



“The Effect of Inflation in Stock Market Returns”

1. Harsh Garg, 2. Sankara Narayanan Murugaraj, 3. Dr Rajkumar

1. Research Scholar, Xavier Institute of Management and Entrepreneurship, Bengaluru, Recognized Research center, University of Mysore. Mail ID: harsh26blr@xime.org

2. Research Scholar, Xavier Institute of Management and Entrepreneurship, Bengaluru, Recognized Research center, University of Mysore. E-Mail ID: sankaranarayanan26blr@xime.org

3. Research Supervisor, Assistant Professor, Xavier Institute of Management and Entrepreneurship, Bengaluru, Recognized Research center, University of Mysore. E-Mail ID: rajkumar@xime.org

ABSTRACT

Purpose – The main aim of the research paper is to investigate the effect of inflation data and other macroeconomics data over stock market returns. What is their implication to what extent they effect the stock market return capacity and how it changes the scenario of the stock market movement and particular return from the different sectors as with respect to other factors remaining constant.

Methodology – The descriptive study focuses on secondary data collected from different sources and the data is taken from the trusted sources like NSE & BSE official site so that with genuine data genuine results could be interpret. The method used In getting out the result is regression and time series done in Microsoft Excel 2019.

Findings – There is no relation between the inflation and macroeconomic variable to the stock market returns. As with the help of multiple test applied over the data everything showed the same result that the effect of this things over returns is at the negligible side and much can't be relied over this factors for investment in stock market.

Research limitations- The research is limited to limited years of data and other major macro-economic factors that effected the market time to time and comparison of developing with developed countries as there data is different there growth rate is different.

Originality/value – This research paper gives insight about the movement of the stock market and what factors influence the returns other than inflation data and macroeconomic data or the country.

Keywords – Stock market returns, inflation, macroeconomic data are the main keywords used in the paper.

1.INTRODUCTION

The primary focus of the research was to find the relation between share prices and inflation. The research begins by examining the role and operation of a stock market and focuses on the stock market of different country. Generally inflation is a boost in the volume of currency in the economy that causes the increase in prices of the goods and services. From the consumer's perspective, a low inflation is always better than high

inflation, because their spending on necessities is not surging as fast as their incomes. On the other hand, high inflation introduces uncertainty in the mind of the people about their safety in the jobs. Depending on the depth of inflation, the economists have classified inflation into differing types, namely. (i) **Creeping Inflation** (weak) (ii) **Galloping Inflation** (faster than creeping inflation) (iii) **Hyperinflation** (a very high rate of inflation) (iv) **stagflation** (inflation and recession occur together) and (v) **deflation is the reverse of inflation** (decline within the general price level). The major threat from inflation is that it erodes the purchasing power of currency. It discourages investment, reduces the worth of savings, high inflation results in fall in real wages. Apart from it inflation has a regressive effect on lower-income strata and senior citizens of the society. Real interest rate on bank deposits may be negative. Higher borrowing cost for business and industry borrowers. An economy with high inflation rate, makes it exports less competitive in global markets, reduces the exports, less job or no job creation, increase the business uncertainty and adverse effect on balance of payment.

Generally, on the basis of the target population, the inflation indices are generated to record the price level changes for example, end users, manufactures, wholesalers, retailers etc. These indices may be CPI (Consumer Price Index), (PPI) Producer Price Index, (WPI) Wholesale Price index etc. However, in India inflation is measured over two major indices, WPI and CPI. Most of the developing nations use CPI as the measure to understand the levels of inflation. According to PIMCO, if economic growth stimulate very rapidly, demand grows even faster and service providers and manufactures rises prices continually. This is called hyperinflation, this phenomenon occurs when consumers spending exceeds the assembly of products and services. This results in the decline in the purchasing power of the currency. On the other hand, when economic activity begins to slow, demand decreases and the supply of goods and services exceeds the demand. At this time, the inflation rate falls. This phenomenon is called disinflation. The extended weak demand can cause deflation or recession or maybe trade depression. In the words of Schofman and Schweitzer (2000) increasing inflation is one among the main concern for investors because it decreases the important return on their investments.

