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5. **KEYWORDS**: Abstract must be followed by a list of keywords, subject to the maximum of five. These should be arranged in alphabetic order separated by commas and full stops at the end.

6. **MANUSCRIPT**: Manuscript must be in _**BRITISH ENGLISH**_ prepared on a standard A4 size _**PORTRAIT SETTING PAPER**_. It must be prepared on a single space and single column with 1" margin set for top, bottom, left and right. It should be typed in 8 point Calibri Font with page numbers at the bottom and centre of every page. It should be free from grammatical, spelling and punctuation errors and must be thoroughly edited.

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9. **MAIN TEXT**: The main text should follow the following sequence:

    INTRODUCTION

    REVIEW OF LITERATURE

    NEED/IMPORTANCE OF THE STUDY

    STATEMENT OF THE PROBLEM

    OBJECTIVES

    HYPOTHESES

    RESEARCH METHODOLOGY

    RESULTS & DISCUSSION

    FINDINGS

    RECOMMENDATIONS/SUGGESTIONS

    CONCLUSIONS

    SCOPE FOR FURTHER RESEARCH

    ACKNOWLEDGMENTS

    REFERENCES

    APPENDIX/ANNEXURE

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- Use (**ed.**) for one editor, and (**ed.s**) for multiple editors.
- When listing two or more works by one author, use --- (20xx), such as after Kohl (1997), use --- (2001), etc, in chronologically ascending order.
- Indicate (opening and closing) page numbers for articles in journals and for chapters in books.
- The title of books and journals should be in italics. Double quotation marks are used for titles of journal articles, book chapters, dissertations, reports, working papers, unpublished material, etc.
- For titles in a language other than English, provide an English translation in parentheses.
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BOOKS
- Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill, New Delhi.
- Hunker, H.L. and A.J. Wright (1963), "Factors of Industrial Location in Ohio" Ohio State University, Nigeria.

CONTRIBUTIONS TO BOOKS
- Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

JOURNAL AND OTHER ARTICLES
- Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

CONFERENCE PAPERS
- Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19–22 June.

UNPUBLISHED DISSERTATIONS AND THESES
- Kumar S. (2011): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, Kurukshetra University, Kurukshetra.

ONLINE RESOURCES
- Always indicate the date that the source was accessed, as online resources are frequently updated or removed.

WEBSITES
- Garg, Bhavet (2011): Towards a New Natural Gas Policy, Political Weekly, Viewed on January 01, 2012 http://epw.in/user/viewabstract.jsp

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SECTORAL PERFORMANCE AND INVESTMENT OPPORTUNITY IN INDIAN EQUITY MARKET: A CASE ANALYSIS OF SIX MAJOR SECTORS

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ABSTRACT

It is said "Remember God in good times and equities in bad times." Although, each investment alternative has its own strengths and weaknesses. The investment in traditional avenues, other than equity market, fetch a return of 7-10 percent. The returns on equity has been much more high. The Indian stock market is semi-efficient by nature and, is considered as one of the most respected stock markets. The information in this market is quickly and widely disseminated, it reflecting the nearest value of investment. The Indian stock market is full of investment opportunity especially in equities segment. However this needs a careful analysis. This paper is an attempts in the same direction. The analysis has been done for six selected sectors which are Banking, IT, Energy, Auto, Pharma and Metal. The selected sector performance has been analysed and compared using particular sector Index and Nifty. To analyse the performance of selected sectors, Regression and ANOVA has been used.

KEYWORDS

Nifty, CNX Bank Index, CNX Auto Index, CNX IT Index, CNX Energy Index, CNX Pharma Index and CNX Metal Index.

1- THE BACKGROUND

Savings form an important part of the economy of any nation. Banks are considered as the safest of all options available for investments, since banks have been the roots of the financial systems in India. However, in post globalisation era the Stock markets provide an option to invest in a high risk, high return game. While the potential return is much more than 10-11 percent any of the options can generally generate, the risk is undoubtedly of the highest order.

The financial system in most western countries has undergone a remarkable transformation. One feature of this development is disintermediation. A portion of the funds involved in saving and financing flows directly to the financial markets instead of being routed via banks' traditional lending and deposit operations. The general public's heightened interest in investing in the stock market, either directly or through mutual funds, has been an important component of this process. Statistics show that in recent decades shares have made up an increasingly large proportion of households' financial assets in many countries. The major part of this adjustment in financial portfolios has gone directly to shares.

The stock market is also one of the most important sources for companies to raise money. This allows businesses to go public, or raise additional capital for expansion. The liquidity that an exchange provides affords investors the ability to quickly and easily sell securities. This is an attractive feature of investing in stocks, compared to other less liquid investments such as real estate.

The purpose of a stock exchange is not only to facilitate the exchange of securities between buyers and sellers but providing a market place (virtual or real). The exchanges provide real-time trading information on the listed securities, facilitating price discovery. The years back, worldwide, buyers and sellers were individual investors, such as wealthy businessmen, with long family histories (and emotional ties) to particular corporations. Over time, markets have become more "institutionalized"; buyers and sellers are largely institutions (e.g., pension funds, insurance companies, mutual funds, hedge funds, investor groups, and banks). The rise of the institutional investor has brought with it some improvements in market operations.

Exchanges also act as the clearinghouse for each transaction, meaning that they collect and deliver the shares, and guarantee payment to the seller of a security. The smooth functioning of all these activities facilitates economic growth in that lower cost and enterprise risks promote the production of goods and services as well as employment. In this way the financial system contributes to increased prosperity.

