

Is Indian Stock Market Highly Volatile? - A Comprehensive Study

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Abstract

According to Pandian, (2009) "Volatility in the stock return is an integral part of stock market with the alternating bull and bear phases. in the bullish market, the share prices soar high and in the bearish market share prices fall down and these ups and downs determine the return and volatility of the stock market ". High volatility means price of security fluctuates very frequently thus making the stock highly risky. This issue of volatility has become very important to investors, regulators, brokers, policy makers etc. Indian stock market has so far witnessed great degree of volatility due to enormous macro and micro reasons. In this paper an attempt has been made to find out the extent of volatility in Indian stock market with the help of data available with BSE (Bombay Stock Exchange) and NSE (National stock Exchange for a period of 5 years i.e. 2008-2013. Inter day volatility includes close to close and open to open volatility while intraday volatility includes high low volatility.