History has demonstrated numerous times that prime inflation can affect the economy in numerous ways: for instance high inflation creates uncertainty and high level of volatility available market. It may slow down all the economic activities in the economy. Therefore, investigating the impact of inflation on stock market performance has implications for market participants and policy makers. The remainder of this paper is organized as follows. Section two discusses a review of previous empirical papers from the proposed title. Section three deals with the research methodology employed for the study. In section Four the empirical results are discussed and in the closing section discussion and conclusion have been drawn and the empirical findings are compared with the available evidence.

2.LITERATURE REVIEW -

2.1 Stock market and macroeconomics variables (Gopinathan& Raja SethuDurai, 2019) - This study includes the monthly data from April 1994-2018 the tool used is the alternating conditions expectations and algorithm of J Am Stat Association 80:580–598, 1985. And it found out a strong relation between the two variables and nonlinearity between them in the long run.

2.2 The associations between stock prices, inflation rates interest rates (Yasmeen Saeed &Rasha Hammam, 2018) - This paper aims to examine the effect of both inflation rate and interest rate on stock prices using quarterly data on non-financial firms listed in “DJIA30 and NASDAQ100” for the period 1999-2016. The stock duration model is used to measure the sensitivity in variations in inflation rates and interest rates on stock price.

- 2.3 The impact of inflation rate on stock market returns** (Donald A. Otieno¹ & Rose W. Ngugi¹) - This paper aims to examine the relation between the two variables. The study used monthly data from 1st January 1993 to 31st December 2015. ARFIMA based study is conducted and the result is taken from the same research. That in the short run the relation is negative but in the long run it has a direct implication between the two variables.
- 2.4 The associations between stock prices, inflation rates interest rates are still persistent** (Tarek Eldomiatty & Yasmeen saeed) - This paper aims at finding the relationship between the two DJIA30 AND NASDAQ100” from the period 1999-2016. In this paper the writer has considered all the nonfinancial firms listed in the time and find the relation between the other variables.
- 2.5 The Relationship Between Stock Market Returns and Rates of Inflation** (Vanita Tripathi & arnavkumar) - This paper aims in finding out relationship between inflation and the stock market returns. In this hypothesis the fisher effect is used by the writer and tried to find out the relation between the two. And stated that publically available information will help in earning huge stock market returns.
- 2.6 The relationship between the stock and market and inflation evidence from Malaysia, china and us** (Caroline Geetha Rosle Mohidin Vivin Vincent Chandran Victoria Chong) - This paper aims to examine the effect of both inflation rate and interest rate on stock prices. Inflation is distinguished between expected and unexpected inflation. The study revealed that there is long term relation between expected and unexpected inflation with stock market returns and there is no short term relation between the two. Evidence from Malaysia and china and there is a relationship in us.
- 2.7 Inflation Rate and Stock Returns: Evidence from the Nigerian Stock Market, International Journal of Business and Social Science** (Dr Ahmed Uwubanmwun & Igbinovia L. Eghosa) - This investigation analysed the effect of swelling rate on stock returns in the Nigerian Stock Market. It additionally endeavoured to decide if expansion rate had any impact on stock returns in Nigerian financial exchange and to find out regardless of whether stock costs adequately anticipate stock returns in the Nigerian securities exchange.
- 2.8 Stock Returns, Housing Returns and Inflation: Is There an Inflation Illusion** (Jaeuk Khil & Bong-Soo Lee) This paper aims to examine the observational connection in common and the legitimacy of the expansion dream theory in specific utilizing information from the US, UK and Korea. They also found that the negative connection is especially solid in subsidence periods, indicating that the connection is touchy to trade cycles.
- 2.9 Stock Prices and Inflation: Relationship Revisited** (Sangeeta Chakravarty and Arup Mitra) : This paper aims to examine the nature of relation between swelling and stock cost development. The analytical writing notices the plausibility of both a negative and a positive relation. They also utilized the VAR framework based on month to month information for discount cost record, trade rate, and stock cost.
- 2.10 Inflation and infrastructure sector returns in emerging markets** (Rabson Magweva & Mabutho Sibanda) - This paper evaluated the economic or financial intrinsic infrastructure investment features to determine if institutional investors (in their explore for new investment avenues), can derive value from the identical in emerging markets where the infrastructure gap is high and therefore the infrastructure market still developing. Academic studies on infrastructure investments in emerging and developed markets are scant.

