A COMPARATIVE STUDY ON FINANCIAL IMPLICATIONS OF STOCK'S OF SELECTED INDIAN STOCK MARKET AND EMERGING ASIAN STOCK MARKETS

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ABSTRACT

This study aims to examine the financial implication of stock's as well as relationship between Indian stock market with Asian emerging countries stock markets viz., India, China and Japan. For this research event, we have considered so many information and theoretical events nearly 2010 to 2016 and projected also 2017 and 2018 of indices of both BSE-SENSEX (India), SSE (China) and NIKKEI (Japan) obtained from various appropriate databases. To explore these relationships we have used the daily stock indices by different statistical line charts, histograms and pir-charts using MS-Excel. The theoretical discussion shows by part of three stage of research, firstly, Asian stock exchanges has very much related with Indian economy as well as SENSEX. Secondly, China is now a powerful force in the global economic order. China's rise is yet another feather in the cap of Asia's massive economy and finally, Nikkei 225 is within a falling trend and continued decline within the current trend is indicated. It indicates that there are sufficient opportunities for the investors to become wider the horizons of their investments not only in Indian stock markets and also to the selected emerging countries stock markets to reap the benefits of such diversification with risk reduction.

KEYWORDS*: Advanced Economies and Emerging Economies, Import Volume Growth, Annual Returns, Comparison between India, China and Japan.*

1. INTRODUCTION

Financial implication means the result, consequences, effects or impact. Therefore, the financial implications suggest the influence that something has on any financial situation. It can be good or bad. This chapter handles the theoretical framework of the financial implication based on linkages between Indian Stock Market and selected Emerging Asian Stock Markets. Since 1981, the emerging markets i.e. India, China and six other countries first become visible when mutual fund investment were being encouraged in the developing nations. They utilized a lot of implications for various nations. Whatever it may be the framework, the emerging countries markets are actual indicator of the socio-economic and political background of a country. The maximum economic development has achieved based on the sections of skilled manpower, huge natural resources and strong financial systems. With the beginning of such countries economy has came to maximum GDP levels which infiltrates to people at the basic working levels. It is created a new medium class and clean markets for future investments benefit. The nation-wise weights of the indexes illustrate that China build up one-third of the index

with its 33.78% allocation, subsequently South Korea at 22.37%, India 12.83%, Taiwan 18.06% and Malaysia 4.51% allocation respectively while the rest of three nations are Thailand, Indonesia and Philippines together have an 8.45%weight in the index.

During 1980-1997, Korea's economy demonstrated an unbelievable 8.7% standard yearly growth, however, established flaws in the economy (like high levels of short-term foreign borrowing) was exposed during the Asian financial crisis. The country has enormous future to produce but wants to undertake some of the challenges, the serious dependence of its GDP on exports being one of them. The International Monetary Fund (IMF) anticipated growth in China to deliberate to 6.3% in 2016 and 6% in 2017, because the economy persists to rebalance from an investment to expenditure model. The original information highlighted more rapidly than usual slowdown in imports and exports, in part sparkly weaker investment and manufacturing activity.

Table-1 Comparison between Advanced Economies and Emerging Economies

Year	World	Advanced economies	Emerging and developing economies
2010	4.3	2.9	7.2
2011	3.2	1.6	6.1
2012	2.5	1.1	4.8
2013	2.4	1.1	4.7
2014	2.6	1.7	4.2
2015	2.4	1.8	3.4
2016	2.4	1.7	3.5
2017*	2.8	1.9	4.4
2018*	3.0	1.9	4.7

*Source: World Bank, *Projected Year*

These developments jointly with the market concerns about the future presentation of the Chinese economy are having an unplanned effect on erstwhile economies, falling trade and lowering commodity prices. The International Monetary Fund (IMF) articulates China's slowdown is moreover distressing overall economic assurance around the world and leading to increased volatility on financial markets.

