

A Study on Expiration Effects of Stock Future on Price and Volume of Underlying Stocks with Reference to Indian Capital Market

Hetalgiri Kishorgiri Mehta and Prof (Dr.) Manoj D. Shah

ABSTRACT

India is one of the fastest developing economy with having International Stock Exchanges like NSE and BSE. The Stock Futures have been seen as a factor causing instability in Spot market. The paper is an effort to investigate the effects of Individual Stock futures expiration effect on underlying Stocks of 19 different sectors listed on NSE based on their Price and Volume analysis. By using daily data of 131 stocks (Out of 139 Stock of Future) based on data availability and stocks working in F&O segment we have found overall negative effect of stock futures on price and volume pre and post the expiration day.

Keywords: Event Study Approach, Price and Volume analysis, Stock Futures