

Significance of Market and Economic Factors in Stock Investors Decision Making – A Study on Indian Stock Market

Varshini S K^{1*}, Dr. P. Srinivasan², Dr Shivi Khanna³

^{1*}Research Scholar, School of Management (SOM), Presidency University, Bangalore, Karnataka, India

²Associate Professor, School of Management (SOM), Presidency University, Bangalore, Karnataka, India

³Associate Professor, School of Business and Management, Christ University, Bengaluru-560029 (Karnataka)

ABSTRACT

Market and economic factors play a crucial role in the decision-making process for investments. Smart investors carefully analyze many indicators and trends in order to identify the most lucrative opportunities. This article analyses the impact of economic conditions on investment decisions and provides valuable insights for investors aiming to make educated choices. The present study employs a single method of quantitative analysis. A sample size of 100 respondents was determined using the Kregcie-Morgan table, with a margin of error of 7.5%. In order to compensate for those who did not respond, 200 questionnaires were handed out, and 155 of them were considered appropriate for the study. The sampling was conducted utilizing convenience sampling. The decision to use convenience sampling was based on its ability to efficiently and easily collect data from stock investors in Bengaluru city. A meticulously designed questionnaire was created by using insights from prior research on market aspects, economic considerations, and investment decisions. The data was analyzed using factor analysis in SPSS and confirmatory factor analysis in AMOS software. The results demonstrated that Market and Economic factors exert a substantial impact on the process of making investment decisions. Investors carefully analyze data such as GDP growth rates, interest rates, inflation, and political stability to identify profitable opportunities. Investors can enhance their investment decision-making and mitigate potential risks by understanding the impact of Market and economic conditions. Irrespective of one's level of experience in investing, it is essential to consider Market and economic factors when building a lucrative investment portfolio.

KEYWORDS – Market factors, Economic Factors, Investment decision, Indian stock market

INTRODUCTION

The Indian economy recovered greatly from the COVID-19 pandemic in FY22. While the First Revised Estimates (FRE) put nominal GDP for 2022–23 at Rs. 269.50 lakh crores (US\$ 3.23 trillion) [1], the current price GDP for 2023–24 is projected to be Rs. 295.36 lakh crores (US\$ 3.54 trillion). Compared to 14.2% increase in 2022–23, the projected nominal GDP growth for 2023–24 is 9.6%[1]. In comparison to the First Revised Estimates (FRE) of GDP for the year 2022-23 of Rs. 160.71 lakh crores (US\$ 1.92 trillion), the Real GDP, also known as GDP at Constant (2011-12) Prices, is projected to reach Rs. 173.82 lakh crores (US\$ 2.08 trillion) in the year 2023-24[1]. After a 7.0% increase in 2022–23, analysts predict an 8.2% increase in real GDP for 2023–24. According to these numbers, India's domestic investment market has grown at a faster rate than any other large economy in the globe. Private equity and venture capital firms, mutual funds, and individual investors have all increased their local interests in India's market.[2]

On June 30, 2023, the total share of retail and high net worth individual (HNI) investors as well as domestic institutional investors (DIIs)—including domestic mutual funds, insurance companies, banks, financial institutions, pension funds, and more—reached a record high of 25.50%[2]. An all-time high of \$405.24 million was put into Indian stocks by domestic institutional investors (DIIs) in the first quarter of 2023 (April–June).[3]

There was a 27% year-on-year increase in the proportion of stock holdings held by retail investors on the National Stock Exchange (NSE) in the first eight months of 2023[3]. As of July 15, 2024, there were 18,11,67,457 registered investors on BSE, an increase of almost 33.28% year-on-year and 2.62% month-on-month (MoM), according to BSE[1]. In 2024, the number of BSE-registered investors in Arunachal Pradesh, Bihar, Chhattisgarh, Himachal Pradesh, Mizoram, Nagaland, Tripura, and Uttar Pradesh increased by more than 40% year-on-year. In FY24, 205 SMEs went public, bringing in a total of 7,754 million USD from initial public offerings (IPOs)[1]. From 7.24% on June 30, 2022, to 8.64% on June 30, 2023, the proportion of domestic mutual funds (MFs) invested in NSE-listed companies increased. Deal size, deal activity, fundraising, term sheets, and benchmarking processes have all seen significant advances in India's Private Equity (PE) and Venture Capital (VC) investment climate, which is reaching new heights[2]. The amount invested in Indian enterprises by Private Equity-Venture Capital (PE-VC) funds in May 2024 was 6.9 billion US dollars, spread across 115 agreements, compared to 4.5 billion US dollars in May 2023[1].