Chart-1
Global Growth Comparison between Advanced Economies and Emerging Economies
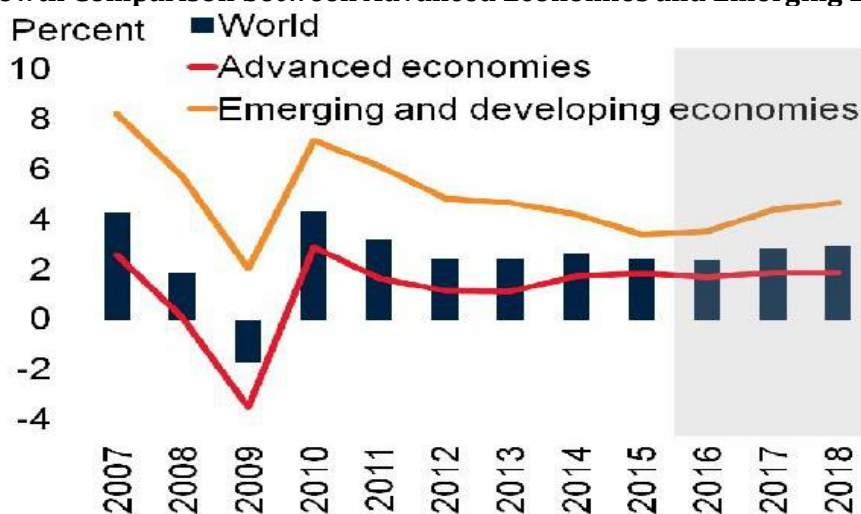
Source: World Bank

Table-2 Growth of Import Volume between World and EMDEs

Year	World	*EMDEs
2011	7.3	11.5
2012	2.7	5.7
2013	3.0	4.6
2014	3.3	2.7
2015	2.5	-0.8
2016	2.9	2.3

Source: World Bank

*Emerging Markets Development Economies

Chart-2
Import Volume Growth

Source: Author own contribution

2. SIGNIFICANCE OF THE STUDY

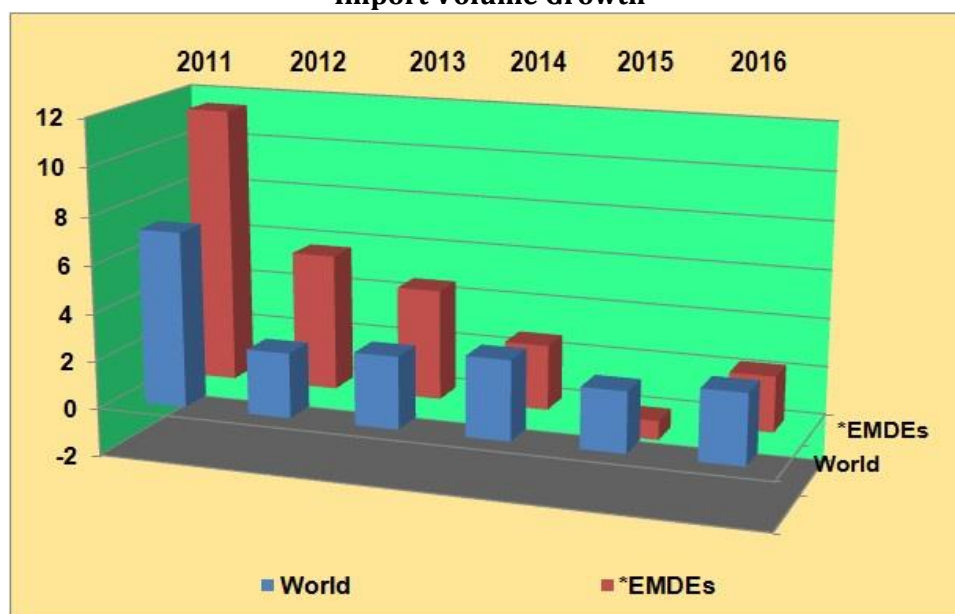This study aims to examine the relationship between Indian market with the neighbouring Asian emerging stock markets viz., China and Japan. For this research work, we have considered so many information and theoretical events nearly 2010 to 2016 and projected also 2017 and 2018 of indices of both BSE-SENSEX (India), SSE (China) and NIKKEI (Japan) obtained from various appropriate databases. In past literature Section briefly glances at the previous studies on stock market combination in the midst of the different stock markets in the world, the comparison and relationship and increasing stock market integration are discussed sectionwise and methodology section, the source of information are presented and discussed.

