

**Exchange Rate Fluctuation's Effect on the Nifty 50
and Sensex with Special Reference to the Dollars,
Euros, And British Pound**

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fulfilment of therequirements for the
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Declaration

This is to declare that the report titled “**Exchange Rate Fluctuation's Effect on The Nifty 50 And Sensex with Special Reference to The Dollars, Euros, And British Pound**” is prepared for the partial fulfilment of the Dissertation course in Semester IV of the Master of Business Administration by me under the guidance of **Dr. Momina Bushra**.

I confirm that this dissertation truly represents my work. This work is not a replication of work done previously by any other person. I also confirm that the contents of the report and the views contained therein have been discussed and deliberated with the faculty guide.

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Certificate

This is to certify that **Mr. T.D. TEESHMA** Regn. No. **2021MMBA07ASB137** has completed the dissertation titled **“Exchange Rate Fluctuation's Effect On The Nifty 50 And Sensex With Special Reference To The Dollars, Euros, And British Pound”** under my guidance for the partial fulfilment of the **Dissertation** course in Semester IV of the Master of Business Administration.

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Name of the Faculty Guide: Dr. Momina Bushra

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CHAPTER 1: INTRODUCTION

The NIFTY 50 and SENSEX indices, which measure foreign investment in the Indian stock market, have experienced recent surges, increasing their vulnerability to fluctuations in exchange rates. Numerous studies have indicated that changes in currency can have a significant impact on stock market performance. While existing literature has examined how foreign currency rates affect stock markets in various countries, there is a lack of comprehensive analysis regarding the influence of foreign exchange rates on the NIFTY 50 and SENSEX, particularly with regards to the Euro, USD, and British Pound. This research aims to address this gap by evaluating the effects of foreign exchange rates on the NIFTY 50 and SENSEX, with specific emphasis on the Euro, USD, and British Pound.

The analysis of the impact of the Euro, US Dollar, and British Pound on the NIFTY 50 in this research is motivated by several reasons. Firstly, the Euro, USD, and British Pound are among the most widely traded currencies globally and play significant roles in the international economy. Many companies included in the NIFTY 50 may have exposure to these currencies due to international trade, investments, or debt, making it essential to consider their influence when examining the effects of exchange rates on the index.

Access to data also supports the examination of how the Euro, USD, and British Pound affect the NIFTY 50, as a wide range of data is readily available. This data includes historical exchange rates, economic indicators, and financial reports from companies.

Previous studies have suggested similarities between the effects of the Euro, Dollar, and British Pound on stock market indices in other countries and the NIFTY 50. Consequently, it is possible to conduct a detailed analysis of the similarities and differences in how these currencies impact various stock markets.

Considering the financial standing of India, it is worth noting that the United States, United Kingdom, and European Union are the country's primary trading partners. As a result, changes in the exchange rates of the Euro, US Dollar, and British Pound can affect the companies comprising the NIFTY 50 as well as the Indian economy as a whole.

By conducting a thorough analysis of the impact of the Euro, USD, and British Pound on the NIFTY 50 and SENSEX indices, this research aims to provide valuable insights into the relationship between foreign exchange rates and the Indian stock market, helping investors, policymakers, and market participants make informed decisions in the face of currency fluctuations.

1.1 PROBLEM DEFINITION

1.2 OBJECTIVES OF THE RESEARCH

- To study the relationship between NIFTY 50 and SENSEX performance with foreign exchange rates.
- To study the interactions between the Dollar, Pound, and Euro exchange rates

THE STUDY'S HYPOTHESIS:

Ho1: Their no relationship between NIFTY 50 & USD

Ho2: Their no relationship between NIFTY 50 & EURO

Ho3: Their no relationship between NIFTY 50 & GBP

Ho4: Their no relationship between SENSEX & USD

Ho5: Their no relationship between SENSEX & EURO

Ho6: Their no relationship between SENSEX & GBP.

H11: The NIFTY 50 is significantly relationship to foreign exchange rates.

H12: The NIFTY 50 are significantly relationship with foreign exchange rates.

H13: The NIFTY 50 are significantly relationship with foreign exchange rates.

H14: The SENSEX are significant relationship with foreign exchange rates.

H15: The SENSEX are significant relationship with foreign exchange rates.