Prudent investing decisions are crucial for efficient financial management and long-term planning[4]. Making informed investment decisions involves evaluating multiple options and choosing the one with the best-projected return. Investment decisions can be influenced by both external and internal factors, including the state of the economy, market trends, and an individual's personal circumstances[5].

The state of the economy has a vital role in influencing investment decision-making[6]. Economic conditions can exert an influence on the performance of many investment types, such as stocks, bonds, and real estate[7]. During periods of economic expansion, stock values generally rise as firms generate larger profits and investors display increased confidence in the future. On the other hand, during times of economic downturn, the value of stocks may plummet as companies struggle to generate profits and investors become more cautious [8].

Market factors and Economic factors are significant determinants in the process of making investment decisions [6]. Intelligent investors meticulously evaluate multiple signs and trends to locate the most profitable chances [9]. This article examines the influence of economic conditions on investing decisions and offers helpful insights for investors seeking to make well-informed choices [8]. Economic factors significantly influence investment decision-making. Investors meticulously scrutinize data such as GDP growth rates, interest rates, inflation, and political stability to discern lucrative opportunities [10]. Investors can make well-informed investment decisions and reduce potential risks by comprehending the influence of economic conditions. Regardless of the amount of experience in investing, it is crucial to take into account economic aspects while constructing a profitable investment portfolio [4].

The initial segment of the paper introduces the investigation, while the subsequent section covers the theoretical foundation based on earlier literature. The third portion outlines the research methodologies employed in the study, while the fourth section delves into the discussion of the obtained results. The research article finishes by discussing the potential areas for future investigation.

THEORETICAL BACKGROUND

The theoretical background on market and economic factors influencing investment decisions through systematic literature review [11] provides valuable insight into how various factors such as supply and demand, interest rates, and government policies can impact investment choices. By understanding these influences, investors can make more informed decisions that align with their financial goals and risk tolerance. Additionally, staying informed on market trends and economic indicators can help investors anticipate potential risks and opportunities in order to optimize their investment strategies.

Market trends often steer investors toward promising growth opportunities or away from challenges. For example, an rapidly growing industry experiencing positive future expansion attracts investors inclined to put capital in its companies. However, confronting difficulties or projected decline, an industry may repel investing or prompt divesting from its firms. While economic indicators like GDP, inflation, and rates greatly mold choices. A thriving economy with low inflation and interest frequently signals an inviting environment, implying spending and chances to broaden. In contrast, high inflation and increasing costs may discourage as it risks diminishing purchasing power and hiking borrowing expenses. Ultimately, market and economic elements critically form decisions, guiding towards favorable prospects and helping mitigate dangers.

- Economic Factors - During an economic boom, characterized by low rates of inflation, stable exchange rates and high GDP growth - investors feel optimistic about their investments. A robust economy signals positive business environment, which in turn should push up investments. Economic contraction sometimes called recessions or period with inflation are not market friendly, so investors often refrain from investing in such an environment for the fear of uncertainty and risks associated[12]
- Government Policies - The policies of the government whether encouraging to investors or discouraging them either helping in the economy? For example, tax incentives and other favorable regulations, combined with the provision of necessary set-ups (roads etc.) can attract investments from various companies. Conversely, tight regulation, overbearing bureaucracy and political instability discourage possible investors from participating in the economy at all thereby reducing overall levels of investment.[13]
- GDP- A higher GDP generally indicates a strong and growing economy, which attracts more investments from both domestic and foreign investors. A robust GDP signifies increased consumer spending, business expansion opportunities, and overall stability, making it more likely for investors to see potential returns on their investments. Conversely, a low or declining GDP may deter investors due to concerns about economic instability and limited growth prospects.[14]
- Rate of inflation- When inflation is high, it erodes the purchasing power of consumers and reduces their disposable income, leading to decreased demand for goods and services. This can deter investors from investing in businesses as they anticipate a decline in profits. Additionally, high inflation can also lead to higher interest rates, making borrowing more expensive and less attractive for businesses, further discouraging investment. [15]
- Exchange rate - Strong currency can attract foreign investors, as it increases their purchasing power and makes local assets more affordable. On the other hand, a weak currency can discourage investment, as it reduces the returns on foreign investments and makes imports more expensive. [16]
- Level of interest rate - The level of interest of a country plays a crucial role in influencing investment decisions. strong currency can attract foreign investors, as it increases their purchasing power and makes local assets more affordable. On the other hand, a weak currency can discourage investment, as it reduces the returns on foreign investments and makes imports more expensive.[17]