3. NEED OF THE STUDY

In a country like India where the stock market is undergone important alteration through the liberalization procedures, the way of impact of foreign investment over Indian stock prices wants to be determined empirically. This study examines the relationship of Indian stock markets with a number of leading emerging Asian countries and as well endeavors to converse the thoughts whether Indian stock market is extra dexterous than the other emerging Asian stock markets as is commonly understood. However the existing literature is inconclusive on the issue of causality and very few studies have been focused on Indian scenario. This relationship varies in a number of different stock markets and time horizons in the literature.

4. LITERATURE REVIEW

In so many literatures on integration of Asian stock markets have deliberated on the relationships using cointegration and vector regression models. Out of that, Nath and Verma, 2003; Lamba, 2005; Raj and Dhal, 2008; Auzairy and Chittedi, 2009; Ahmed, 2009; Abas, 2009; Aktan, Mandaci, Kopurla and Ersener, 2009 are very essential. In their study they confirmed that stock index of Indian stock market was cointegrated with the developing countries rather than the developed stock markets. Tambi, 2005 think about the stock prices co-movements beyond the countries as the indicator of stock market integration. Generally, most of the studies determined on the period from 1990s to 2008 Joshi 2008, Lim 2007.

Agarwal (2000) explained the impact of financial integration on its capital market in terms of growth, volatility and market efficiency. The empirical results showed that the primary stock market had grown considerably while the opening of capital market reforms in 1992 to 1993. It was found to be superior position than unity after reforms mostly in metal products and business and investment industries. The regression results did not support the random walk model of market competency. Nath et al. (2003) analyzed the level of capital market integration by examining the transmission of market movements between the three major stock markets of India, Taiwan and Singapore with daily stock market indices from 1994 to 2002. Bhattacharyya et al. (2004) investigated the integration among the 11 countries stock markets of three continents (Asia, Europe and America) by using time series data for the period of 1990 to 2001 and confirmed integration among the studied markets. Fujii (2005) examined the causal linkages among several emerging stock markets in Asia and Latin America since 1990. The empirical results showed the significant causal relationships of both the markets within the region and across the two regions. Further, the rolling test results indicated that the significance of the causality fluctuated considerably over time. Lamba (2005) discussed the analysis of the short and long-run associations between South Asian and developed equity markets. The large sample analysis of the short-run and long-run relations involving the Asian emerging Asian markets of India, Sri Lanka and Pakistan and the foremost developed markets during 1997 to 2003. Mukherjee (2007) explained the comparison between Indian stock Market and selected international stock market. The study covered Hong Kong Stock exchange (HSE), Tokyo Stock exchange (TSE), New York Stock Exchange (NYSE), Russian Stock exchange (RSE), Korean Stock exchange (KSE). It was unmistakably found that the stock markets impact each other, more so in the recent times. Mukherjee et al. (2007) investigated the interdependence among the 23 countries of the world including India and study illustrated a high degree of stock market integration. Antoniou et al. (2007) investigated the market-wide and divisional integration in the UK, the USA, and Europe for the period 1988 to 2003 using dynamic conditional (DCC) model. The findings suggested that UK equity market is more integrated with Europe in terms of both stock markets and sectors. Joshi (2008) explained the relationship between the stock markets of developed countries and a developing country had been examined extensively in literature. The results revealed that the Indian market has a strong correlation with Russia and Brazil and further India has a long-term stable connection by Russia and China, which means that Investors had no diversification opportunity in these countries. Raj and Dhal (2008) pointed out the Integration of India's stock market with global and major regional markets.

