the global market and Economy and changed how it works. With the announcement of lockdown and closure of businesses, the stock market saw a considerable rise in the number of young and novice investors who entered the market for various reasons like excessive free time, to learn to invest, to invest their money to earn returns etc. our research being of behavioral nature, it becomes essential to understand the reasoning of why the new investors entered the market and what techniques or analysis they use to purchase or sell stocks.

It is also necessary to know the effect coronavirus and lockdown have on already existing investors. Also, due to continuous development activities and positive policies in India, people are becoming highly positive about the growth of the Indian Economy. This also has changed with time; earlier, researchers showed a negative view towards Indian markets, while the recently conducted researches depict a neutral to a positive outlook. Furthermore, in 2017 reliance introduced JIO, which significantly degraded the cost of the internet, which increased availability and resulted in a lot of new people entering various new technological ventures like social media marketing, Stock market, etc. Earlier, only people who were committed to investing entered the market as internet packs were expensive; however, after the introduction of JIO, the cost of the internet was no longer an issue, which resulted in a change in the composition of investors and market sentiments**.** (JIO,2017)

Apart from this, the past few years have seen a massive reduction in the prices charged by brokerage companies for opening a dematerialized account. Zerodha, angel broking, does not charge any brokerage on delivery and meagre yearly fees**.** (Economic Times, 2020) This website's simple interface also makes it easier for people who do not have any knowledge to buy and sell shares. These companies also made opening a dematerialized account simple by removing all the complicated paperwork and making the entire process online. This made it easier for the young generation to enter the stock market and for people who did not understand how the stock market works to invest, changing the dynamics of the stock market. When the old research was conducted, such facilities were not available, which further made a common investor unaware and suspicious of the stock market; however, with these new technologies and transparencies, the attitude of investors is constantly changing and therefore, it is required to know the current view of the investor base.

With the rise in popularity of Instagram, TikTok, and telegram, there has been a rise in influencer investors. Influencer investors are people who give stock advice like which share to buy and which share to sell; on these websites and advice is followed by thousands and lakhs of people who themselves are not versed with technical or fundamental analysis. This has resulted in stock manipulation and also changed the dynamics of market sentiments. Considering this, too, the mindset of investors continues to change with each activity and hence a regular update is required with respect to the current view of the investor base. Five to ten years ago, only people who were financially literate and had enough time and resources to invest invested in the stock market. However, in the past two to three years, with rising in popularity of influencer investors and brokerage companies like Zerodha, angel broking, cheapening of the cost of the internet, and most importantly, the onset of coronavirus, there has been a quick and significant shift in the composition of investors, the age group and their knowledge. This means that the opinion of the investors and the market sentiments have seen an enormous shift, and it becomes necessary to capture their thoughts and view to get an accurate picture of current market sentiments. (India Times, 2020).

Our main objective is to analyze and identify the trends, patterns and behaviors of different potential investors with regard to Indian stock markets and the reasons for such a downfall in the investing behavior of Indians when compared to nationals of other countries , which would help us in taking suitable and effective strategies to necessitate rational decision making and increased consumer perception about different investing options that would help to maximize returns and minimize the risk.

III. RESEARCH METHODOLOGY

In our research, we have decided to go ahead with primary data collection since the views and sentiments of people tend to change over time. We aim to cover people from different geographical areas and other age groups to understand and interpret the actual situation.

ABOUT THE SAMPLE

In the research, a Probabilistic Sampling Method is used. The analysis uses simple random sampling and convenience sampling for gathering data. Since the population to cover is large, and the timeline for accomplishing the research work is less, a convenient random sampling method was adopted. The research sample is above 18 years of age and has a mix of the young, middle-aged and old aged population. Moreover, while selecting the sample as per convenience, the geographical presence of the sample population was also taken into consideration, and the sample had people from different places, states and regions of the country so as to know their thoughts about people in other areas. The sample had a population of both genders and people from varied income levels, which further helped us understand the opinions of different classes of people. Moreover, most of the people selected for the sample were literate and had exposure to technology and could understand and interpret the survey question themselves without any difficulties. No respondents had any doubt related to any survey question and were able to fill the form within a few minutes.