2.11 An Analytical Study of the Effect of Inflation on Stock Market Returns (Dr. S. Sathyanarayan, Prof. Sudhindra Gargesa) - The paper aims in providing a relation between inflation and stock market and In this is author has taken the monthly data from 2000-2017 in the selected index. In the first phase the unit root distribution is used and in the second phase the pearson correlation coefficient data collection technique is used. It helps in getting knowledge for the investors and the traders to get the understanding of the market.

2.12 A Study of the Effect of Inflation and Exchange Rate on Stock Market Returns in Ghana (Marianna A. Shubov) - The study aims in providing the knowledge about the effect of inflation and stock market returns. The data is taken from January 2000- 2013 and the tools used in the study is ARDL and its corresponding error correction model is sued to establish the short term and long term relation between the two. And find out there is no relation in short term but in the long term there is relation between the two and investors can take advantage from the study.

2.13 The effect of inflation on stock market returns at the Nairobi securities exchange - This study shows that the theoretical finding has found mixed finding between the two inflation and stock market returns. The independent variable is find out by finding the consumer price index and the dependent variable was stock market returns using share index. The study was analysed by augmented dickey fuller model and the regression analysis. And it found the positive relation between the stock market returns and inflation and negative relationship between the interest and stock market returns.

2.14 Relationship between Inflation and Stock Prices in Thailand - The thesis helps in understanding the relation between inflation and stock market returns. The observation period is between 2000 to march 2010. Statistic method like vector auto regression model is used to stimulate the result in the stock market of Thailand and it shows that there is no relation between the two variables and and stock market movement is irrelevant to inflation and the it is done mainly to focus investors.

3.Methodology-

The approach used in the study is self explanatory and descriptive analysis. Even the policy makers can also take the current findings has a clue to frame prudent monetary policies to regulate the inflationary trends in the economy. It is suggested to the policy makers to have a contractionary policy to reduce the supply of money by offering low interest rate on t bills, increasing the interest rates (bank rate policy) and increasing the cash reserve ratios which in turn reduces the lending capacity of the banks. In the process, it freezes the further acceleration in prices to the extent it is created by banks credit to the public. From the above policy, one can effectively control the inflation. For any economy this is vital because, reducing spending is during inflationary trends regulates the rate of inflation.

3.1 Research Objective:

The objective of the research is to find out the relation between the stock market returns and other macroeconomics data as mainly the inflation and get to know about the complete working of the economy as a whole. The complete functioning of the all the factors and get to know about the interdependency of the of the factors on each other. And what is the relation of the inflation data and the stock market as a whole as what is the effect of the this data on the economy.

3.2 Data Collection :

As the current study was analytical, quantitative and historical in nature, the data collected for the study purpose was chiefly from secondary sources. For the current empirical study the data was collected from various data bases such as capital line, yahoo finance and other web sources.

3.3 Hypothesis of the Study :

H0: there is no significant relationship between independent variable (Inflation) and stock returns. H1: there is a significant relationship between independent variable (Inflation) and stock returns.