TRADING IN INDIA

The trading on stock exchange in India used to take place through open outcry without use of information technology for immediate matching or recording of trades. This was time consuming and inefficient. This imposed limits on trading volumes and efficiency. In order to provide efficiency, liquidity and transparency, NSE introduced a nationwide online fully automated screen based trading system (SBTS) where a member can punch into the computer quantities of securities and the prices at which he likes to transact and the transaction is executed as soon as it finds matching sale or buy order from a counter party. SBTS electronically matches order on strict time/price priority and hence cuts down on time, cost and risk of error, as well as on fraud resulting in improved operational efficiency. It allows faster incorporation of price sensitive information into prevailing prices, thus increasing the information efficiency of markets. It enables market participants, irrespective of their geographical locations, to trade with one another simultaneously, improving the depth of liquidity market. It also provides a perfect audit trail, which helps to resolve disputes by logging in the trade execution process in entirety. Today India can boast that almost 100% trading take place through electronic order matching. Technology was used to carry the trading platform from the trading hall of stock exchanges to the premises of brokers. NSE carried the further platform further the PCs at the residence of Clients through the Internet for Users in geographically vast country like India.

2- LITERATURE REVIEW

Ignatius (1992) compared returns on the BSE Sensex with those on the NYSE S&P 500 Index and found no evidence of integration. *Mukherjee and Mishra (2006)* used intraday data from April to September 2004 to investigate the lead lag relationship between Nifty spot index and Nifty futures. They found that there was a strong bidirectional relationship among returns in the futures and the spot markets. The lead-lag analysis by *Thenmozhi (2002)* showed that the returns on futures lead the spot market returns. The study lent credence to the belief that the futures market tends to lead spot market and the index futures market serves as a primary market of price discovery. *Singh Saurabh (2013)* investigated the relative influence of the factors affecting NSE and thereby categorizing them. They found that dollar price or money exchange rate, IIP numbers and WPI values has a great influence on Nifty. *Maysami-Koh(2000),* examined the impacts of the interest rate and exchange rate on the stock returns and showed that the exchange rate and interest rate are the determinants in the stock prices. *Abhay Pethe and Ajit Karnik (2000)* has investigated the inter relationships between stock prices and important macroeconomic variables, viz., exchange rate of rupee vis - a -vis the dollar, prime lending rate, narrow money supply, and index of industrial production.

3- METHODOLOGY AND RESEARCH FRAMEWORK

The study has been conducted with an objective to analyse the investment opportunities in equity market. For this purpose six major sectors from the source list of S&P CNX NIFTY, on the basis of market capitalization and their weightage have been selected. These sectors are Bank, IT, Energy, Automobile, Pharmaceuticals and Metal.

The performance of particular Index on NSE representing these sectors i.e. CNX Bank Index, CNX IT Index, CNX Energy Index, Auto Index, CNX Pharma Index, and CNX Metal Index, for the period of one financial year (July 1, 2011 to June 29, 2012) has been compared vis a vis performance of CNX NIFTY for the same period. The data for daily return of particular sector Index and CNX Nifty has been sourced form data bank of NSE.

The daily return of particular index and Nifty , for the said period, has been analyse using Regression, Co-relation, and ANOVA to find out the degree of correlation between sector index and nifty.

4- NIFTY

S&P CNX Nifty is a well-diversified 50 stock index accounting for 23 sectors of the economy. It is used for a variety of purposes such as benchmarking fund portfolios, index based derivatives, structured products, ETFs and index funds. S&P CNX Nifty stocks represent about 66.96% of the total free float market capitalization of the universe of the stocks traded on NSE. S&P CNX Nifty is computed using free float market capitalization method, wherein the level of the index reflects the total free float market value of all the stocks in the index relative to a particular base market capitalization value. The method also takes into account constituent changes in the index and importantly corporate actions such as stock splits, rights, new issue of shares etc. without affecting the index value. The base period selected for S&P CNX Nifty index is the close of prices on November 3, 1995, which marks the completion of one year of operations. The value of the index has been set at 1000 and a base capital of Rs.2.06 trillion.

TABLE 1: THE SECTOR BRAKE UP AND MARKET CAPITALIZATION WITH WEIGHTAGE FOR NIFTY

Sr. No.	Industry	Mkt. Cap. Rs. Cr	Weight (%)
1.	Banks	334035	20.26
2.	Computers – Software	218635	13.26
3.	Cigarettes	139944	8.49
4.	Refineries	133739	8.11
5.	Finance – Housing	96551	5.86
6.	Automobiles - 4 Wheelers	90722	5.50
7.	Engineering	75248	4.56
8.	Pharmaceuticals	68266	4.14
9.	Oil Exploration/Production	61757	3.75
10.	Power	60955	3.70
11.	Steel And Steel Products	52807	3.20
12.	Diversified	46625	2.83
13.	Cement And Cement Products	41747	2.53
14.	Automobiles - 2 And 3 Wheelers	41619	2.52
15.	Telecommunication – Services	36496	2.21
16.	Mining	29379	1.78
17.	Electrical Equipment	24608	1.49
18.	Paints	17609	1.07
19.	Financial Institution	16761	1.02
20.	Gas	15816	0.96
21.	Construction	15541	0.94
22.	Aluminium	15422	0.94
23.	Metal	14419	0.87
	Total	**1648700**	**100.00**

Source: www.nseindia.com

TABLE 2: THE RETURNS STATISTICS (As on June 29, 2012)