H16: The SENSEX are significant relationship with foreign exchange rates.

1.3 PROBLEM STATEMENT

Currency exchange rates are very important in the global financial market and have a big impact on how different countries' stock market's function. Foreign investors have become more prevalent in the Indian stock market, which is reflected in the NIFTY 50 AND SENSEX index. The impact of currency changes on the NIFTY 50 AND SENSEX is still unknown, although the Indian economy is vulnerable to them. Furthermore, the effects of several currencies, like the Euro, US Dollar, and British Pound, on the NIFTY 50 AND SENSEX have not been sufficiently covered in the literature yet. To inform investors and decision-makers, it is necessary to investigate how foreign currency rates, with an emphasis on these three currencies, affect the NIFTY 50 AND SENSEX.

CHAPTER 2: REVIEW OF LITERATURE

The relationship between exchange rates and the performance of stock markets worldwide is a critical factor that has been extensively studied at global and national levels. Numerous studies have been conducted to examine the impact of exchange rates on stock prices and market indices such as the Nifty 50 and Sensex in the Indian stock market.

While previous research has investigated the effects of USD and Euro exchange rates on the Indian stock market, there has been limited attention given to the effects of Pound exchange rates. It is essential for investors to consider exchange rate risk when making investment decisions as fluctuations in exchange rates can significantly influence the volatility of the Indian stock market.

Gaining a deeper understanding of the relationship between exchange rates and the Indian stock market enables investors to better assess and manage their risk exposure. Further research focusing on the effects of Pound exchange rates on the Indian stock market would contribute to a more comprehensive understanding of the factors influencing stock market performance in India.

Research studies conducted in the Indian market context have explored various aspects related to the relationship between stock markets, exchange rates, and other macroeconomic variables. Here is a summary of the key findings and contributions of each study:

Deepti Gulati, Monika Kakhan (2012): This study examines the interdependence and impact of stock market movements on the foreign exchange market, and vice versa, in India. The research provides insights into the dynamics between these two crucial financial markets in the Indian context.

N.S.Nataraja, Ganesh. L, and Sunil Kumar (2014): This study focuses on the dynamic linkages between CNX Bank Nifty (stock market index) and exchange rates in the Indian market. Understanding these linkages is crucial for investors, policymakers, and market participants to make informed decisions and manage risks.

Dr. Jay Desai, Nisarg A Joshi (2014): This study explores the application of artificial intelligence techniques in stock market forecasting, specifically for predicting the S&P CNX Nifty 50 index in the Indian market. The research highlights the effectiveness of artificial intelligence methods in capturing complex patterns and improving the accuracy of stock market predictions.

Mr. Rakesh D, Dr. J K Raju, Mr. Basava Gowda K G (2016): This study examines the impact of currency fluctuations on the Indian stock market. The findings emphasize the negative effect of adverse currency movements and exchange rate volatility on stock market performance in India.

Umanath Kumarasamy and P. Chellasamy (2017): This study investigates the relationship between the Indian stock market and foreign exchange rates. The findings indicate bidirectional or unidirectional causality, negative impact of currency depreciation on stock market performance, and the influence of exchange rate volatility on stock market volatility.

Mr. Jibumon K. G. (2018): This study focuses on the impact of exchange rate fluctuations on the NIFTY 50 index in the Indian market, considering the exchange rates of the US dollar, Euro, and British pound. The findings suggest a negative relationship between currency depreciation and stock market returns, as well as the influence of exchange rate volatility on stock market volatility.

G. S. Jayesh (2019): This study examines the impact of exchange rate movements on the Nifty and S&P Sensex indices in India. The findings indicate a negative

relationship between currency depreciation and stock market returns, bidirectional or unidirectional causality between exchange rates and stock market indices, and the influence of exchange rate volatility on stock market volatility.

Parul Bhatia (2019): This study focuses on the relationship between macroeconomic variables and the Nifty 50 index in India. The findings suggest that changes in GDP growth, inflation, interest rates, and other macroeconomic indicators can impact stock market performance.

Mahima Jejani and Tushar Jejani (2020): This study analyzes the impact of exchange rates, interest rates, and inflation on the Indian stock market. The research indicates a significant relationship between these macroeconomic variables and stock market performance in the Indian context.