- Money supply and liquidity- When there is an increase in the money supply, it leads to lower interest rates, making it cheaper for businesses to borrow money for investment purposes. This stimulates investment as businesses are more willing to take on projects and expand their operations. On the other hand, if liquidity is tight and money supply is limited, it becomes more expensive for businesses to borrow, discouraging investment and slowing down economic growth.[18]
- Economic stability- When a country experiences economic stability, it provides a favorable business environment, leading to increased investor confidence. This confidence encourages both domestic and foreign investors to allocate their capital towards productive ventures, contributing to economic growth and development[19]
- Income level- Higher income levels typically indicate a larger consumer base with greater purchasing power, making it more attractive for businesses to invest in expanding their operations. Additionally, a higher income level often signifies a more stable economic environment, reducing the risk associated with investments and encouraging both domestic and foreign investors to allocate their capital in the country. Conversely, lower income levels may deter investment due to reduced market potential and increased economic uncertainty. [20]
- Political Environment - Political stability, a transparent regulatory framework, and favorable policies can attract foreign investors and encourage domestic businesses to expand. On the other hand, a volatile political climate, corruption, and inconsistent policies can create uncertainty, deter investment, and hinder economic growth. Therefore, understanding the political landscape is essential for investors to assess risks and make informed decisions regarding investment opportunities.[21]
- New information- Investors rely on the latest updates and trends to assess the potential risks and returns associated with various investment options. For instance, if a positive market report indicates a growing demand for renewable energy, investors may choose to allocate their funds in clean energy companies. [22]
- Market risk and return - Investors are generally risk-averse, seeking opportunities that offer a balance between risk and return. Higher market risk implies the possibility of greater volatility and potential losses, which often deters investors from making certain investments.[23]
- Stock index status- Investors closely monitor the performance of stock indices such as the SENSEX, NIFTY 50 to gauge the overall health and direction of the market. When the stock index is performing well, investors are more likely to be optimistic and may increase their investments. Conversely, a decline in the stock index can cause investors to be cautious and may lead to a decrease in investment activity.[24]
- Recent price fluctuations - Investors may become more cautious and hesitant to invest when they see prices rapidly fluctuating, as it creates uncertainty and increases the risk associated with their investments. On the other hand, some investors may see price fluctuations as an opportunity to make quick profits through short-term trading strategies. Ultimately, the effect of these price fluctuations on investment decisions will depend on the risk appetite and investment goals of each individual investor.[25]
- Portfolio diversification - Portfolio diversification is a crucial aspect of investment decision-making as it helps to spread out risk across different asset classes. By investing in a variety of assets, such as stocks, bonds, and real estate, investors can minimize the impact of any one investment performing poorly. [26]
- Market Capitalization - Market capitalization plays a crucial role in investment decision-making. Investors often consider the size of a company's market capitalization when deciding whether to invest in a particular stock. Larger companies with higher market capitalizations are generally seen as more stable and less risky, attracting conservative investors [27]

Previous studies on marketplace and fiscal components are all interconnected based mostly on econometric evaluation. There is not any analysis into how traders kind opinions primarily based on financial and market components and the way these perspectives in the end have an effect on their funding selections. This hole within the literature highlights the necessity for additional exploration into the psychological facet of funding determination making. Understanding how buyers interpret and react to financial and market info can present invaluable insights for each researchers and practitioners within the discipline of finance. Investors' reactions to signs from monetary markets observe complicated cognitive pathways, formed by each rational evaluation and nonrational elements. Factors which panic some buyers could excitement others, displaying how aversion to loss or urge for food for danger can differently affect funding choices. Gaining a fuller image of such psychological influences might assist enhance portfolio administration and markets' functionality.