Period	Returns (%)	Volatility (%)	Avg. Daily
1 year	-6.53	1.28	-0.02
3 years	23.02	1.24	0.03
5 years	22.24	1.87	0.03
10 years	399.05	1.66	0.08

Source: www.nseindia.com

FIGURE 1: NIFTY PERFORMANCE *(01-JAN-04 TO 29-JUNE-12)*
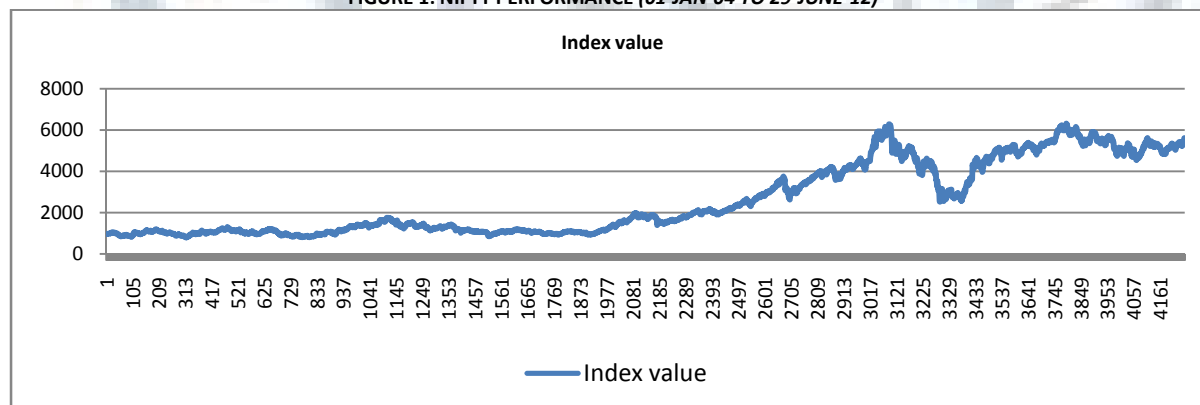
Source: www.nseindia.com

5- THE PERFORMANCE ANALYSIS OF SIX SELECTED SECTORS

5.1- BANK NIFTY

CNX Bank Index is an index comprised of the most liquid and large capitalized Indian Banking stocks.The Index has 12 stocks from the banking sector traded on the National Stock Exchange. CNX Bank Index is computed using free float market capitalization method with base date of Jan 1, 2000 indexed to base value of1000. The CNX Bank Index represents about 15.08% of the free float market capitalization of the stocks listed on the exchange and 87.63% of the free float market capitalization of the stocks forming part of the Banking sector universe as on June 29, 2012

TABLE-3: FREE FLOAT MARKET CAPITALIZATION AND WEIGHTAGE FOR BANK NIFTY (as on June 29, 2012)

Company Name	Mkt. Cap.*Rs. Cr	Weight (%)
ICICI Bank Ltd.	103679	27.93
HDFC Bank Ltd. 101805 27.42	101805	27.42
State Bank of India	55657	14.99
Axis Bank Ltd.	26322	7.09
Kotak Mahindra Bank Ltd.	22048	5.94
Bank of Baroda	13767	3.71
IndusInd Bank Ltd.	11836	3.19
Punjab National Bank	10755	2.90
Yes Bank Ltd.	8303	2.24
Bank of India	6476	1.74
Canara Bank	5901	1.59
Union Bank of India	4707	1.27
Total	**371258**	**100.00**

Source: www.nseindia.com

TABLE-4:THE RETURNS STATISTICS (As on June 29, 2012)

Period	Returns (%)	Volatility (%)	Avg. Daily Return (%)
1 year	8.04	1.78	0.01
3 years	40.90	1.82	0.10
5 years	53.42	2.39	0.07
Since Inception	934.07	2.10	0.10

Source: www.nseindia.com

FIGURE-2: INDEX PERFORMANCE *(01-Jan-04 to 29-June-12)*
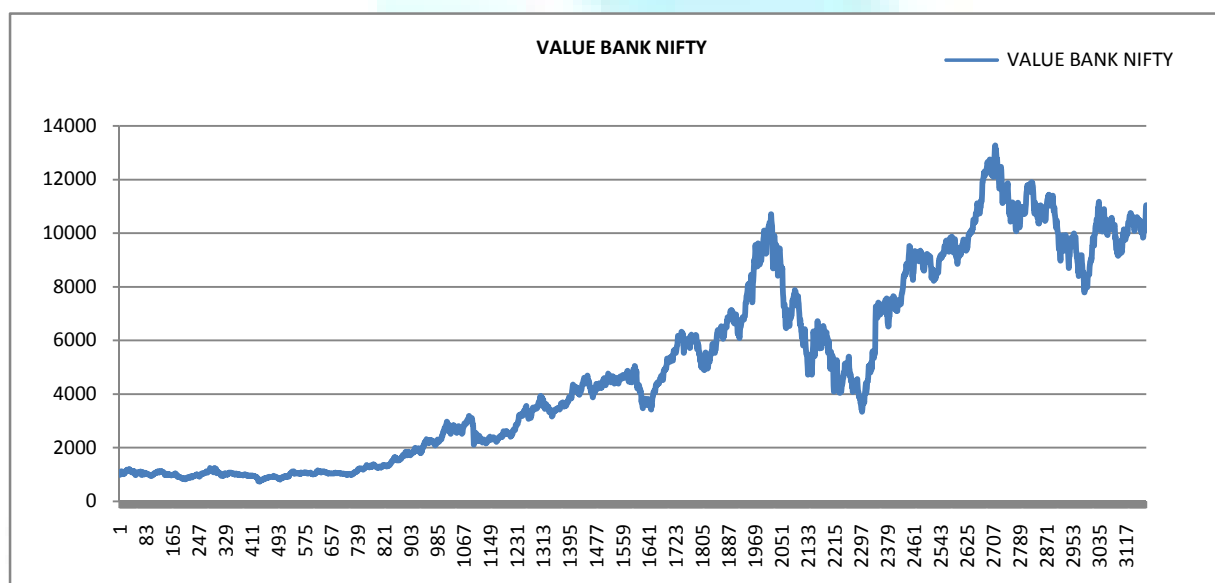
Source: www.nseindia.com