Vijay Victor, Dibin K K, Meenu Bhaskar, and Farheen Naz (2021): This study investigates the dynamic interlinkages between exchange rates and the NSE NIFTY index in the Indian context. The findings suggest bidirectional causality, negative relationship between currency depreciation and stock market returns, and significant co-movements between exchange rates and stock market indices.

Lakshmanasamy T (2021): This study examines the relationship between exchange rate and stock market volatilities in India. The findings indicate a positive relationship and bidirectional causality between these variables, highlighting the impact of exchange rates on stock market volatility. It is important to acknowledge the contributions of these studies in enhancing our understanding of the relationship between exchange rates and the Indian stock market.

CHAPTER 3: RESEARCH METHODOLOGY

Research Design: This study employs a quantitative research design, which necessitates the collection of numerical data and statistical analysis to test hypotheses. With reference to a certain time, this study used secondary data sources.

Data collection: In addition to historical currency rates for the Euro, US dollar, and British pound, this study also used stock prices and financial reports for the Nifty Fifty and Sensex. To assess the parameters for determining the impact of the dollar, the pound, and the euro on the performance of the NIFTY 50 and SENSEX stock market indices for the period between 2018 and 2023, secondary data will be gathered from online sources including investing.com, the websites of the NSE and BSE, and other trustworthy online sources.

Data Analysis: This study will employ descriptive statistics, multiple regression analysis, correlation analysis, and the correlation test to examine the relationship between the Euro, US Dollar, and British Pound. The multiple regression test would be used to quantify the factors used to evaluate the impact of the dollar, the pound, and the euro on the NIFTY 50 and the SENSEX. By analysing share price changes between 2018 and 2023, we determine how the dollar, pound, and euro impact the NIFTY 50 and SENSEX.

3.1 ECONOMETRICS MODEL:

The model used the term "multiple linear regression model" refers. Examining the connections between numerous independent factors and a dependent variable is a typical task in statistical modelling, finance, and econometrics.

TO CALCULATE RETURNS ON NIFTY 50:

Based on the values of the independent variables (P_{usd} , P_{euro} , and P_{gbp}), as well as the corresponding Coefficients: β_1 , β_2 , β_3 , and intercept term (α), the framework enables to estimate or predict the values of the dependent variables ($R_{NIFTY 50}$ and R_{SENSEX}).

The connections between the USD, EUR, and GBP exchange rates and the Indian stock market indices ($R_{NIFTY 50}$ and R_{SENSEX}). It enables to measure the impact of each currency on the indexes and predict or evaluate how changes in currency values will affect the performance of the stock market.

All things considered, the multiple linear regression framework offers a statistical tool to investigate and model the interactions between several independent variables and one or more dependent variables, enabling prediction, analysis, and comprehension of these relationships.

$$R_{NIFTY 50} = \alpha + \beta_1 P_{usd} + \beta_2 P_{euro} + \beta_3 P_{gbp} + \epsilon$$

R_{NIFTY} is a dependent variable. The dependent variable, which you wish to forecast or explain, is represented by R_{NIFTY} . In this instance, it alludes to a measurement or

index associated with the NIFTY 50, an Indian stock market index. The goal of the equation is to determine $R_{\text{NIFTY 50}}$ value based on the independent variables.

Independent factors: P_{gbp} , P_{euro} , and P_{usd} . The independent variables are represented by P_{usd} , P_{euro} , and P_{gbp} . These factors are employed to forecast or provide an explanation for the value of the dependent variable ($R_{\text{NIFTY 50}}$). Each independent variable, denoted by the letters USD, EUR, and GBP, respectively, probably corresponds to the price or exchange rates of a certain currency. Coefficients: β_1 , β_2 , β_3 .

The coefficients for each independent variable are Coefficients: β_1 , β_2 , β_3 . The correlation between the independent and dependent variables is expressed in terms of these coefficients. If the other variables remain constant, they show how much the dependent variable ($R_{\text{NIFTY 50}}$) is anticipated to alter for a unit change in each independent variable. The intensity and direction of the link are indicated by the coefficients.

The random fluctuation or unaccounted-for portion of the model that cannot be explained by the independent variables is represented by the error term.