The total sample size of this research paper is 129 respondents. The data collection period was from 6th of march 2022 till 24th of march 2022, i.e., a period of 18 days.

TECHNIQUE OF DATA COLLECTION

The method of data collection adopted in the research is Online. There are many reasons for this choice of ours. Beginning with, Covid-19 was again recently seen rising in various parts of the country. As a team, we intend to take care of the social distancing protocols and the other basic restrictions and abide by the rules. Furthermore, in the case of an offline data collection method, we would have met and come across various people who could be risky and dangerous for us and the country.

With the data collection being online, we covered various geographic areas, and hence, the research conducted is applicable throughout the country. It will not be focused on one site or region. The online data collection method also helped the respondent fill out the survey forms by sitting comfortably in their own houses or offices and helped reduce the various hidden costs of the research processes. Hence, this method was adopted to make the whole research activity affordable.

Another primary reason for selecting the online mode is that significantly less time was available for us to do the research; therefore, the online way made the whole activity faster and achievable in the desired period.

TOOLS USED FOR DATA COLLECTION

Out of the various available tools for online data collection, the data was collected through Google forms. Google Forms is a survey overseeing operating system comprised as part of the complimentary editor suites offered by Google. Out of numerous tools, Google Forms was selected because it is highly user friendly and creating a questionnaire per our demands was relatively easy and convenient. Moreover, for the respondents, the platform provided a straightforward survey feeling process, which helped us gain responses from the majority of the people. Respondents are usually very pessimistic about filling out a questionnaire on a complicated platform. Therefore, this platform was able to gain a lot of respondents due to its friendly usage.

TABLE OF DEMOGRAPHICS

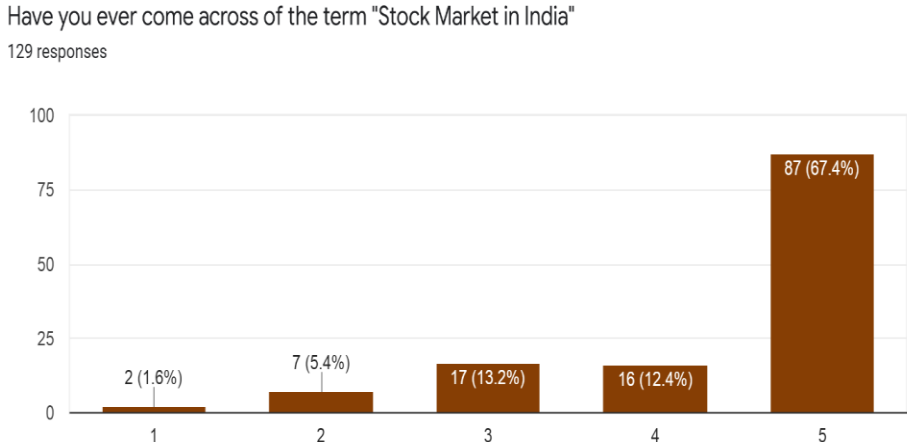
Variables Used in the Study	**Particulars of Information**
Population	129 respondents
Male	86
Female	42
Others	1
Age	
Below 18	9
18 - 25	90
26-40	22
41-60	5
60+	3
Qualification	Bcom Honours, Phd, MBA, Bsc, Btech,etc
Work Experience (IN YEARS)	
0 - 1	85
2 - 5	24
5 - 10	12
10+	8
Income Level (in RS)	
0 – 2.5 lakhs	79
2.5 – 5 lakhs	21
5 – 10 lakhs	14
10 lakhs and above	15
Sector of Investment	
Government	9
Non- Government	70
Semi-Government	32
None	18
Number of Shares held by family of investors (Quantity)	
0 - 10	47
10 - 50	30
50 - 100	11
100 and above	18