5.2- CNX IT INDEX

In order to have a good benchmark of the Indian IT sector, IISL has developed the CNX IT Sector Index. The index provides investors and market intermediaries with an appropriate benchmark that captures the performance of the Indian IT companies. The CNX IT index is computed using free float market capitalization method with a base date of Jan 1, 1996 indexed to a base value of 1000. The CNX IT Index represents about 9.86 % of the free float market capitalization of the stocks listed on NSE and 93.14 % of the free float market capitalization of the stocks forming part of the IT universe as on June 29, 2012.

TABLE-5: FREE FLOAT MARKET CAPITALIZATION AND WEIGHTAGE FOR CNX IT INDEX (as on June 29, 2012)

| Company Name	Mkt. Cap. * Rs. Cr	Weight (%)
Infosys Ltd.	120980	49.85
Tata Consultancy Services Ltd	65058	26.81
Wipro Ltd.	20639	8.50
HCL Technologies Ltd. 11958 4.93	11958	4.93
Oracle Financial Services Software Ltd	4184	1.72
Hexaware Technologies Ltd.	2716	1.12
MphasiS Ltd.	2716	1.12
Tech Mahindra Ltd.	2636	1.09
CORE Education & Technologies Ltd.	1766	0.73
Financial Technologies (India) Ltd	1726	0.71
MindTree Ltd.	1369	0.56
CMC Ltd.	1255	0.52
Educomp Solutions Ltd	826	0.34
eClerx Services Ltd. 800 0.33	800	0.33
Rolta India Ltd.	726	0.30
Polaris Financial Technology Ltd	633	0.26
Tulip Telecom Ltd.	510	0.21
HCL Infosystems Ltd.	455	0.19
OnMobile Global Ltd.	178	0.07
Total	**242706**	**100.00**

Source: www.nseindia.com

TABLE-6:THE RETURNS STATISTICS (As on June 29, 2012)

Period	Returns (%)	Volatility (%)	Avg. Daily Return (%)
1 year	-7.25	1.66	-0.02
3 years	75.68	1.49	0.15
5 years	18.34	2.03	0.04
Since Inception	6044.60	2.54	0.13

Source: www.nseindia.com

FIGURE-3: INDEX PERFORMANCE (01-Jan-04 to 29-June-12)
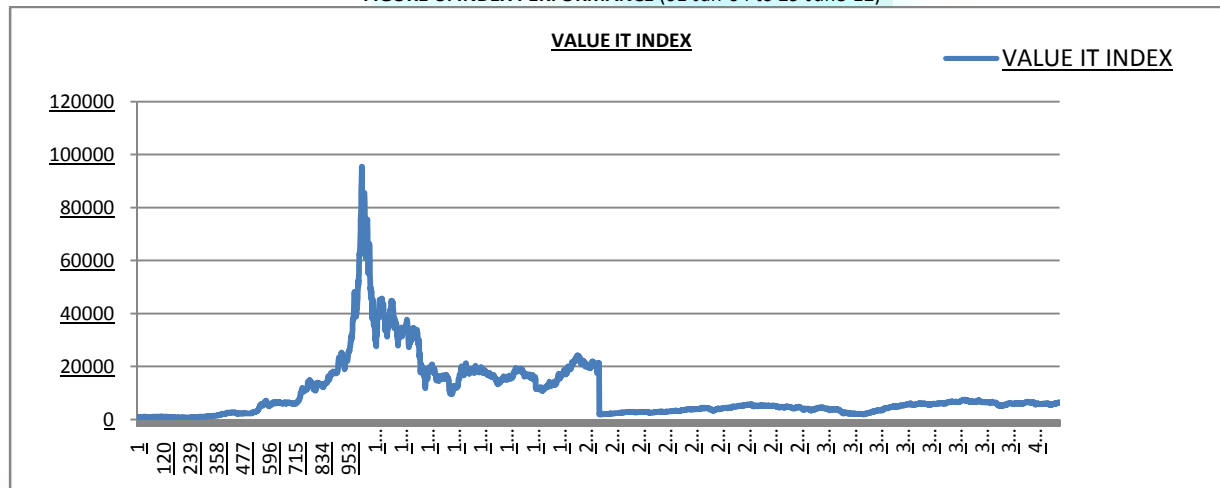
Source: www.nseindia.com

5.3- CNX ENERGY INDEX

CNX Energy sector Index includes companies belonging to Petroleum, Gas and Power sub sectors. The Index comprises of 10 listed companies. Effective from October, 11, 2010, CNX Energy Index is computed using free float market capitalization weighted method. The CNX Energy Index has a base date of Jan 1, 2001 and a base value of 1000. The CNX Energy Index represents about 11.24% of the free float market capitalization of the stocks listed on NSE and 84.22% of the free float market capitalization of the companies forming part of the energy sector universe.

