

# The comparative study on the initial effect of H1N1 and COVID'19 on the Major Stock Markets

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## Abstract

*This study examines the correlation and integration between various stock exchanges of India, China, Singapore, the United States of America and, the United Kingdom. This paper also investigates the causality between the selected stock exchanges during the pandemic period of H1N1 and COVID-19. The analysis was made by using the daily stock exchange values. The prior and after four months of data chosen for the study based on the first case of H1N1 and COVID-19 registered in the USA. The correlation, Johansen Co-integration, and Granger Causality test are applied in this study. Through the various techniques, the strong association between all the selected stock exchanges are been identified during the pandemic situation of H1N1 and COVID-19. The finding can be used for investment and proactive decisions during pandemic situation.*

**Key Words:** Corona Virus, Stock Market Integration, Pandemic impact on stock exchanges, Investment decision.

## Introduction

The stock exchange performance of India depends on the macro factors and micro factors. It does associate with the global market due to globalization. After the crisis of South Asian during 2002-2003, it follows its counterparts of American stock exchange, china stock exchange, Russian Stock exchange (RSE), New York Stock Exchange (NYSE), Korean Stock exchange (KSE), Tokyo Stock exchange (TSE), Hong Kong Stock exchange (HSE) from various socio-politico-economic backgrounds. The study of Dhal et.al.,(2009) suggests the co-integration between the global market and the Indian stock market. The East Asians' crises because of flu during 1997 have created interest among the researcher since it was affecting the currency and stock market of Thailand. Then it was affected the rest of the world. This kind of pandemic situation always creates different types of financial problems and affects the stock market accordingly. Attavanich et.al.,(2011) infers the negative impact on the lean hogs due to swine flu.

Indian securities exchange is the world's third-biggest financial exchange based on a financial specialist base and has an aggregate pool of around 20 million speculators. There are more than 9,000 organizations recorded on the stock trades of the nation. The Bombay Stock Exchange, set up in 1875, is the most established stock exchange in Asia. Public Stock Exchange, a later foundation which appeared in 1992, is the biggest and most developed stock market in India is additionally the third greatest stock trade in Asia as far as exchanges. It is among the 5 greatest stock trades on the planet regarding exchange volume.

The major stock exchange which rules across the globe is the New York Stock exchange. It has been started in the mid of 1792. It was marked with the Buttonwood Agreement with 24 stock specialists. Similarly, the London stock exchange highly rules the European share markets. It has been started in the 17th Century. Because of global war during those periods, it got some changes frequently. The present stock exchange has been started in the year 1973. In the Asian stock market, the China stock exchange is one of the leading players. It is the 4th largest capitalized market. It has been re-established in the period of 1990. Singapore stock exchange is started in the year of 1999. Even though it is not the biggest share market similar to the USA or UK, since it has a strong co-integration between Indian stock exchange, Singapore have been chosen for the study. Dhal (2009) identified the strong co-integration between India, Singapore, Japan, Hong Kong, the US and the UK by using the data of 1993-2009.

This paper investigates the volatility on the share market during the pandemic situation by using different universal partners of India. As per the present condition, traders have increased their investment on public limits and expand their investment across the globe. It is important to evaluate the share market trend during various situations. Therefore, this study examines the effect of H1N1 and COVID'19 on the stock market of the USA, UK, China, Singapore, and Indian stock exchange. It also compares all these share market performances during the pandemic situation.