IV. ANALYSIS AND FINDINGS

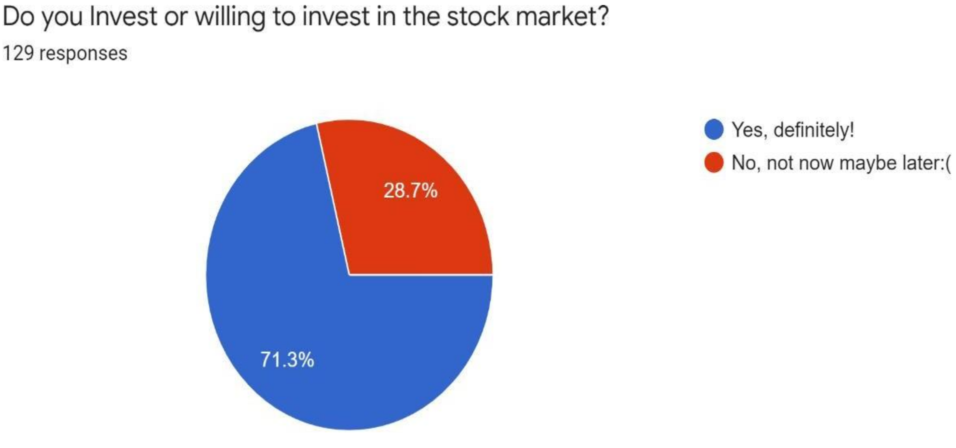
In our analysis we have used the method of descriptive analytics whereby we have analyzed the responses of the respondents through techniques such as bar graphs, pie charts, etc. in order to summarize and present the data in a structured manner which can be used for further research and effective decision making. Furthermore, we have used the Likert scale ranging on a scale from 1 to 5, with 1 being the lowest and 5 being the highest for better analysis. Few of the questions are more focused on the viewpoint of investors, therefore we have kept it open-ended. All the information of the respondents is maintained confidential and was used only for the purpose of research. The final interpretation is made in terms of percentage of the total respondent's population, collected out of the sample.

The Research survey was conducted, and we received 129 responses in all. Out of them, all responses were verified and genuine responses.
From the various responses we obtained, we observed that 7% of the respondents were below 18years, 69.8% of the respondents were between the age group 18 to 25, 17.1% between 26 to 40
and 3.9% between 41 to 60 and 2.3% above 60.
63.6%% of the respondents were male, and 35.7% were female. We also had the other genders as an option; however, we got 0 responses for them.
Regarding Qualifications, we observed a mix bag but mostly from the commercial background with B. Com and MBA as the highest response. However, we covered some computer science graduates and even civil engineers

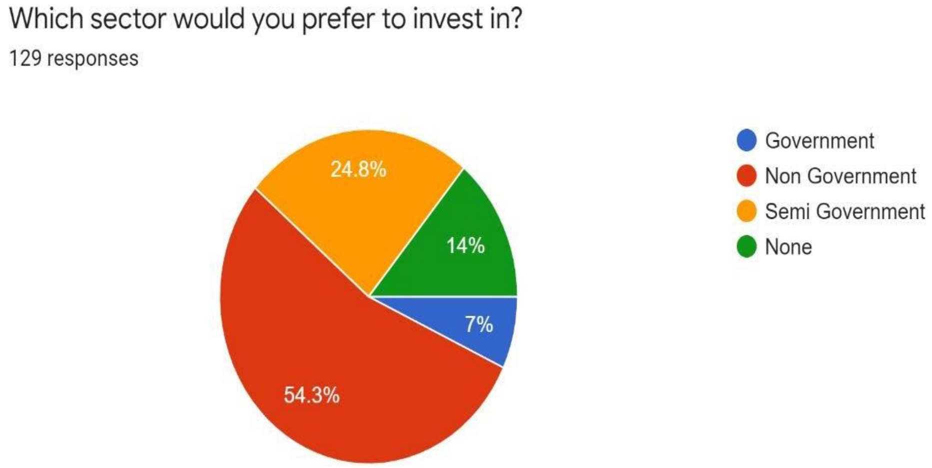
and also gathered responses from the old age group who had only 10th or 12th qualifications.
Around 65.9% of respondents had 0-1 year of work experience. 18.6% had 2-5 years of work experience, and 15.5% had more than five years of work experience.
After witnessing the personal data sheet, we observed that the survey was well spread across people of different ages and genders, and it also had people from various fields of expertise.
Furthermore, the income level of the respondents was quite in accordance to their qualifications and age. Many respondents were young and were either still studying or had just joined work, therefore they had lesser incomes while the middle-aged group had higher level of income.