Year	Quarter	Sensex Points	Forecast	Absolute forecast error	Square forecast error	Absolute value of percentage error
1990	q1	1123.57				
1990	q2	1270.79				
1990	q3	1403.31				
1990	q4	1566.19				
1991	q1	1771.31				
1991	q2	1857.04				
1991	q3	1892.81				
1991	q4	1900.67				
1992	q1	2038.23	1598.21	440.02	193620.90	0.22
1992	q2	2409.69	1712.54	697.15	486014.06	0.29
1992	q3	3201.74	1854.91	1346.83	1813962.27	0.42
1992	q4	3730.13	2079.71	1650.42	2723897.18	0.44
1993	q1	3726.27	2350.20	1376.06	1893551.44	0.37
1993	q2	3324.78	2594.57	730.21	533203.60	0.22
1993	q3	2937.89	2778.04	159.85	25553.09	0.05
1993	q4	2946.41	2908.68	37.73	1423.90	0.01
1994	q1	3017.70	3039.39	21.69	470.46	0.01
1994	q2	3053.13	3161.83	108.70	11815.06	0.04
1994	q3	2881.95	3242.26	360.30	129818.79	0.13
1994	q4	2655.60	3202.28	546.68	298859.48	0.21
1995	q1	2604.75	3067.97	463.21	214567.36	0.18
1995	q2	2693.25	2927.78	234.53	55005.10	0.09
1995	q3	2581.63	2848.84	267.21	71399.40	0.10
1995	q4	2395.47	2804.30	408.84	167147.76	0.17
1996	q1	2198.52	2735.44	536.92	288278.61	0.24
1996	q2	2180.86	2633.04	452.18	204464.87	0.21
1996	q3	2249.50	2524.00	274.51	75354.37	0.12
1996	q4	2396.51	2444.95	48.43	2345.83	0.02
1997	q1	2557.21	2412.56	144.65	20924.35	0.06
1997	q2	2672.39	2406.62	265.77	70634.58	0.10
1997	q3	2872.17	2404.01	468.16	219175.74	0.16
1997	q4	3084.31	2440.33	643.98	414715.61	0.21
1998	q1	3524.69	2526.44	998.25	996506.39	0.28
1998	q2	3875.71	2692.21	1183.50	1400674.22	0.31
1998	q3	4020.02	2904.06	1115.96	1245355.56	0.28
1998	q4	3937.10	3125.38	811.72	658889.36	0.21
1999	q1	3784.82	3317.95	466.87	217964.87	0.12
1999	q2	3887.39	3471.40	415.99	173050.45	0.11
1999	q3	4035.79	3623.28	412.52	170171.03	0.10
1999	q4	4288.73	3768.73	520.00	270398.70	0.12
2000	q1	4353.49	3919.28	434.21	188535.79	0.10
2000	q2	4379.67	4022.88	356.79	127301.78	0.08
2000	q3	4225.01	4085.88	139.14	19359.36	0.03
2000	q4	4106.98	4111.50	4.52	20.43	0.00
2001	q1	3889.87	4132.74	242.86	58981.99	0.06
2001	q2	3655.64	4145.87	490.23	240326.27	0.13