Term to intercept: The constant added to the equation as the intercept term is represented by the symbol. When all the independent variables (P_{usd} , P_{euro} , and P_{gbp}) are zero, it explains the value of $R_{\text{NIFTY 50}}$. The baseline value of $R_{\text{NIFTY 50}}$ that cannot be explained by the independent variables is captured by the intercept.

TO CALCULATE RETURNS ON SENSEX:

$$R_{\text{SENSEX}} = \alpha + \beta_1 P_{\text{usd}} + \beta_2 P_{\text{euro}} + \beta_3 P_{\text{gbp}} + \epsilon$$

R_{SENSEX} is a dependent variable. The dependent variable is represented by SENSEX, which most likely refers to an indicator or measure associated with SENSEX, the stock market index of the Bombay Stock Exchange (BSE) in India. Based on the independent variables, the equation seeks to determine the value of SENSEX.

Independent factors: P_{gbp} , P_{euro} , and P_{usd} . The independent variables are represented by P_{usd} , P_{euro} , and P_{gbp} . These factors are used to forecast or explain the value of the SENSEX, the dependent variable. Each independent variable, denoted by the letters USD, EUR, and GBP, respectively, probably corresponds to the price or exchange rate of a certain currency.

Coefficients: β_1 , β_2 , β_3 . The coefficients for each independent variable are β_1 , β_2 , β_3 . The correlation between the independent and dependent variables is expressed in terms of these coefficients. If the other variables remain constant, they show how much the dependent variable (SENSEX) is anticipated to alter for a unit change in each independent variable. The intensity and direction of the link are indicated by the coefficients.

Term to intercept: The constant added to the equation, stands for the intercept term. When all the independent variables (P_{usd} , P_{euro} , and P_{gbp}) are zero, it explains the value of SENSEX. The R_{SENSEX} baseline value that cannot be explained by the independent variables is captured by the intercept.

CHAPTER 4: RESULTS AND DISCUSSIONS

4.1 DIAGNOSTIC TEST:

ASSUMPTIONS:

1. The data used in the study are assumed to be stationary.
2. The study's data are considered to be linear.
3. There is no multicollinearity in the data that was used for the investigation.
4. The study's data are considered to be normal.

UNIT ROOT TEST:

VARIABLES	TEST	STATIONARITY	P-VALUES
USD	Augmented Dickey-Fuller test	Stationary at level at 1%	0.0000
EURO	Augmented Dickey-Fuller Test	Stationary at level at 1%	0.0000
GBP	Augmented Dickey-Fuller test	Stationary at level at 1%	0.0000

TABLE:4.1

It may be inferred from the information given that the data satisfies the criteria for performing a multiple regression analysis.

4.2 Multiple regression:

Multiple regression is a statistical analysis method that examines the relationship between a dependent variable and multiple independent factors. Unlike simple

linear regression, which considers only one independent variable, multiple regression incorporates multiple predictors simultaneously. By accounting for the effects of other variables, multiple regression aims to determine how changes in the independent variables correspond to changes in the dependent variable.

The interpretation provided for the multiple regression result focuses on the coefficients associated with each independent variable (USD Chg%, Euro Chg%, and GBP Chg%). These coefficients, while keeping other variables constant, indicate the estimated change in the dependent variable for a one-unit increase in the respective independent variable.

CALCULATION OF NIFTY 50 RETURNS

SUMMARY OUTPUT								
<i>Regression Statistics</i>								
Multiple R	0.592307552							
R Square	0.350828236							
Adjusted R Square	0.318369648							
Standard Error	0.044467114							
Observations	64							
<i>ANOVA</i>								
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>			
Regression	3	0.064116	0.021371884	10.80848724	8.95686E-06			
Residual	60	0.118639	0.001977324					
Total	63	0.182755						
	<i>Coefficients</i>	<i>Standard Err</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	0.015502266	0.00574	2.700515337	0.008984322	0.004019588	0.026984944	0.004019588	0.026984944
USD Chg%	-1.424015905	0.393428	-3.619508716	0.000607449	-2.210988982	-0.637042827	-2.210988982	-0.637042827
euro Chg%	-1.219261301	0.473898	-2.572836775	0.012578078	-2.167197738	-0.271324864	-2.167197738	-0.271324864
gbp Chg%	1.401088837	0.387877	3.61219732	0.000621669	0.625218999	2.176958676	0.625218999	2.176958676

TABLE:4.2.1

Statistics of Regression:

Multiple R: The correlation coefficient between the dependent variable and independent variables is 0.592, indicating a moderately positive linear relationship between the variables.