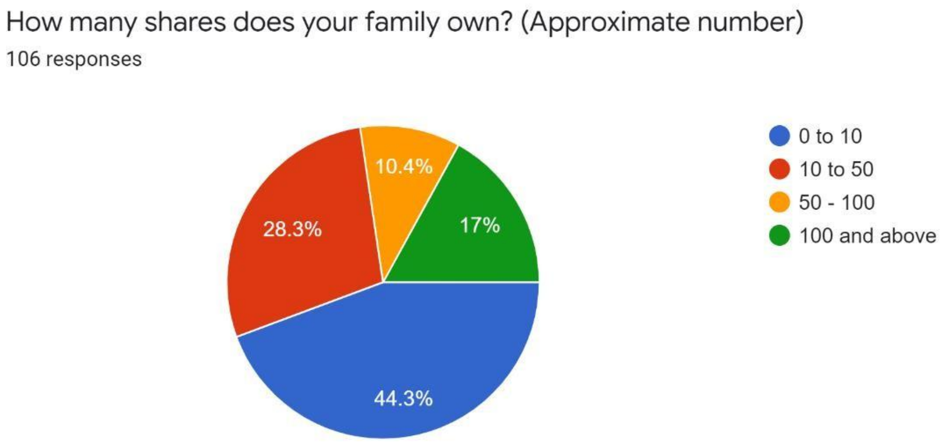
Out of the 129 responses we observed that majority of the people were familiar with the term stock market (67.4%) and they strongly agreed. 16 people agreed and 17 people seemed to neither agree nor disagree. only 9 respondents were completely unaware of the term as they disagreed with the question. The need out of the survey conducted, highlights the perception and awareness of stock markets of investors in India, the results obtained are on an average scale which highlights that there is an increased need for creation of awareness of investors with regards to the stock markets.



We saw a very positive response to this question. Majority of the people were either investing in the stock markets or were keenly interested in. However, around 29% of the respondents were not so welcoming about this and thought that it wasn't the right moment to get into the markets.
Here, the need arises to correct the risk-adverse impact and notions of investors with regards to the stock markets.
There are lot of young investors who are being just brainwashed about the risk of loss factor, which causes considerably to result into low investment, but as a rational investor, we need to rethink on this perspective, that not all investments lead to losses. A potential investor’s main aim
is to maximize his return by minimizing his losses effectively using various strategies such as hedging, arbitrage. For that one should not wait for an ideal time, instead he has to start well planned and start early.