TABLE-7: FREE FLOAT MARKET CAPITALIZATION AND WEIGHTAGE FOR CNX ENERGY INDEX (As on June 29, 2012)

Company Name	Mkt. Cap. Rs. Cr	Weight (%)
Reliance Industries Ltd. 124126 44.85	124126	44.85
Oil & Natural Gas Corporation Ltd	50402	18.21
NTPC Ltd. 20379 7.36	20379	7.36
Tata Power Co. Ltd.	16493	6.12
Power Grid Corporation of India Ltd	16075	5.81
GAIL (India) Ltd.	15816	5.72
Cairn India Ltd.	11355	4.10
Bharat Petroleum Corporation Ltd.	9613	3.47
Indian Oil Corporation Ltd.	6154	2.22
Reliance Power Ltd.	5869	2.12
Total	**276732**	100.00

Source: www.nseindia.com

TABLE-8: THE RETURNS STATISTICS FOR CNX ENERGY INDEX (As on June 29, 2012)

Period	Returns (%)	Volatility (%)	Avg. Daily Return (%)
1 year	-12.44	1.43	-0.04
3 years	-9.86	1.25	-0.01
5 years	11.85	1.96	0.03
Since Inception	654.35	1.81	0.03

FIGURE-4: INDEX PERFORMANCE (01-Jan-04 to 29-June-12)
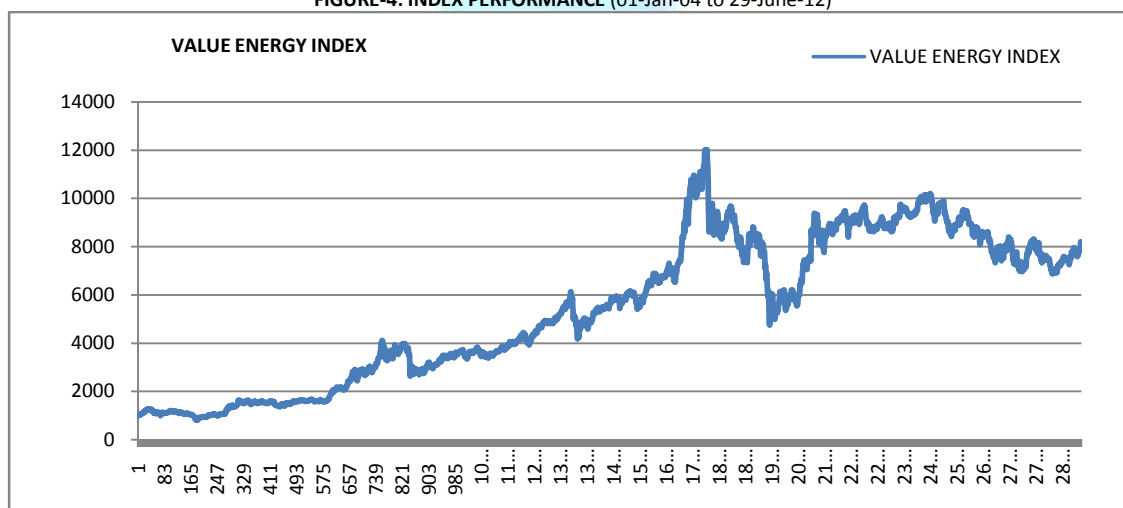
Source: www.nseindia.com

5.4- CNX AUTO INDEX

CNX Auto Index is designed to reflect the behaviour and performance of the Automobiles segment of the financial market. The CNX Auto Index comprises 15 tradable, exchange listed companies. CNX Auto Index is computed using free float market capitalization method with a base date of January 1, 2004 indexed to a base value of 100. CNX Auto Index represents about 6.70% of the free float market capitalization of the stocks listed on the exchange and 93.50 % of the free float market capitalization of the stocks forming part of the Auto universe as on June 29, 2012.

TABLE-9: FREE FLOAT MARKET CAPITALIZATION AND WEIGHTAGE FOR AUTO INDEX (as on June 29, 2012)

Company Name	Mkt. Cap.*Rs. Cr.	Weight (%)
Tata Motors Ltd.	42794	25.95
Mahindra & Mahindra Ltd	32453	19.68
Bajaj Auto Ltd.	21108	12.80
Hero MotoCorp Ltd.	20511	12.44
Maruti Suzuki India Ltd.	15475	9.38
Bosch Ltd.	8246	5.00
Exide industries Ltd.	6273	3.80
Bharat Forge Ltd.	4048	2.45
Ashok Leyland Ltd.	3248	1.97
MRF Ltd.	2471	1.50
Motherson Sumi Systems Ltd	2229	1.35
Apollo Tyres Ltd. 2113 1.28	2113	1.28
Eicher Motors Ltd. 1963 1.19		
Amtek Auto Ltd. 1302 0.79	1302	0.79
TVS Motor Company Ltd.	705	0.43
Total	**164938**	**100.00**

Source: www.nseindia.com

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TABLE-10: THE RETURNS STATISTICS FOR AUTO INDEX (As on June 29, 2012)

Period	Returns (%)	Volatility (%)	Avg. Daily
1 year	8.02	1.40	0.04
3 years	103.94	1.41	0.04
5 years	105.83	1.41	0.04
Since Inception	296.64	1.41	0.04

