Name of Scholar – **Aman Srivastava, amansri@hotmail.com, 09311002567**
Name of Supervisor – **Prof. Furqan Qamar**
Name of Co-Supervisor – **Prof. Khan Masood Ahmad**
Department – **Centre for Management Studies**

Title – **A Study of Impact of Macroeconomic Factors and Global Integration on Indian Stock Market**

In the economic environment of the information age, the performance of the stock market is considered as an important indicator of the health of a nation's economy. Typically, the performance of any stock market is reflected through stock market prices. When the stock Market tumbles, investors and others become nervous about the Weakness of the economy. When the stock market is strong and steady, everyone senses economic prosperity. It would not be over emphasizing to state that, now the stock market is shedding value, it is having a tremendous influence in shaping the overall economies of most developed nations around the globe. Investors come from various segments of the population having in common the capacity and willingness to invest in stocks. The success of investors depends on their knowledge and effectiveness in decision-making. Some are effective enough to make a profit from investing in the stock market, while others lose. There are many theories and schools of thought operating in the field of stock investment. An abundance of literature, training and analytical tools is available to assist investors in making their investment decisions. Investors need especially to understand the stock pricing mechanism. Despite the availability of assistance, the whole process seems to be very difficult for most investors. The study used the most up-to-date econometric like methods Johnson's Cointegration Analysis, VAR, ADF, PP, KPSS, CHOW break point test, for empirical data analysis. An intensive literature review was conducted to identify the most common macroeconomic factors affecting the stock markets. The empirical investigation conducted to ascertain the relationship between Indian stock market returns and the macroeconomic factors affecting the stock markets. The study also investigated the impact of global integration on Indian stock market under changing global environment.

The findings of this research are very important for policy makers, investors, and fund managers. Their policy formulation and decision making can be guided by the domestic macroeconomic and global integration factors highlighted in the research. The findings of the study recommend that the policy makers, investors, and fund managers should closely watch any sharp movement in the highlighted macroeconomic factors those are influential for Indian stock market i.e. inflation, industrial output, interest rates and exchange rate. The findings of the study recommend to policy makers that they need to be very careful when trying to manage the economy through changes in these suggested macroeconomic factors. While aiming to correct macroeconomic ills such as inflation by changing interest rate and controlling money supply, they may inadvertently depress the stock market, and curtail capital formation which itself would lead to further slowdown of the economy. The findings of the study also suggest that as the Indian stock market is more driven by domestic macroeconomic factors than external factors, the policy makers should focus more on the strengthening the domestic economic factors which creates domestic demand rather than focusing more on external factors.