2001	q3	3433.66	4116.90	683.24	466818.61	0.20
2001	q4	3271.90	4041.63	769.73	592480.42	0.24
2002	q1	3248.57	3914.53	665.95	443495.51	0.20
2002	q2	3244.04	3776.41	532.37	283421.81	0.16
2002	q3	3328.60	3634.46	305.86	93548.05	0.09
2002	q4	3327.03	3522.41	195.38	38172.69	0.06
2003	q1	3408.98	3424.91	15.93	253.91	0.00
2003	q2	3421.15	3364.80	56.34	3174.62	0.02
2003	q3	3303.66	3335.49	31.83	1013.47	0.01
2003	q4	3176.08	3319.24	143.16	20494.31	0.05
2004	q1	3012.21	3307.26	295.06	87058.93	0.10
2004	q2	3144.77	3277.72	132.95	17674.37	0.04
2004	q3	3230.15	3265.31	35.16	1236.46	0.01
2004	q4	3528.44	3253.00	275.44	75865.59	0.08
2005	q1	3639.43	3278.18	361.25	130504.57	0.10
2005	q2	3788.07	3306.99	481.08	231441.98	0.13
2005	q3	3691.48	3352.85	338.63	114667.17	0.09
2005	q4	3621.36	3401.33	220.03	48412.28	0.06
2006	q1	3430.34	3456.99	26.64	709.93	0.01
2006	q2	3305.96	3509.26	203.30	41330.21	0.06
2006	q3	3097.92	3529.40	431.48	186177.51	0.14
2006	q4	3046.49	3512.87	466.38	217511.47	0.15
2007	q1	3119.39	3452.63	333.24	111049.73	0.11
2007	q2	3373.19	3387.63	14.43	208.30	0.00
2007	q3	3465.09	3335.77	129.32	16724.63	0.04
2007	q4	3617.97	3307.47	310.50	96411.54	0.09
2008	q1	3652.37	3307.04	345.32	119247.34	0.09
2008	q2	3950.77	3334.80	615.97	379418.01	0.16
2008	q3	4105.65	3415.40	690.25	476446.79	0.17
2008	q4	4145.98	3541.37	604.61	365555.27	0.15
2009	q1	4027.96	3678.80	349.16	121910.09	0.09
2009	q2	3860.45	3792.37	68.08	4634.72	0.02
2009	q3	3755.19	3853.28	98.09	9621.98	0.03
2009	q4	3674.17	3889.54	215.37	46384.42	0.06
2010	q1	3481.21	3896.57	415.36	172520.12	0.12
2010	q2	3501.85	3875.17	373.32	139365.96	0.11
2010	q3	3579.78	3819.06	239.28	57254.92	0.07
2010	q4	3840.59	3753.32	87.27	7616.20	0.02
2011	q1	3861.98	3715.15	146.83	21560.15	0.04
2011	q2	3647.96	3694.40	46.44	2156.63	0.01
2011	q3	3382.80	3667.84	285.05	81250.89	0.08
2011	q4	3131.95	3621.29	489.34	239456.90	0.16
2012	q1	3082.48	3553.52	471.03	221871.62	0.15
2012	q2	2949.54	3503.68	554.13	307061.90	0.19
2012	q3	2908.48	3434.64	526.16	276840.40	0.18
2012	q4	2892.85	3350.72	457.87	209645.70	0.16
2013	q1	3060.55	3232.26	171.71	29484.32	0.06
2013	q2	3256.87	3132.08	124.79	15573.27	0.04
2013	q3	3485.05	3083.19	401.86	161493.80	0.12
2013	q4	3488.43	3095.97	392.45	154020.27	0.11
2014	q1	3676.40	3140.53	535.87	287158.00	0.15
2014	q2	3809.99	3214.77	595.22	354288.34	0.16
2014	q3	4215.54	3322.33	893.22	797833.04	0.21
2014	q4	4527.09	3485.71	1041.38	1084476.64	0.23
2015	q1	4734.99	3689.99	1045.00	1092022.39	0.22
2015	q2	4702.40	3899.30	803.10	644969.61	0.17
2015	q3	4610.40	4079.99	530.41	281333.88	0.12
2015	q4	4690.86	4220.66	470.21	221095.48	0.10
2016	q1	4944.44	4370.96	573.48	328879.31	0.12
2016	q2	5219.36	4529.46	689.90	475960.29	0.13
2016	q3	5217.85	4705.64	512.21	262363.35	0.10
2016	q4	5035.27	4830.92	204.35	41757.22	0.04
2017	q1	4697.48	4894.45	196.97	38795.70	0.04
2017	q2	4613.31	4889.76	276.45	76423.22	0.06
2017	q3	4487.41	4878.62	391.21	153043.96	0.09

2017	q4	4501.98	4863.25	361.27	130515.11	0.08
2018	q1	4282.52	4839.64	557.12	310384.55	0.13
2018	q2	4092.90	4756.90	663.99	440888.81	0.16
2018	q3	3933.13	4616.09	682.96	466434.93	0.17
2018	q4	3893.71	4455.50	561.79	315608.47	0.14
2019	q1	4098.94	4312.81	213.86	45736.99	0.05
2019	q2	4181.96	4237.99	56.03	3139.17	0.01
2019	q3	4059.38	4184.07	124.69	15547.49	0.03
2019	q4	3790.19	4130.57	340.37	115853.16	0.09
2020	q1	3585.15	4041.59	456.44	208339.38	0.13
2020	q2	3535.95	3954.42	418.47	175118.19	0.12
2020	q3	3472.66	3884.80	412.15	169863.84	0.12
2020	q4	3343.67	3827.24	483.57	233842.77	0.14