Siddiqui (2009) examined the associations between NSE-Nifty and selected Asian and American stock markets. The study is based on secondary data. In the course of analysis, the returns were not normally distributed. It was also concluded that volatility had gone down in the first phase. Correlation between the stock indices was also pervasive in Period-II and interdependency between the indices was greater than before in the second phase. There was no comprehensible direction of associations exists in the sense of Granger Causality. Chittedi (2009) illustrated that global stock markets progress and combination through exceptional suggestion to BRIC countries. The empirical results showed that the cointegration relationship was found between BRIC countries and developed countries stock market. The results of error correction model revealed that Sensex, Nikki225, moscowtimes, FTSE 100 and Bovespa were significant. Aktan et al. (2009) analysed the emerging market indices of Brazil, Russia, India, China, and Argentina (BRICA) and investigates the linkages between the stock markets of the BRICA countries and their relations with the US market. They considered the vector auto regression (VAR) techniques for the interdependencies and Granger causality test to found evidence of a short-run relationship between these markets. The result showed that the US stock market had a vital consequence on every BRICA countries. The most integrated markets to the BRICA countries were Russia and Brazil; the least integrated ones were China and Argentina. The Granger causality test confirmed about the VAR calculation and showed that Russia influenced all other countries and Brazil influenced Argentina, Russia and India. But China simply affects Argentina and Russia. Impulse response test showed that all countries respond to an expected surprise directly and recuperate in practically five or six days. Raju et al. (2009) examined the Asian stock market integration. This study uses daily stock market index data of six Asian stock markets for the period from 1998 to 2007 collected from ISI Emerging Market Database. The six markets had selected for the study i.e. China (Shanghai Composite Index), India (Nifty), Thailand (SET Index), South Korea (KOSPI Composite Index), Indonesia (JKSE Composite Index) and Malaysia (KLSE Composite Index). They found altering degree of market integration in Asian region. Specially, Indian market was not affected by any other Asian markets.

Mahajan (2011) illustrated empirically consider the long run stable association involving the stock market of India, China, Singapore, U.S. and Germany through unique importance on assessing the influence of U.S. supported overall financial crisis (2008) on this long run relationship which suggested that co-movements of stock prices between the selected countries has increased after the 2008 financial crisis.

Saha and Bhunia (2011) examined the relation of the stock markets in India with a

number of foremost South Asian countries stock market and as well endeavours to communicate the consciousness whether Indian stock market was more capable than the other south Asian stock markets. The result shows both long-run and short-run association among the selected markets. The investors can reap benefit during short-run rather than in the long-run. Fahami (2011) investigated the structure of linkages and causal relationship between the world's highest emerging countries i.e. Brazil, Russia, India and China) and the particular developed countries namely, the United States, the United Kingdom and Japan using samples collected from 2005 to 2011. The results show that all the stock markets under this research work was cointegrated in pre-crisis, for the duration of crisis and post crisis period. However, increasing causalities are recorded among stock markets in the crisis period as compared to pre- and post-crisis period. China was the most influential stock market before the crisis period, whereas United States predisposed mainly of the foremost stock markets during the period of instability. It was specified that, what happen to US stock market bring impact to the other equity markets worldwide despite the emergence of BRIC countries. Gupta et al. (2011) explained the comparative study of distribution of Indian Stock Market with other Asian Stock Market. A weak correlation concludes that the Indian stock markets suggest diversification settlements to institutional and international investors. The study founded non-normality characteristic in the stock return circulation of the six countries of Asia including India.

Sharma (2011) illustrated the diversification benefit between the Asian emerging economies and United States of America. As study is conducted for a long period, therefore investors can take the benefit of diversification in long periods. Hence, investors can take the advantages of diversification by investing in countries having high degree of negative correlation with their home country. Bhunia and Das (2012) examined the interdependence between selected South-East countries stock markets and Indian stock market. Stock markets in South-East region are expected to become more open and interdependent. The results of the Granger causality tests indicate interdependence between South-East market returns. In general, the results indicated an increase in the integration between the South-East markets after the global financial crisis.

Mishra (2012) instigated of his study the Econometric Analysis of Global Financial Crisis and Indian Capital Market. Bhunia and Das (2012) explained the relation of the stock markets in India with some leading South Asian countries and also en-devours to communicate the impression whether Indian equity market is more proficient than the other south Asian markets as is popularly believed.

Saha and Bhunia (2012) discovered the causal relationship between the US and Indian equity markets using Johansen's cointegration and variance decomposition analyses. The Johansen's co-integration test revealed that there exist long run equilibrium relations between the selected variables. The Granger causality test in the vector error correction model suggested the evidence of feedback causality running between the six stock exchanges. However, there was no dependence of any of the individual exchange over the other. Saha and Bhunia (2012) illustrated the long run equilibrium relationship among South East Asian equity markets. The result showed both long-run and short-run association among the selected markets. Thao et al. (2012) examined the impact of the global financial crisis on Southeast Asian equity markets integration. This study investigated the long-run relationship among six equity markets in the Southeast Asian region namely Indonesia, Malaysia, Singapore, Philippines, Thailand and Vietnam. Palamalai et al. (2013) examined the stock market integration between leading stock markets of up-and-coming Asia-Pacific nations, viz. India, China, Malaysia, Taiwan, Hong Kong, Indonesia, Singapore, Japan and South Korea. As a result, cointegration test confirmed a well-defined long-run association between the major stock markets. Granger causality and block exogeneity wald test based on vector error correction model (VECM) and variance decomposition analysis shown the stock market interdependencies and dynamic relations between the selected emerging economies.

