Investor Outlook On Improvising The Stock Market Pertaining To Foreign Direct Investment: A Study With Special Reference To Chennai City

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***Abstract*- This paper enlightens the areas in the stock markets which need improvising with regard to Foreign Direct Investment (FDI), it is the opinions of investors who have reacted as to how through FDI the stock market can be given a boost which in turn should prove beneficial on mutual basis and not just for the Foreign entity and country's economic growth , the growth should also be provided to the domestic entities and for their escalation as well.**

***Key Words* - Escalation of Domestic entities, Up-gradation in technology, Mutual benefits and Futuristic Approach.**

I. Introduction

Foreign Direct Investment is a concept which came into existence through globalization and India has been very inviting of such entities to establish themselves and also invest in our domestic entities, this will enable mutual benefit and also growth economically. India has in the 2016 budget norms have indicated that there will be up to 15% hike in the shareholding of the foreign entity in the listed entities of the stock market. India has allotted higher percent of FDI in many sectors but stock market growth with regard to FDI has been a little slow probably because our stock exchanges aren't promoting itself appropriately.

II. Need Of The Study

It is required to take up this study to understand why compared to the other sectors India is taking it slow onto the stock market development concerning FDI, is it that we have not been up to the mark with the stock market developments as compared to the other lucrative industries or foreign entities feel there is instability on economic front along with speculative practices which puts the investments on a very unsafe platform.

III. Objective Of The Study

1. To give suitable suggestions to improve the stock market.
2. To understand the futuristic approach to FDI in the stock market.

***Sample Size*: 443**
Source of Data: The investors of the Madras stock exchange were the target group who have answered a few questions with regard to the futuristic approach of FDI in the stock market.

Research Methodology
Percentage analysis along with standard deviation and mean.

Foreign Direct Investment And The Stock Markets
The Bombay stock exchange (BSE) and the National Stock Exchange (NSE) are the two giant players in the stock exchanges , BSE being the oldest stock exchange which holds the maximum listed concerns but compared to NSE it does not hold much liquidity, majority of the top end concerns of our country are listed onto these stock exchanges , foreign investors look for stability in their investment since they hold a higher currency rate , plus domestic investors feel that an MNC would reap higher Return on Investment (ROI) than the domestic concerns which is of no Significance.
Foreign investors look for all round stability, economic political etc in order to seek security portfolio for their investments, the increase of cash flow within the country would increase the savings in turn that would be channeled into investments and also help the country to reduce their current account deficits and put the country onto the track of revenue growth (GDP).
The stock exchanges affiliated by RBI rules and also by guidelines of SEBI, these monitor the growth and provide procedural assistance to foreign investors and also MNC concerns who want to list themselves in the stock exchanges.
The investors under the below mentioned scenarios take decisions pertaining to their investments these scenarios also affect the foreign investors and entities, the presence of arbitrageurs keep the prices of these two stock exchanges within a tight bracket. Moreover due to FDI there are reduced speculative practices.
BEAR- A Bear market is when the prices fall and the speculator anticipates it and sells the shares at a better price to safeguard himself from loss

BULL- A Bull market is when the prices increase and this anticipation allows the investor to buy more and reap benefits from higher stock prices.
STAG- A Stag market is when the investor anticipates prices of stocks to rise.
LAME DUCK- A lame duck speculator is the one whose anticipations have gone wrong due to which he incurs heavy loss or debts.

