

The Study of the Various Types of Financial Markets in India

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Abstract: *The transmission of information between financial markets has been extensively studied in the empirical finance research. The study's baseline data for the financial year 2014-2015 comprises four variables: spot equity index rates, 3 month future equity index rates, repo rate, and dollar/rupee exchange rate. These variables are utilized to analyze the interconnection of several financial markets, specifically the Capital Market, derivative market, Money Market, and Foreign Exchange market. This study employs simple regression analysis to investigate the influence of the Equity Spot Market on the Forex, Money, and Index Futures Markets. The results indicate that the Spot Market exerts a significant influence on the Futures Market, and that the Futures Market is highly reliant on the Spot Market. The regression study's findings, however, does not suggest a significantly considerable influence of the Spot Market on the Forex and Money Markets. The study employed univariate Granger Causality analysis to examine the causal relationship between Capital Market, Monet Market, Forex, and Futures Market. However, no evidence of a causal association was identified among these different segments of the Financial Market.*

Keywords: Financial planning, financial markets, derivatives, capital, funds