Rajhans et al. (2013) illustrated the financial markets more or less the world had seen a soaring degree of volatility in last 5 years. As a result, it was found that there is a unidirectional causality or relationship between BSE and FTSE100 even as bidirectional causality between BSE and S&P 500. Bhatia et al. (2014) examined the volatility of Indian and Chinese stock markets and examine the inter-linkage between them. The spread of volatility between India and China is examined by applying Granger causality test. The results showed that the volatility was at its highest level in the year 2008 in both the countries. However, the Indian stock market was found to be more volatile than Chinese stock market but returns in Indian stock market were comparatively more than in China. Kishor et al. (2014) observed the stock return volatility relationship of emerging economies from 2007 to 2013 which moreover includes the financial crisis of 2008 and its influence on the emerging economies of the world. Patel (2014) explained the interdependence of Indian stock market with other Asian stock markets i.e. China, Singapore, Malaysia, Korea, Japan, Sri Lanka, Pakistan and Taiwan.

Lingaraja et al. (2014) explained the interrelationship, co-movement and causal relationship of Indian Stock Market with emerging stock market indices returns in Asia, has increased momentum. This study used the 12 years daily secondary time series data from 2002 to 2013. Descriptive statistics, unit root, correlation matrix, linear regression model and granger causality test

were used. After analysis, there was a significant relationship and inter linkages of Nifty with other emerging stock markets in Asia. Arekar et al. (2015) analysed the short and long-term relationship between Indian and World major stock market. Finally, it was found that there was no ganger causality existed between those markets. Bhunia and Ganguly (2015) analysed the influence of macroeconomic indicators on stock market indices in India. The empirical results showed that there was a significant long-term cointegration relationships existed and Indian stock market indices was enormously depending the price of international crude oil price, gold price, exchange rates and GDP growth. Patel et al. (2016) examined the pattern of associations and causal relationship between Indian stock market and selected Asian stock markets, that is, Bombay stock exchange, Shanghai stock exchange, Nikkei, Hang Sang and Jakarta stock exchange before and after the change in trading time on Bombay stock exchange. It was found that Bombay stock exchange has maximum correlation among Hang Sang and Jakarta, but less correlation with Nikkei and Hang Sang and Jakarta have more impact on Bombay stock exchange stock prices. Bhattacharjee and Swaminathan (2016) explained the cointegration of Indian stock market with the rest of the world stock market.

5. RESEARCH GAP

A significant number of studies on financial market integration related to the developed markets and developing markets have been undertaken. Only a few studies have examined the interdependence between Indian stock market and other emerging Asian stock markets. The present study will be a pioneering one about the assessment of interdependencies between Indian stock market and other emerging Asian stock markets.

6. OBJECTIVE OF THE STUDY

The main objectives of the present work are to make a study mainly the following issues:

1. To compare the annual returns of SENSEX (India), Shanghai Composite Index (China) and NIKKEI (Japan).
2. Comparison between Indian and Asian Stock Market.

7. RESEARCH METHODOLOGY

We have considered all information comprising the closing indexes of both BSE-SENSEX, SSE (China) and NIKKEI (Japan). The collection of sample period spans from 2010 to 2016. The study will be based exclusively on primary and secondary data obtained from various appropriate databases. Daily time series data in terms of stock market indices will be consider for the present study. A good number of emerging Asian stock markets will be considered with a good number of years. A good number of data and information will be represent through excellent histograms, pie-chart, line chart, bar-chart, 3-D cone chart, 3-D area chart, 3-D surface chart etc. using MS-Excel.