Time frame	30
Average of 30 years	9021.742251
MSE	270652.2675
MAPE	12%

4.Result

Regression for the following data

Multiple R	0.988395587
R Square	0.976925836
Adjusted R Square	0.976094334
Standard Error	0.013148596
Observations	116

The model summary shows the R-square (Coefficient of determination) value = 0.976 which indicates that the model is having medium effect on dependent variable. As per *Hair (2012)* recommendations the R-square value ranging from 0.25-0.49 is considered as weak, 0.50-0.74 is considered as medium and > 0.75 is considered as strong effect on dependent variable.

ANOVA

	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	4	0.812488804	0.203122	1174.893773	7.86291E-90
Residual	111	0.0191903	0.000173		
Total	115	0.831679104			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept	0.12536	0.00733	17.09381	0.00000	0.11083	0.13990	0.11083	0.13990
Q1	-0.00004	0.00000	-12.34748	0.00000	-0.00005	-0.00003	-0.00005	-0.00003
Q2	0.00000	0.00000	0.91465	0.36236	0.00000	0.00001	0.00000	0.00001
Q3	0.00031	0.00001	28.02346	0.00000	0.00028	0.00033	0.00028	0.00033
Q4	0.00000	0.00000	-2.23595	0.02735	0.00000	0.00000	0.00000	0.00000

5. Conclusion

The current paper entitled relationship between inflation and stock exchange evidence from selected global stock exchange s that are undertaken with an intention to seek out out the connection between the stock market returns and inflation and other macroeconomics data. the primary phase is discussed about the various year quarterly data and different inflation data. within the various developed and therefore the developing countries of the planet . So to seek out out if the relation is there or not or what's the difference between the info of developed countries and developing countries and the way both the various sorts of countries react to the present data.

History demonstrates that prime inflation affects the economy in numerous ways for instance , it erode the purchasing power of the currency. It discourages investment, reduces the worth of savings, high inflation results in fall in real wages of the people. It affects all the segments of the state . Our results are in line with the literature for instance , Zhao (1999); Bethlehem (1972); Bakshi and Chen (1996); Spyrou (2001); Rao and Bhole (1990) etc. Current study clearly throws light on the effect of inflation on the stock exchange returns therefore, it can help the market participants like traders, fund managers, financial market regulators and investors to form good portfolio decisions supported the knowledge about expected inflation within the economy. The study confirms that there's an inverse relationship between the stock exchange returns and inflation firms can cash in of this by making prior positions within the market Even the policy makers also can take the present findings also helps in framing prudent monetary policies to manage the inflationary trends within the economy. it's suggested to the policy makers to possess a contractionary policy to scale back the availability of cash by offering low rate of interest on t bills, increasing the rate of interest s (bank rate policy) and increasing the cash reserve ratios which successively reduces the lending capacity of the banks. within the process, it freezes the further acceleration in prices to the extent it's created by banks credit to the general public . From the above policy, one can effectively control the inflation. For any economy this is often vital because, reducing spending is during inflationary trends regulates the speed of inflation.

As for as economics cares , inflation is an outcome of mismatch in demand and provide sides meaning that failure of aggregate supply to match the escalation in aggregate demand. Therefore, inflation are often regulated by increasing the availability of necessary goods and services. Most of the time the monetary policy of the state alone, might not be effective in regulating inflation, for instance if it's thanks to cost-push factors. generally monetary policy can check the inflation thanks to demand-pull factors. The economists suggest that a nation are able to do higher growth by regulating the speed of inflation and raising public investment. to realize the expansion and maintain lower inflation, the state must control budget deficits. yet one more important measure to manage inflation is currency demonetisation especially higher denominations. this is often a really effective measure only there's myriad of black money within the economy. Monetary policy alone is insufficient of regulating inflation. It should, therefore, be strengthened by proactive economic policy . during this case inflation are often regulated by controlling the unnecessary government and public expenditure. this will be achieved through, effective taxing policy by providing incentive to those that save and penalising the evaders by imposing fines. within the background of the present empirical study, the statistical relationship between the speed of inflation and its impact on stock exchange counting on the nation's monetary and monetary policy, the methodology and therefore the refore the basket of commodities