R-Square: The coefficient of determination is 0.351, suggesting that the independent variables account for approximately 35.1% of the variability in the dependent variable.

Adjusted R-Square: The adjusted R-squared is 0.318, considering the number of predictors in the model. It provides a more accurate measure of the model's goodness of fit and penalizes the inclusion of irrelevant variables.

Standard Error: The standard error of the regression is 0.044, representing the typical difference between observed values and the model's predicted values.

Observations: The regression analysis is based on 64 data points.

ANOVA: The ANOVA table breaks down the total variance in the dependent variable into variance explained by the regression model and unexplained variance.

The F-test ($F = 10.808$) and its corresponding p-value ($8.95686E-06$) indicate that the regression model is statistically significant. This suggests that at least one of the independent variables significantly affects the dependent variable.

The residual variation, also known as the error term, represents the unexplained variability in the dependent variable after accounting for the impact of the independent variables.

Coefficients: The coefficients table provides estimates of the regression coefficients, including their standard errors, t-statistics, and p-values. 0.0155 is the value of the intercept term. When all independent variables are zero, it represents the expected value of the dependent variable.

USD Chg.%: A one-unit rise in the USD Chg.% variable causes the dependent variable to fall by 1.424 units. (p 0.001) The coefficient is statistically significant.

Euro Chg.%: The dependent variable decreases by 1.219 when the Euro Chg.% variable increases by one unit. (p = 0.013) The coefficient is statistically significant.

GBP Chg.%: The dependent variable increases by 1.401 units for every unit rise in the GBP Chg.% variable. (p 0.001) The coefficient is statistically significant.

The dependent variable (which is not stated in the given output) is thought to be significantly impacted by changes in the USD Chg.%, Euro Chg.%, and GBP Chg.% variables, according to the model's interpretation of the regression results. The coefficients show the impact's magnitude and direction. The USD Chg.% and Euro Chg.% variables are negatively correlated, which means that as these variables rise, the dependent variable falls. The dependent variable, on the other hand, is positively correlated with the GBP Chg.% variable, indicating that rising GBP Chg.% is linked to rising the dependent variable. The statistical significance of the

coefficients indicates that these associations are not likely to have developed by chance.

TO CALCULATE SENSEX RETURNS:

SUMMARY OUTPUT								
<i>Regression Statistics</i>								
Multiple R	0.577912481							
R Square	0.333982836							
Adjusted R Square	0.300681978							
Standard Error	0.044976734							
Observations	64							
ANOVA								
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>			
Regression	3	0.060864746	0.020288249	10.02925613	1.88873E-05			
Residual	60	0.121374398	0.002022907					
Total	63	0.182239144						
	<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	0.016214713	0.005806274	2.792619417	0.007004919	0.004600436	0.02782899	0.004600436	0.02782899
USD Chg%	-1.348977406	0.397936874	-3.389928135	0.001241081	-2.14496967	-0.552985143	-2.14496967	-0.552985143
euro Chg%	-1.243626321	0.479328803	-2.594516153	0.011888024	-2.202426681	-0.284825961	-2.202426681	-0.284825961
gbp Chg%	1.389201733	0.392322466	3.540969108	0.00077785	0.604439958	2.173963507	0.604439958	2.173963507

TABLE:4.2.2

Statistics of Regression:

The correlation coefficient between the dependent variable and independent variables is 0.578, indicating a moderate positive linear relationship between the variables.

The coefficient of determination (R-squared) is 0.334, suggesting that the independent variables may explain approximately 33.4% of the variability in the dependent variable. Considering the number of predictors in the model, the adjusted R-squared is 0.301, which provides a more accurate measure of the model's goodness of fit.

The standard error of the regression is 0.045, representing the average difference between observed values and the predicted values of the model. The regression analysis is based on 64 data points.

The ANOVA table breaks down the total variance in the dependent variable into variance explained by the regression model and unexplained variance.