8. BOMBAY STOCK EXCHANGE AND ASIAN STOCK EXCHANGE

Stock exchange is the heart and midpoint which provides services for the exchange and trading of long-term financial claims. It is the market where dealings are made in long term securities such as stocks and bonds. The investors of this market includes a different financial institutions, mutual funds, agents, brokers, dealers and other borrowers and lenders of long term debt and equity capital. The primary market or otherwise called as new issue market is one in which enduring capital is elevated by commercial in a straight line from the public. The secondary market or popularly known as the stock market consigns to the market where these long-term financial instruments which are already concerned in the primary market are operated. The original surfacing of world stock markets can be sketched rear in excess of hundreds of years to when industrialization and modernization took hold close in Europe.

The rapid economic growth in the past one hundred years confered go up to the volatile maturity of stock markets. At the same time the enhancement of stock markets has played an important role in promoting the growth of the world. The annual returns by India's benchmark stock market index, Sensex during the years 2010, 2011, 2012, 2013 and 2014 were 17.43%, (24.64%), 25.70%, 8.98%, and 29.89%, respectively. The markets are down by 1.53% year-to-date in 2015.

Table-3 BSE-SENSEX Index (India) Yearly Returns

Year	Beginning Price	Ending Price	Gain or Loss	Percent Gain or Loss
2001	3972.12	3262.33	**-709.79**	**-17.87%**
2002	3262.33	3377.28	114.95	3.52%
2003	3377.28	5838.96	2461.68	72.89%
2004	5838.96	6602.69	763.73	13.08%
2005	6602.69	9397.93	2795.24	42.33%
2006	9397.93	13786.91	4388.98	46.70%
2007	13786.91	20286.99	6500.08	47.15%
2008	20286.99	9647.31	**-10639.68**	**-52.45%**
2009	9647.31	17464.81	7817.50	81.03%
2010	17464.81	20509.09	3044.28	17.43%
2011	20509.09	15454.92	**-5054.17**	**-24.64%**
2012	15454.92	19426.71	3971.79	25.70%
2013	19426.71	21170.68	1743.97	8.98%
2014	21170.68	27499.42	6328.74	29.89%
2015	27499.42	26160.90	**-1338.52**	**-4.87%**

Source: http://www.1stock1.com

On the other hand, Asian stock exchanges has very much related with Indian economy as well as Indian stock market. In this all stock exchanges, only two countries exchange has selected for this research work, i.e., China (Shanghai Composite Index) and Japan (Nikkei 225). China is now a powerful force in the global economic order. China's rise is so far a different point in the restrictions of Asia's enormous economy.

Table-4 Shanghai Composite Index (China) Yearly Returns

Year	Beginning Price	Ending Price	Gain or Loss	Percent Gain or Loss
2001	2073.48	1645.97	**-427.51**	**-20.62%**
2002	1645.97	1357.65	**-288.32**	**-17.52%**
2003	1357.65	1497.04	139.39	10.27%
2004	1497.04	1266.50	**-230.54**	**-15.40%**
2005	1266.50	1161.06	**-105.44**	**-8.33%**
2006	1161.06	2675.47	1514.41	130.43%
2007	2675.47	5261.56	2586.09	96.66%
2008	5261.56	1820.81	**-3440.75**	**-65.39%**
2009	1820.81	3277.14	1456.33	79.98%
2010	3277.14	2808.08	**-469.06**	**-14.31%**
2011	2808.08	2199.42	**-608.66**	**-20.30%**
2012	2199.42	2269.13	69.71	3.17%
2013	2269.13	2115.98	**-153.15**	**-6.75%**
2014	2115.98	3234.68	1118.70	52.87%
2015	3234.68	3539.18	304.50	9.41%

Source: http://www.1stock1.com

In addition to China and its neighbour, India, Asia also has a former powerhouse in Japan, an increasingly affluent South Korea, and the fast-growing Association of South East Asian Nations (ASEAN). In contrast, Japan's share knock down roughly throughout this phase. For companies in the West, Asia has provided as a manufacturing works. First, it was Japan. Then has came countries like Singapore, Taiwan and South Korea.