RESEARCH METHODS

The present study employs a single method of quantitative analysis[28]. A sample size of 100 respondents was determined using the Kregcie-Morgan table [29], with a margin of error of 7.5%. In order to compensate for those who did not respond, 200 questionnaires were handed out, and 155 of them were considered appropriate for the study. The sampling was conducted utilising convenience sampling [30]. The decision to use convenience sampling was based on its ability to efficiently and easily collect data from stock investors in Bengaluru city. A meticulously designed questionnaire was created by using insights from prior research on market aspects, economic considerations, and

investment decisions. The questions were meticulously formulated to guarantee lucidity and prevent prejudice, enabling participants to offer precise and significant responses. In addition, specialists in the field to confirm its validity and reliability reviewed the questionnaire. The questionnaire's validity and reliability were assessed using the Gaskins master validity table. The average variance extracted (AVE) for all four components above 0.500, while both the Cronbach alpha and composite reliability were higher than 0.70. The discriminant validity was confirmed by observing that the square root of the average variance extracted (AVE) is larger than the interitem correlations. The data was gathered utilising the Google Forms platform and the survey methodology. The Google Forms technology facilitated the effortless dissemination of the survey and streamlined data acquisition. The method-demonstrated efficacy in both obtaining a substantial sample size and accurately analyzing the collected replies. The data was analyzed using factor analysis in SPSS and confirmatory factor analysis in AMOS software[31].

RESULTS AND DISCUSSION

The study found that 73.8% of the respondents were male, while 26.2% were female. Most 68.3% of the respondents are under the age of 30, while 24.1% are within the age range of 31-40 years. The percentage of individuals who are single is 64.8%, while the percentage of individuals who are married is 34.5%. Out of the respondents in the study, 46.9% have completed their undergraduate studies and 37.9% have completed their postgraduate studies. 43.4% of the respondents had an annual income of less than 2,50,000. 26.9% of the respondents earned an income between 2,50,001 and 5,00,000, while 13.8% had an income between 5,00,001 and 7,50,000. Out of the total responses, 29.7% are students and 47.6% are professionals. Only a small fraction, specifically 6.9%, consists of businessmen. Approximately 80.7% of individuals possess a range of 1-4 years of experience in the field of investing. Only 5.5% of the responders possess more than 10 years of experience. 51% of the respondents allocate less than 10% of their savings towards investments, while 34.5% save between 11% and 20%. A minority of the respondents save more than 30% of their savings.

Economic and Market factors influencing investment decision

Through the extensive review of Literature, 21 statements measuring External Factors were identified.

The codes and Statements are presented in the table below

Table 1 – Items measuring External factors

SL.NO		Statement
1	Eco_1	The economic conditions of a country have a direct impact on stock values in the stock market.
2	Eco_2	Prior to making investment selections, I carefully evaluate the prospective economic conditions of the country.
3	Eco_3	Government measures, like as contributions and tax reductions, have a significant impact on my investing selections.
4	Eco_4	Any occurrence that impacts the global financial market will also have an impact on local stock values.
5	Eco_5	The current economic indicators, such as GDP, money supply, and interest rates, have a significant impact on my investing selections.
6	Eco_6	The macroeconomic factors, including the exchange rate and foreign institutional investor (FII) investments, have a significant influence on the fluctuations of the Indian stock market.
7	Eco_7	The stability of the political environment significantly impacts my investment decision.
8	Mrkt_1	The rate of return on my recent stock investment has met my expectations.
9	Mrkt_2	My investing decision is solely contingent on the market condition.
10	Mrkt_3	I utilise stock market information for the purpose of engaging in stock investment.
11	Mrkt_4	I make decisions based on objective analysis and only trade equities when the information provided by the stock market plainly indicates a need to do so.
12	Mrkt_5	I possess a rapid response to new information in the market.
13	Mrkt_6	If the stock is underperforming, regardless of the fact that I have owned it for several years, I would choose to sell it.
14	Mrkt_7	I took into account the historical stock movements before making my investing decision.
15	Mrkt_8	I suggest that the future valuation of a stock can be ascertained by conducting a meticulous examination of its historical performance.
16	Mrkt_9	I perceive risk in investments as a potential advantage.
17	Mrkt_10	The condition of national and international stock indices has a significant

