

## MACROECONOMIC DETERMINANTS AFFECTING BSE BANKEX IN INDIA - AN EMPIRICAL ANALYSIS

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### **ABSTRACT**

*The intention of this paper is to study the impact of macroeconomic factors on BSE Banked. The study period covers ten years, from 2010 to 2019. For the purpose of the study, predominant macroeconomic factors have been selected based on the literature review. The sample macroeconomic factors, gross domestic products, exchange rate, inflation, interest rate, foreign direct investment and unemployment rate are chosen for the study. The data analysis was done using correlation and multiple regression analysis. The findings also reveal that the during the study period the unemployment rate shows the correlation with PE ratio of banking returns at 5 percent significant level. The interest rate and exchange rate reveal the positive correlation with exchange rate with 1 percent level of significant and employment rate correlated with exchange rate at one percent significant level. Macroeconomic indicators do not have significant impact on the stock prices of banks. It can be concluded that the macro economic factors do not influence the BSE Bankex. Therefore, the study concludes that to have better returns on the stock market and to retain the Indian investors and foreign investors, government and other policy makers are needed to make policies in complement to the macroeconomic variables. This will help to enable to overall growth of economy and bring trust among the investors across the globe.*

**KEYWORDS:** BSE Banked, Macroeconomic Factors, Correlation and Multiple Regression Analysis