Source: www.nseindia.com

FIGURE-5: INDEX PERFORMANCE (01-Jan-04 to 29-June-12)
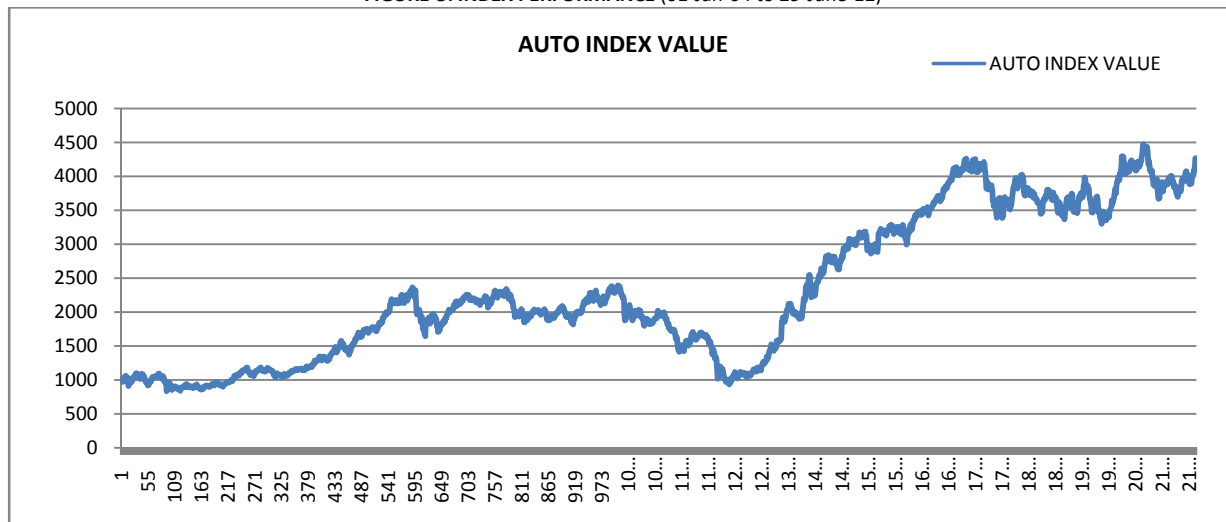
Source: www.nseindia.com

5.5- CNX PHARMA INDEX

CNX Pharma Index captures the performance of the pharmaceutical sector. The Index comprises of 10 companies listed on National Stock Exchange of India. Effective October, 11, 2010, CNX Pharma Index is computed using free float market capitalization weighted method, wherein the level of the index reflects the total free float market value of all the stocks in the index relative to a particular base period. The CNX Pharma Index represents about 4.34% of the free float market capitalization of the stocks listed on NSE and 77.31% of the free float market capitalization of the companies forming part of the pharmaceutical sector universe as on Jun. 29, 2012.

TABLE-11: FREE FLOAT MARKET CAPITALIZATION AND WEIGHTAGE FOR CNX PHARMA INDEX (as on June 29, 2012)

Company Name	Mkt. Cap. * Rs. Cr	Weight (%)
Sun Pharmaceutical Industries Ltd.	23890	22.37
Dr. Reddy's Laboratories Ltd.		
Cipla Ltd.	16063	15.04
Lupin Ltd	12737	11.93
GlaxoSmithKline Pharmaceuticals Ltd.	8438	7.90
Ranbaxy Laboratories Ltd.	7523	7.05
Divi's Laboratories Ltd.	6511	6.10
Glenmark Pharmaceuticals Ltd.	5082	4.76
Piramal Healthcare Ltd.	4064	3.81
Biocon Ltd.	1680	1.57
Total	**106778**	**100.00**

Source: www.nseindia.com

TABLE-12: THE RETURNS STATISTICS FOR CNX PHARMA INDEX (as on June 29, 2012)

Period	Returns (%)	Volatility (%)	Avg. Daily Return (%)
1 year	8.28	0.82	0.04
3 years	99.18	0.94	0.10
5 years	88.27	1.33	0.06
Since Inception	421.60	1.31	0.07

Source: www.nseindia.com

FIGURE-6: INDEX PERFORMANCE (01-JAN-04 TO 29-JUNE-12)
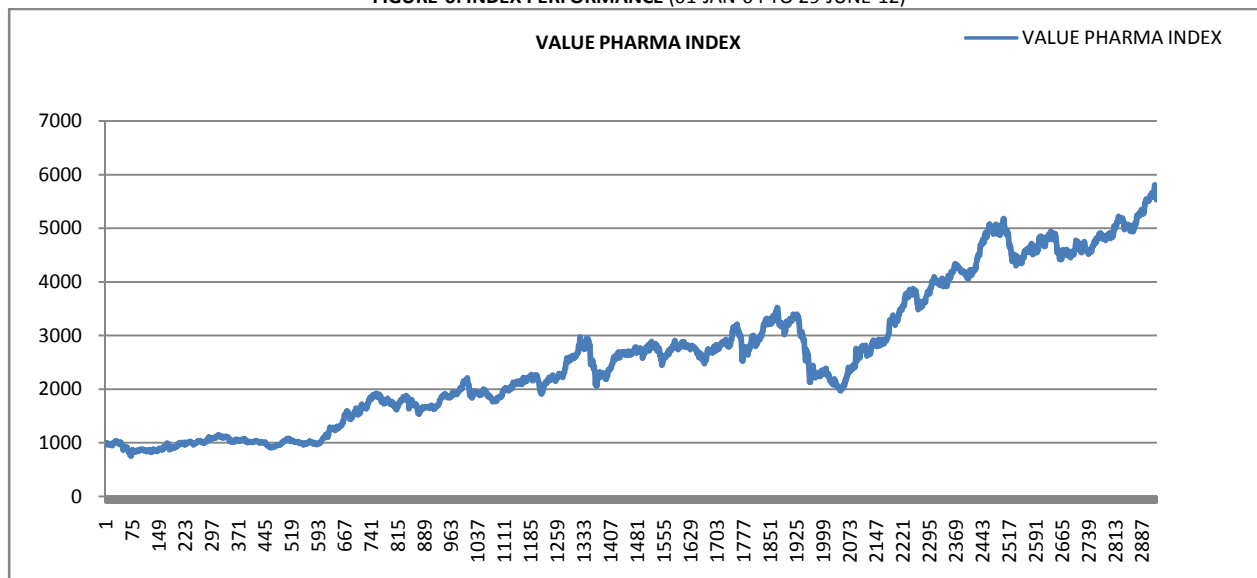
Source: www.nseindia.com