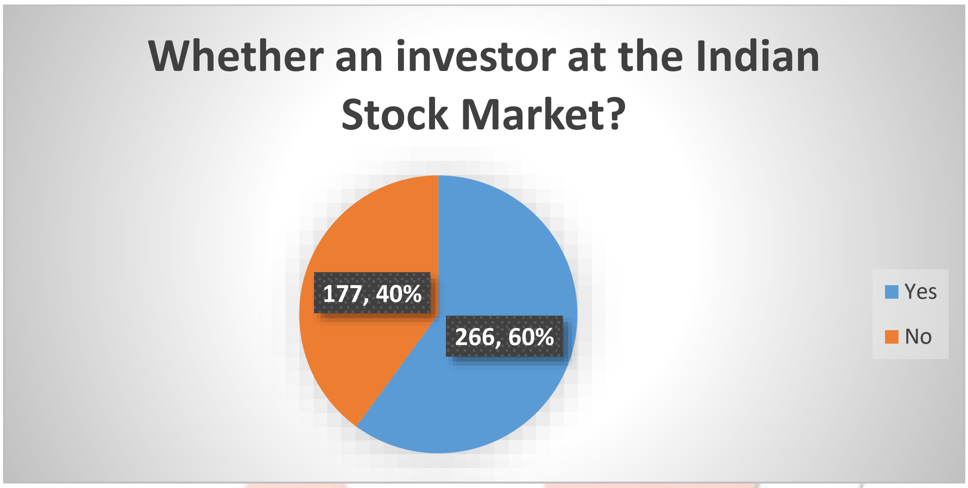
IV. DATA ANALYSIS

Table Showing Mean And Standard Deviation Of The Investors At The Stock Market

Particulars	Yes		No		Total
	Count	%	Count	%	Count
Whether an investor at the Indian Stock Market?	266	60.05	177	39.95	443

The total sample being 443 the questionnaire consisted of a primary question of whether the one answering is a investor at the stock market of India or not since the target audience was investors, thus the majority were investors amounting to 60% and the rest were Non- Investors but with sufficient knowledge on FDI.

Pie Chart Of The Distribution Of Investor To Non-Investor



Mean And SD Of Futuristic Approach In FDI

Futuristic approach	**Mean**	**SD**
Allowing 100% FDI in certain areas would affect Indian market in the long run	3.388	1.151
Stability in exchange rate has a profound effect activity of stock market	3.740	0.707
Keeping a check on the inflation rate and savings can boost the stock market development.	3.727	0.882
Singapore and Mauritius being top ranked foreign investors, India should now target the developed super power countries to increase FDI inflows.	3.503	1.166
2016 budget FDI norms being further relaxed in the stock exchanges gives worldwide spectrum for investments.	3.641	0.958
To promote “make in India” the foreign investors should be accorded “ Residency status”	2.079	1.205

Based on Mean score, Stability in exchange rate (3.740) is the most important factor on Futuristic Approach in FDI and followed by Inflation rate and savings (3.727) and worldwide spectrum for investments (3.641) and so on. The least factor is Accorded “ Residency status” (2.079) and followed by Affect long run in Indian market (3.388) and Targeting developed super power countries to increase FDI inflows (3.503) and so on.

V. MAJOR FINDINGS

- Majority were Investors at the Stock Market who has good knowledge regarding FDI in the stock market.
- Investors feel that when 100% FDI is allowed in areas would lead to lesser revenue generated and would also affect the business activities of the domestic concern.
- More stability is required in the stock market to attract FDI.
- India needs to maintain a good front onto economic and political scenario to give the foreign investors the security portfolio of their investments.
- Increased inflation rate would increase the cash flow which in turn would increase investment options.
- Budget norms need to increase the allotment of FDI in the stock market.
- Stock market needs to promote itself right to invite increased FDI.
- Asking the investors if promoting make in India our country should also consider Residency status, this proposal was strictly discouraged by the investors.
- Listed companies should.

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APPENDIX

QUESTIONNAIRE

(To what extent do you agree or disagree with each of the following statements)
SA – Strongly agree A – Agree, N – Not sure / don't know, DA – Disagree, SDA – Strongly disagree

S.NO	FUTURISTIC APPROACH	SA	A	N	DA	SDA
1	Allowing 100% FDI in certain areas would affect Indian market in the long run					
2	Stability in exchange rate has a profound effect activity of stock market					
3	Keeping a check on the inflation rate and savings can boost the stock market development.					
4	Singapore and mauritius being top ranked foreign investors, India should now target the developed super power countries to increase FDI inflows.					
5	2016 budget FDI norms being further relaxed in the stock exchanges gives worldwide spectrum for investments.					
6	To promote "make in India" the foreign investors should be accorded " Residency status"					