SENSEX AND GLOBAL INDICES

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ABSTRACT

Stock market indices are the barometers of the stock market. They mirror the stock market behaviour. The indices give a broad outline of the market movement and represent the market. The stock prices of Indian companies and the stock market indices have been driven not just by the macro and micro factors of the Indian economy. Events in other parts of the world have also increasingly started having an impact. The effect of globalization is becoming evident in the Indian capital markets. This paper aims to estimate the extent of association between the major world stock markets indices with the BSE Sensex which is the oldest Indian stock market index. The study restricts itself to the period between 1993 and 2012. The study shows that Sensex & Hang Seng has highest and significant association followed by Sensex & SSE Composite Index where as lowest association was recorded between Sensex & CAC40 among all the indices the study also reveals that Sensex has shown highest fluctuations and FTSE100 has exhibited lowest fluctuations among all the selected major world indices during the period under study.

KEY WORDS: Stock exchange; Sensex 30; Global Indices; DowJones; Hang Seng