Based on the F-test ($F = 10.029$) and its corresponding p-value ($1.88873E-05$), the regression model is statistically significant. This indicates that at least one of the independent variables has a significant impact on the dependent variable.

The residual variation represents the unexplained variability in the dependent variable after accounting for the impact of the independent variables.

The coefficients table provides estimates of the regression coefficients, including their interpretation, standard errors, t-statistics, and p-values.

4.3 CORRELATION BETWEEN USD, EURO, AND GBP:

Covariance Analysis: Ordinary
 Date: 06/11/23 Time: 10:47
 Sample: 2018M02 2023M05
 Included observations: 64

Correlation t-Statistic Probability	USD_CHG_	EURO_CHG_	GBP_CHG_
USD_CHG_	1.000000		

EURO_CHG_	0.471192 4.206398 0.0001	1.000000 ----- -----	
GBP_CHG_	0.315180 2.615010 0.0112	0.785250 9.985915 0.0000	1.000000 ----- -----

TABLE:4.2.3

Correlation coefficient: 0.471192 for USD change and EUR change and 4.206398 T-statistic P-value = 0.0001 (0.01%). With a relatively low p-value of 0.0001, the correlation between USD change and Euro change is statistically significant and shows a significant association between these two variables.

Change in GBP and USD with Correlation factor: 0.31520 and 2.615010 T-statistic. 0.0112 (or 1.12%) as the P-value. With a p-value of 0.0112, below the usual significance level of 0.05 (5%), the connection between the change in the GBP and the change in the USD is statistically significant. For conversions between GBP and EUR: Coefficient of correlation: 0.785250, 9.985915 T-statistic and P-value = 0.0000 (0.00%).

With a p-value of 0.0000, the correlation between the change in the GBP and the change in the EUR shows that there is a significant association between these two variables.

CHAPTER 5: CONCLUSION

The relationship between currency rates and the NIFTY 50 index and the SENSEX index can be influenced by several specific factors in addition to those listed above. Due to the complexity and interdependence of the financial markets, it is necessary to think about a thorough analysis that takes into consideration a variety of economic, political, and market-specific aspects when analysing the relationship between exchange rates and stock market performance.

The USD, EUR, and GBP exchange rates have a big impact on the NIFTY 50 index. The NIFTY 50 index declines in response to an increase in the USD Chg.% and a rise in the Euro Chg.%. The NIFTY 50 index rises in response to an increase in the GBP Chg.%. Statistics show that these linkages are important.

The USD, EUR, and GBP currency rates have a big impact on the SENSEX index. The SENSEX index declines when the USD Change% increases. The SENSEX index declines in response to an increase in the Euro Chg.%. The SENSEX index rises in response to an increase in the GBP Chg.%.

The NIFTY 50 and SENSEX index's influencing elements fall in reaction to rising USD and EUR exchange rates. In response to an increase in the GBP Chg.%, the NIFTY 50 and SENSEX indexes increased. Economic aspects Exchange rate fluctuations can be a good indicator of a country's general economic health and a drop in the NIFTY 50 and SENSEX indices due to a rise in USD Chg.% An increase in the value of the US dollar may signal a stronger US economy, drawing international capital to the US market and away from other markets like India. The NIFTY 50 and SENSEX indexes may drop because of this. An increase in Euro Chg.% causes NIFTY 50 and SENSEX indexes to decline: A strengthening Euro might make European markets more appealing to investors, which would limit investments in India and could have a negative effect on the NIFTY 50 and SENSEX indexes. Increasing GBP Change% causes NIFTY 50 and SENSEX indexes to rise: A rise in the value of the pound can be a sign of optimism and more

money being invested in the UK economy. The NIFTY 50 and SENSEX indexes may rise because of this by luring international investors to the Indian market. The price of imports from India may increase if the USD or EUR strengthens, which may have an influence on Indian companies' export revenues and, in turn, the NIFTY 50 index. GBP Change %: The NIFTY 50 index and the export revenues of Indian companies might both benefit from a higher GBP since it could make Indian imports more affordable for British consumers. Capital flows into or out of emerging countries like India can be influenced by shifts in investor mood or risk appetite, which influence the NIFTY 50 index. GBP Change % Positive market sentiment towards the UK economy may inspire more investments in emerging markets like India and boost investor confidence, which will benefit the NIFTY 50 index.

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