and services used and the period of study among other factors. The findings of the study confirms the idea that inflation in an economy features a negative impact on the performance of stock exchange . Through, effective monetary and monetary policies the govt can check the speed of inflation and thus creating investors' confidence within the capital market. Further, there's an excellent got to identify factors like rate of growth , GDP, inflation, interest rate, oil shocks etc. that have significant effect on stock exchange performance. this may facilitate investors and capital market regulators to form rational decisions.

6. Limitations of the research and recommendation for the future studies

There is some limitations in this research as we wont be able to analyze the other major factors in the economy or in the world in the normal functioning of the markets as compared to the macroeconomics data. The research is limited to limited years of data and other major macro economic factors that effected the market time to time and comparison of developing with developed countries as there data is different there growth rate is different. Some others should also be considered in this as without that we wont be able to get the perfect result out of it. As other major factors like free fall of year 2008 , now covid all this things should be kept in mind while going for the analysis in the study. Sometimes economy internal factors also influence the stock market movement so we cant totally rely over this so all this factors are like hinderance to find a complete and good understanding for the same.

7.References

1. Stock market and macroeconomics variables- Gopinathan& Raja SethuDurai, 2019
2. The associations between stock prices, inflation rates interest rates- Yasmeen Saeed &Rasha Hammam, 2018
3. The impact of inflation rate on stock market returns- Donald A. Otieno¹ & Rose W. Ngugi¹
4. The associations between stock prices, inflation rates interest rates are still persistent-
5. The Relationship Between Stock Market Returns and Rates of Inflation- Vanita Tripathi & arnavkumar
6. The relationship between the stock and market and inflation evidence from Malaysia, china and US- Caroline Geetha Rosle Mohidin Vivin Vincent Chandran Victoria Chong
7. Inflation Rate and Stock Returns: Evidence from the Nigerian Stock Market, International Journal of Business and Social Science- Dr Ahmed Uwubanmwun&Igbinoia L. Eghosa
8. Stock Returns, Housing Returns and Inflation: Is There an Inflation Illusion- Jaeuk Khil & Bong-Soo Lee
9. Stock Prices and Inflation: Relationship Revisited- Gurmeet Singh & Lakshmi Padmakumari
10. Inflation and infrastructure sector returns in emerging markets- Rabson Magweva & Mabutho Sibanda
11. An Analytical Study of the Effect of Inflation on Stock Market Returns- Dr. S. Sathyanarayan , Prof. Sudhindra Gargesa
12. A Study of the Effect of Inflation and Exchange Rate on Stock Market Returns in Ghana- Marianna A. Shubov
13. The effect of inflation on stock market returns at the Nairobi securities exchange- GLADYS MOGIRE
14. Relationship between Inflation and Stock Prices in Thailand- Kullaporn Limpanithiwat Lalita Rungsombudpornkul.
15. The Relationship Between Stock Market Returns and Rates of Inflation- Michael Firth
16. Macroeconomic Variables and Stock Market Returns- Nurasyikin Jamaludin & Shahnaz Ismail
17. Dynamic interaction among stock returns, short-term interest rates, spread and expected inflation- M. Thenmozhi & S. Radha
18. Impact of Inflation on Stock market in India,- Motilal and oswal organization
19. The impact of inflation rate on stock market returns: evidence from Kenya.- Otieno, D.A., Ngugi, R.W. & Muriu
20. Stock Returns, Housing Returns and Inflation: Is There an Inflation Illusion- Jaeuk Khil & Bong-Soo Lee.