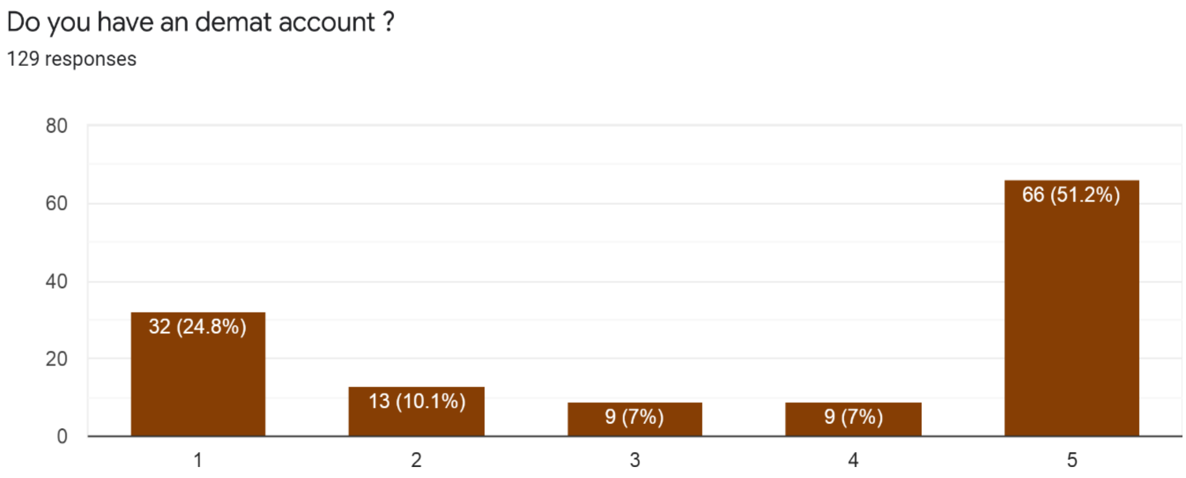
Through our research, we aimed to ascertain the most favorable sector of investment by the people.
We observed that people were more confident about the Non- Government Companies and Semi- Government Companies. Only about 7% of the respondents found Government Companies to be a preferred sector of investment. This was perhaps due to the strict rules, regulations and other polices which these companies are obliged to follow, which emphasizes the need for safety of investment among investors.



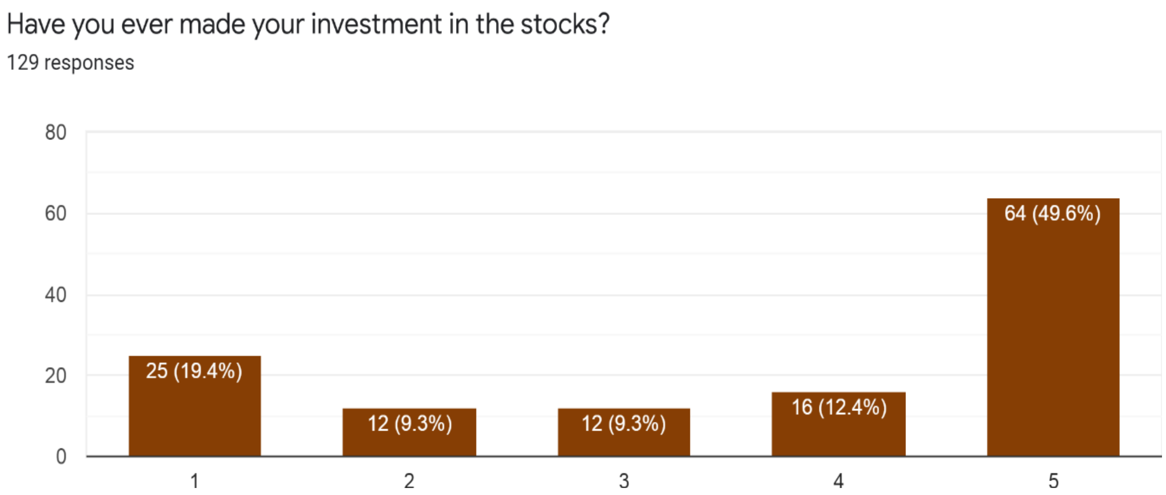
In order to observe the family mindset about stocks, we asked the respondents about the total number of shares held by their families.
We observed that around 45% of the families held 0-10 shares, 28.3% held 10-50 shares, 10.4%
held 50-100 shares and 17% held 100+ shares.
In our observations, we saw that most of the respondents were well aware of the Stock Markets in India. However, some had basic information about the same while majority had a detailed level of knowledge. We also observed that around 51.2% (66 people) had a demat account of their own. In

spite of having a demat account, some of the people still had not invested in the markets. Only around 49.6% people firmly believed that it was a great way to start investing.
We observed a family criterion again and found a 4+ average when we enquired about the probability of their family investing. Here, there arises a need to educate not only the investor but also his family about the investment and investment avenues, in order to bridge the gap.
We saw majority of the people believed that their family were very eager and open to invest in the stock markets.
To study the behavior and the reasons for not investing in stocks, we asked for an open-ended question, after analyzing each response individually, we found that people felt that it was highly risky and without proper knowledge people were not ready to venture into it. Moreover, they had preconceived notions and myths with regard to the stock markets. People felt it was just like a gamble and mere luck. Furthermore, the volatility and addiction of stock market was another major reason as to why people avoided getting into stock markets. In spite of the myths and risks and the various other factors, we saw that around 80% people were positive about