Table-5 NIKKEI 225 Index (Japan) Yearly Returns

Year	Beginning Price	Ending Price	Gain or Loss	Percent Gain or Loss
2001	13786	10543	**-3243**	**-23.52%**
2002	10543	8579	**-1964**	**-18.63%**
2003	8579	10677	2098	24.46%
2004	10677	11489	812	7.61%
2005	11489	16111	4622	40.23%
2006	16111	17226	1115	6.92%
2007	17226	15308	**-1918**	**-11.13%**
2008	15308	8860	**-6448**	**-42.12%**
2009	8860	10546	1686	19.03%
2010	10546	10229	**-317**	**-3.01%**
2011	10229	8455	**-1774**	**-17.34%**
2012	8455	10395	1940	22.95%
2013	10395	16291	5896	56.72%
2014	16291	17451	1160	7.12%
2015	17451	19034	1583	9.07%

Source: http://www.1stock1.com

The Chinese stock markets represented by Shanghai Composite Index posted solid returns of 79.98% in 2009; however, the markets remained in the red during 2010 and 2011, falling 14.315 and 20.30%, respectively. There was some recovery in 2012 at 3.17% with yet another drop of 6.75% in 2013. The markets delivered impressive 52.87% returns in 2014. The index is 1.6% year-to-date in 2015.

On the other hand, Nikkei 225 is within a falling trend and continued decline within the current trend is indicated. On reactions back, there is resistance against the ceiling of the trend channel. The index has marginally broken up through the resistance at points 17000. An established break predicts a further rise. The index is assessed as technically slightly negative for the medium long term.

9. COMPARISON BETWEEN INDIAN AND ASIAN STOCK MARKET

Since 1970s China has motivated from a bunged, centrally designed structure to an extra one of the market-familiarized economy which acts a foremost comprehensive position. In the year 2010, China was converted into the world's biggest exporter. Now-a-days, China has changed its holdings for state-owned activities in areas measured a significant to "economic security," clearly looking to promote internationally competitive industries. A number of reasons are converging to deliberate China's development as well as debt projection on or after its credit-fueled motivation program, industrial overcapacity, uneconomical distribution of capital by state-owned banks, and the slow renaissance of China's trading partners.

Table-6 Percentage Change in Selected Asian Countries Indices

Country	Indicators	Full Name	Time Up to	Close Point	Changes	(%) Changes
INDIA	SENSEX	S&P BSE Sensex	20 Oct 2016	28,129.84	**+145.47**	+0.52%
JAPAN	NIKKEI	Nikkei Stock Average 225	7 Oct 2016	16,860.09	-39.01	-0.23%
CHINA	SSE	Shanghai Composite Index	20 Oct 2016	3,084.76	+0.04	--%

Source: http://in.reuters.com/finance/markets/asia

India is just beginning into an open-market economy. Economic liberalization process as well as industrial deregulation, privatization of state-owned enterprises along with condensed controls on international investment and commenced in 1990s and provided to increase speed in terms of country's growth and development which standard in 7% per year from 1997 to 2011. India's economic growth and development began dawdling in 2011 for the reason that turn down in investment, caused through better interest rates, growing inflation and investors doubt regarding the government's promise to additional economic reforms and on the global condition. In 2012, the Indian Government declared further reforms and insufficient reduction measures,

including allowing higher levels of foreign participation in direct investment in the economy. In 2013, India's economic leaders resisted to recover the country's wide economic, financial and current account deficits. However, investors' awarenesses of India enhanced in early 2014, due to a decline of the current account deficit and opportunities of post-election economic reform. Japan in 2013 rised at the same time as the fourth-leading economy in the world subsequent to China which outshined Japan in 2001 and third-place India, which edged out Japan in 2012.. To help raise government returns and trim down the public debt, Japan resoluted in 2013 to step by step increase the consumption tax to a total of 10% by the year 2015.

STUDY FINDINGS AND CONCLUSION

This theoretical research work observed the relationship between Indian stock markets and selected emerging Asian countries stock market and moreover to converse the consciousness whether Indian stock market is more capable than the other emerging Asian countries stock markets as is usually believed. The investors can obtain the benefits during short-run slightly than in the long-run. It demonstrates that there are sufficient opportunities for the investors to become wider the horizons of their investments not merely in Indian equity markets and also to the selected emerging countries stock markets to gather the benefits of such diversification by the way of risk reduction.

LIMITATIONS

Some limitations are there in this study. The study will be based exclusively on secondary data obtained from various appropriate databases mainly theoretical. The Primary and secondary data is not considered statistically in this study. Only daily time series data in terms of stock market indices will be consider for the present study. There are no weekly, monthly and yearly data of the mentioned. This study includes the meaning; study needs, various important literature review, objectives, research questions, variables have adopted, and samples chosen as targets to study.

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