

## MACRO ECONOMIC FACTORS AND STOCK RETURNS OF LARGE, MID CAP AND SMALL COMPANIES: EVIDENCE FROM INDIA

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**Received: 06 Sep 2020**

**Accepted: 09 Sep 2020**

**Published: 16 Sep 2020**

### **ABSTRACT**

*The core purpose of this study is to analyse the impact of macroeconomic factors and stock returns of big companies, mid cap companies and small companies listed in national stock exchange in India. 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 are employment rate, gross domestic products, exchange rate, inflation, interest rate and foreign direct investment chosen for the study. The data analysis was done using regression analysis. The findings also reveal that the macroeconomic indicators significantly affect the stock market performance. Therefore, the study concludes that the exchange rate had been significantly affect the all thee portfolios of big, mid cap and small companies in national stock exchange. The study suggested that the stock market 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:** *Macroeconomic Factors, National Stock Exchange, Portfolios, Big Companies, Mid Cap Companies, Small Companies and Multiple Regression Analysis*