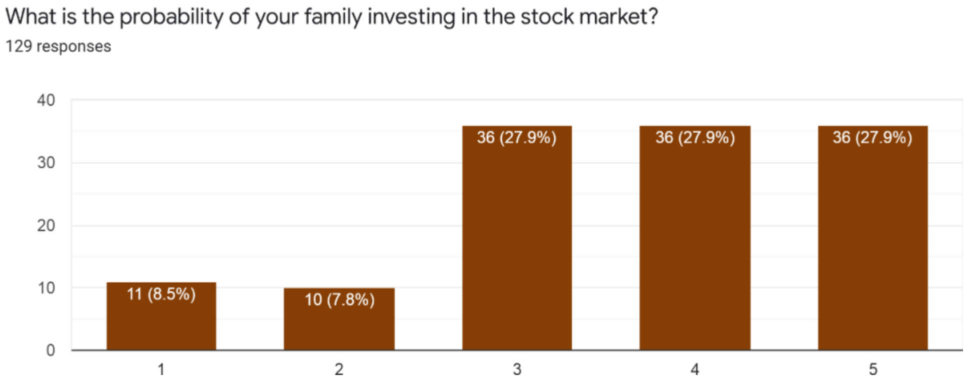
the stock markets and wanted to invest as soon as possible.
Overall, we observed that people were confident and positive about the Indian Stock Market but were not willing to invest if they didn't have enough knowledge and awareness. Moreover, the old myths with regards to the stock markets have drastically reduced and people no more (partially) think of it as a gamble. Also, the pandemic provided a good boost to the Stock markets and a huge increase in the investor base and the number of demat accounts were seen.
We can say that slowly and steadily, people are becoming positive about equities and are venturing into the stock markets.



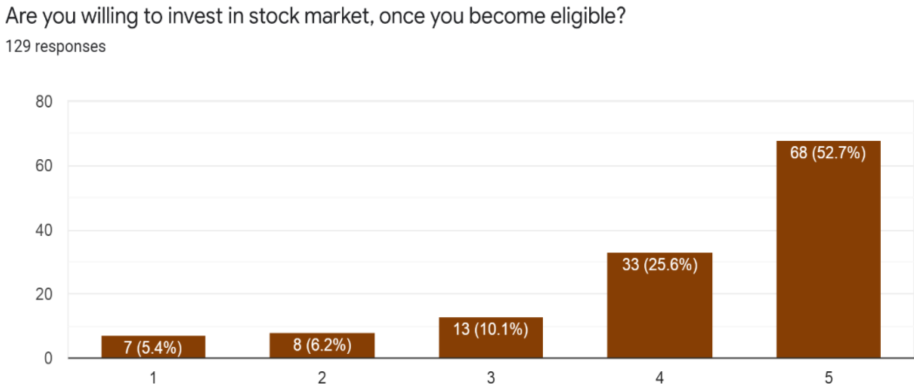
As observed by previous research, there has been rise in number of people investing the stock market and as such we observe that 66 strongly agree to having demat account and 9 people agreed. 9 people neither agreed nor disagreed and although only 9 respondents has previously not come across the term stock market whopping 45 respondents do not have demat account. This could be due to various reasons such as entire family using one demat account or simply not investing in the stock market.