5.6- CNX METAL INDEX

The CNX Metal Index is designed to reflect the behaviour and performance of the Metals sector (including mining). The CNX Metal Index comprises of 15 stocks that are listed on the National Stock Exchange (NSE). CNX Metal Index is computed using free float market capitalization method with a base date of January 1, 2004 indexed to a base value of 1000. The CNX Metal Index represents about 5.32% of the free float market capitalization of the stocks listed on the exchange and 85.50% of the free float market capitalization of the stocks forming part of the Metals universe as on June 29, 2012.

TABLE-13: FREE FLOAT MARKET CAPITALIZATION AND WEIGHTAGE FOR CNX METALINDEX (as on June 29, 2012)

| Company Name	Mkt. Cap. * Rs. Cr	Weight (%)
Tata steel Ltd.		
Coal India Ltd.	21905	16.72
Jindal Steel & Power Ltd.	18068	13.79
Hindalco Industries Ltd.	15422	11.77
Sterlite Industries (India) Ltd.	14419	11.01
Sesa Goa Ltd.	7474	5.71
JSW Steel Ltd	7144	5.45
Steel Authority of India Ltd.	5308	4.05
Bhushan Steel Ltd.	2602	1.99
Jindal Saw Ltd.	1977	1. 51
National Aluminium Co. Ltd.	1796	1.37
Welspun Corp Ltd.	1677	1.28
Gujarat Mineral Development Corporation Ltd.	1540	1.18
Monnet Ispat and Energy Ltd.	1246	0.95
Orissa Min Dev Co Ltd.	989	0.75
Total	**130996**	100.00

Source: www.nseindia.com

TABLE-14: THE RETURNS STATISTICS FOR CNX METAL INDEX (as on June 29, 2012)

Period	Returns (%)	Volatility (%)	Avg. Daily Return (%)
1 year	-27.90	1.96	-0.11
3 years	-2.16	1.87	0.01
5 years	5.47	2. 61	0.04
Since Inception	187.04	2.61	0.08

Source: www.nseindia.com

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FIGURE-6: INDEX PERFORMANCE (01-Jan-04 to 29-June-12)

Source: www.nseindia.com

6-   RESULTS AND DISCUSSIONS

6.1-   **RESULTS SHOWING NIFTY DAILY RETURN AND BANK DAILY INDEX** (*From July 1, 2011 to June 29, 2012*)
REGRESSION STATISTICS

Multiple R	0.910371					
R Square	0.828775					
Adjusted R Square	0.828106					
Standard Error	0.007312					
Observations	258					
ANOVA						
	Df	*SS*	*MS*	*F*	*Significance*	
Regression	1	0.066242	0.066242	1239.107	4.3E-100	
Residual	256	0.013686	5.35E-05			
Total	257	0.079927				
	Coefficients	*Standard Error*	*t Statistic*	*P-value*	*Lower 95%*	*Upper 95%*
Intercept	1.99E-05	0.000455	0.043821	0.965082	-0.00088	0.000916
X Variable 1	1.265665	0.035955	35.20096	4.3E-100	1.194859	1.336471

The R Square value is 0. 828775 that indicates BANK NIFTY return is 82% depends on Nifty Index. When Nifty indices moves up by 100 points, the BANK NIFTY INDICIES go up by 82%. The bank nifty is more depended the market broader. Some economic factors like Monetary policy, Credit rating, Inflation, RBI Intervention, NPA performance do influence the indices performance.

6.2-   **RESULTS SHOWING NIFTY DAILY RETURN AND IT DAILY INDEX** (*From July 1, 2011 to June 29, 2012*)
REGRESSION STATISTICS

Multiple R	0.68795					
R Square	0.473275					
Adjusted R Square	0.471218					
Standard Error	0.012069					
Observations	258					
ANOVA						
	df	*SS*	*MS*	*F*	*Significance*	
Regression	1	0.033504	0.033504	230.0225	1.66E-37	
Residual	256	0.037288	0.000146			
Total	257	0.070791				
	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*
Intercept	-0.00011	0.000751	-0.1439	0.88569	-0.00159	0.001372
X Variable 1	0.900119	0.059349	15.16649	1.66E-37	0.783244	1.016993

The R Square value is 0.473275.This indicates 47% dependency of CNX IT return on Nifty Index. When Nifty indices moment is up by 100 points it reflects on CNX IT INDICIES by 47%. The analysis has been done considering the following independent variables like Exchange rate, Government policy, Technologies, High tax concern. It has been found that these variables have significant impact on movement of IT index.