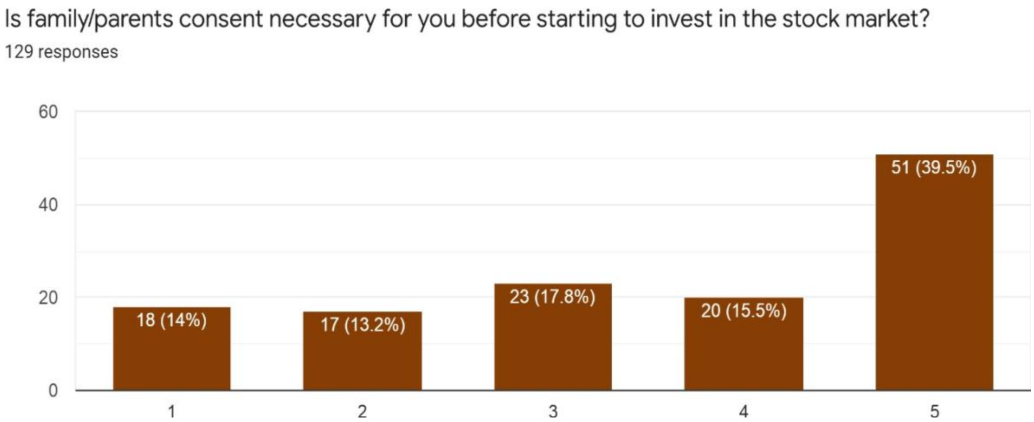
We observe that although 75 people agreed to have demat account 80 people have made investment at least once in their life. The higher number could be result of people closing their demat account after making losses or as previously stated, multiple people using one demat account. We also observe that 28.7% of the respondents have never invested in their life, which is a very high percentage compared to rest of the world.



The probability of family investing is very high. 72 respondents agreed and strongly agreed and only 11 and 10 people strongly disagree and disagreed. 36 respondents neither agree nor disagree. The high percentage of probability of investing, yet not investing may be due to lack of proper knowledge, fear, and better and safer investments being available.



Although only 7% of the people were below 18 in our survey 78.3% of our respondents said that they are willing to invest once they become eligible. This shows that respondents are not aware of the legal age of investing, or it could also mean that the respondents either do not have a bank account, pan card or other details required to open a demat account, hence they are currently “ineligible” to invest. 11.6% of the respondents will not invest even if they become eligible to invest.



39.5% of the respondents strongly agreed to parents’ consent before investing and 15.5% agree. This can be due to multiple reasons such as respondents being a minor or living with their parents. Therefore, even people who wants to invest in the market do not invest if they do not have their parents’ consent. 14% of the respondents strongly disagreed and 13.2 % disagreed.

V. DISCUSSION AND CONCLUSION

From the introduction and problem statement it is quite evident that an approximate population of India stands at 1.2 billion, out of which only 20 million is into the process of active trading. But when we contrast the same facts and figures with that of the other countries like China and USA, India's population stake in the active investing in the stock markets is considerably low i.e 2%.The Research Gap of our study mainly aims at measuring the current sentiments of Indians with regards to changing market trends and investor behaviour patterns which tends to highlight the some of the few common challenges and ways to mitigate those challenges in order to increase the overall penetration of stock market investing using a rational approach and ideology rather than relying on emotional and psychological sentiments.

Although our research methodology is quite simple, but it's still very intricate to cover all the major aspects of our study like age group, geographical location, analysis of market sentiments, etc. From the data collection and analysis, we were able to understand and highlight some of the key aspects of investors and sentiments which were often ignored the majority and that gave us the thirst and curiosity to provide detailed insights using the descriptive statistics such as bar graphs, pie charts, etc.

The major limitation of our research study was to go with the online mode of data collection i.e., through google forms in the mode of questionnaire due to Covid-19. The presence of interacting with the investors on an offline mode was absent. Also, since our research focused primarily on analyzing the sentiments of investors, we could not use quantitative data collection software that helped in better forecasting the results and therefore the results provided by us are not very much likely to be applicable to all the investors, but to a handful of investors it is relatively applicable. Through this research we were able to emphasize the need of investors to invest in the stock markets, common misconceptions with regards to the stock markets, and the guidelines to create better investment portfolios for maximizing the return with minimizing the risk.

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