6.3- **RESULTS SHOWING NIFTY DAILY RETURN AND CNX ENERGY DAILY INDEX** (F*rom July 1, 2011 to June 29, 2012*)

REGRESSION STATISTICS						
Multiple R	0.853967					
R Square	0.72926					
Adjusted R Square	0.728203					
Standard Error	0.00736					
Observations	258					
ANOVA						
	df	SS	MS	F	Significance	
Regression	1	0.037354	0.037354	689.5583	1.36E-74	
Residual	256	0.013868	5.42E-05			
Total	257	0.051221				
	Coefficients	**Standard Error**	**t Stat**	**P-value**	**Lower 95%**	**Upper 95%**
Intercept	-8.1E-05	0.000458	-0.1766	0.859962	-0.00098	0.000821
X Variable 1	0.950428	0.036194	26.25944	1.36E-74	0.879153	1.021704

The R Square value is 0.72926 indicating 73% of CNX ENERGY indices dependency on Nifty Index. When Nifty indices up by 100 points the CNX ENERGY INDICIES go up by 73%. The analysis has been done considering the following independent variables like Merger Acquisition, Demand &Supply, Governance Policy, Coal price, raw material. It has been found that these variables have significant impact on movement of energy index.

6.4- **RESULTS SHOWING NIFTY DAILY RETURN AND CNX AUTO DAILY Index** (f*rom July 1, 2011 to June 29, 2012*)
REGRESSION STATISTICS

Multiple R	0.832458					
R Square	0.692987					
Adjusted R Square	0.691788					
Standard Error	0.007775					
Observations	258					
ANOVA						
	Df	*SS*	*MS*	*F*	*Significance*	
Regression	1	0.034932	0.034932	577.8412	1.36E-67	
Residual	256	0.015476	6.05E-05			
Total	257	0.050408				
	Coefficients	*Standard Error*	*t Stat*	*P -value*	*Lower 95%*	*Upper 95%*
Intercept	0.000389	0.000484	0.803716	0.422307	-0.00056	0.001342
X Variable 1	0.919106	0.038235	24.03833	1.36E-67	0.84381	0.994401

The R Square value is 0.692987. When Nifty indices up by 100 points the CNX AUTO INDICES go up by 69%. The analysis has been done considering the following independent variables like Interest Rate, Rise in price crude Oil price, increased cost, FDI inflow, Excise duty, import duty, Shortage of Raw material. It has been found these variables have significant impact on movement of AUTO index.

6.5- **RESULTS SHOWING NIFTY DAILY RETURN AND CNX PHARMA DAILY INDEX** (*From July 1, 2011 to June 29, 2012*)
REGRESSION STATISTICS

Multiple R	0.622667					
R Square	0.387714					
Adjusted R Square	0.385322					
Standard Error	0.006242					
Observations	258					
ANOVA						
	Df	*SS*	*MS*	*F*	*Significance F*	
Regression	1	0.006317	0.006317	162.1053	4.27E-29	
Residual	256	0.009975	3.9E-05			
Total	257	0.016292				
	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*
Intercept	0.00052	0.000389	1.336889	0.182446	-0.00025	0.001285
X Variable 1	0.390837	0.030697	12.73206	4.27E-29	0.330386	0.451287

The R Square value is 0.387714. This indicates that CNX PHARMA indices is 38% depends on Nifty Index. This sector is not much respondent to the NIFTY index. The other independent variables like Merger & Acquisition, natural resources, transfer to technology, patent policy, R&D has been found having more significant impact on movement of PHARMA INDICIES.

6.6- **RESULTS SHOWING NIFTY DAILY RETURN AND CNX METAL DAILY INDEX** (*From July 1, 2011 to June 29, 2012*)
REGRESSION STATISTICS

Multiple R	0.872057					
R Square	0.760484					
Adjusted R Square	0.759548					
Standard Error	0.009579					
Observations	258					
ANOVA						
	Df	SS	MS	F	Significance	
Regression	1	0.074586	0.074586	812.8211	2.05E-81	
Residual	256	0.023491	9.18E-05			
Total	257	0.098077				
	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*
Intercept	-0.00079	0.000596	-1.32888	0.185069	-0.00197	0.000382
X Variable 1	1.343015	0.047107	28.51002	2.05E-81	1.250249	1.435781

The R Square value is 0.760484. Which means CNX METAL indices is 76% depends on Nifty Index. Economics factors that impact CNX METAL indices are M&A, Demand & Supply, Government Policy, Coal price, raw material.

7- FINDINGS AND CONCLUSION

It is evident from above analysis that the performance of sector indices by and large depend upon the performance of Nifty. The independent variables for particular sector do influence the performance of sector index up to some extent. If is observed that the independent variable greatly influenced the CNX pharma index which is near to 60 percent. However in case of other indices it ranges between 15-20 percent. As far as the return is concerned the auto, pharma and bank have outperform over nifty. The performance of nifty for five year has been 22 percent. Whereas the return for bank for the same period was 53 percent, for pharma 88 percent and auto was 105 percent. The performance of the IT, Metal and Energy has not been very encouraging as compared to bank, pharma and auto sector. It was 18, 15 and 11 percent respectively. Thus there is huge investment opportunity exist in equity market. As the returns are much more huge as compared to returns on other traditional avenues. Even the least performing sector has generated the return more than on the traditional avenues. The returns on few stocks of few sectors like Bank, Pharma and Auto has given eight to ten times returns.

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