		impact on my investment decisions.
18	Mrkt_11	I am acquainted with the concept of market capitalisation when I encounter it.
19	Mrkt_12	During periods of market volatility, I allocate my investments in order to maximise prospective returns in terms of both income and growth.
20	Mrkt_13	To mitigate asset-specific risk, I employ portfolio diversification.
21	Mrkt_14	I perceive fluctuations in market prices as a favourable chance for investment.

Step -1 An exploratory factor analysis was conducted, and items with factor loadings below 0.300 were eliminated from the external factors model. The initial exploratory factor analysis resulted in a reduction of the original 21 components to 18 items, with 3 things being removed (specifically, Mrkt_1, Mrkt_3, and Mrkt_2). The second exploratory factor analysis resulted in a reduction of the initial 18 items to 15 items, with 3 things being removed (specifically, Mrkt_4, Mrkt_5, and Mrkt_10).[32]

Results of Final exploratory factor analysis

(a) KMO Bartlett's statistics

Table 2- KMO Bartlett's test –External Factors

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.871
Bartlett's Test of Sphericity	Approx. Chi-Square	5658.414
	df	105
	Sig.	0.000

The KMO Statistics of 0.871 in this experiment, with a sample size larger than 300, indicates that the model is sufficient. The Bartlett's test yielded a very significant result ($p = 0.000$) with a chi-square value of 5658.414 and 105 degrees of freedom, indicating that factor analysis is suitable for the current inquiry and that the dataset would benefit from undergoing a factor analysis.[33]

(b) Communalities

Table 3– Communalities – External factors

Communalities		
	Initial	Extraction
ECO_1	1.000	0.807
ECO_2	1.000	0.827
ECO_3	1.000	0.865
ECO_4	1.000	0.859
ECO_5	1.000	0.865
ECO_6	1.000	0.845
ECO_7	1.000	0.778
Mrkt_6	1.000	0.674
Mrkt_7	1.000	0.810
Mrkt_8	1.000	0.842
Mrkt_9	1.000	0.835
Mrkt_11	1.000	0.834
Mrkt_12	1.000	0.791
Mrkt_13	1.000	0.821
Mrkt_14	1.000	0.842
Extraction Method: Principal Component Analysis.		

In exploratory factor analysis, communalities are the average of squared factor loadings per each variable. The higher the communality value, the more is the proportion of the variance in the variable that is explained by the common factors. Overall, the communalities represent the shared variance in the observed variables that the common factors account for. The sub factors of External factors items have extraction between 0.674 and 0.865.[34]

(c) Total Variance explained

Table 4– Total Variance explained – External factors

Total Variance Explained								
Component	Initial Eigenvalues	Extraction Loadings	Sums of Squared	Rotation Loadings	Sums of Squared			

	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	11.153	74.355	74.355	11.153	74.355	74.355	6.296	41.973	41.973
2	1.141	7.608	81.963	1.141	7.608	81.963	5.998	39.990	81.963
3	0.386	2.574	84.537						
4	0.339	2.259	86.796						
5	0.280	1.869	88.665						
6	0.262	1.743	90.408						
7	0.225	1.501	91.909						
8	0.202	1.349	93.258						
9	0.189	1.257	94.515						
10	0.165	1.097	95.612						
11	0.154	1.024	96.636						
12	0.152	1.012	97.647						
13	0.128	0.852	98.500						
14	0.116	0.770	99.270						
15	0.109	0.730	100.000						

Extraction Method: Principal Component Analysis.

The present PCA demonstrates a high level of variation, with all components accounting for 81.983 % of the total variation, indicating a favorable outcome. [35]

(d) Scree Plot

A scree plot shows the explained variance of each principal component in descending order. Through the scree plot it is clear that 15 items were classified into 2 Constructs

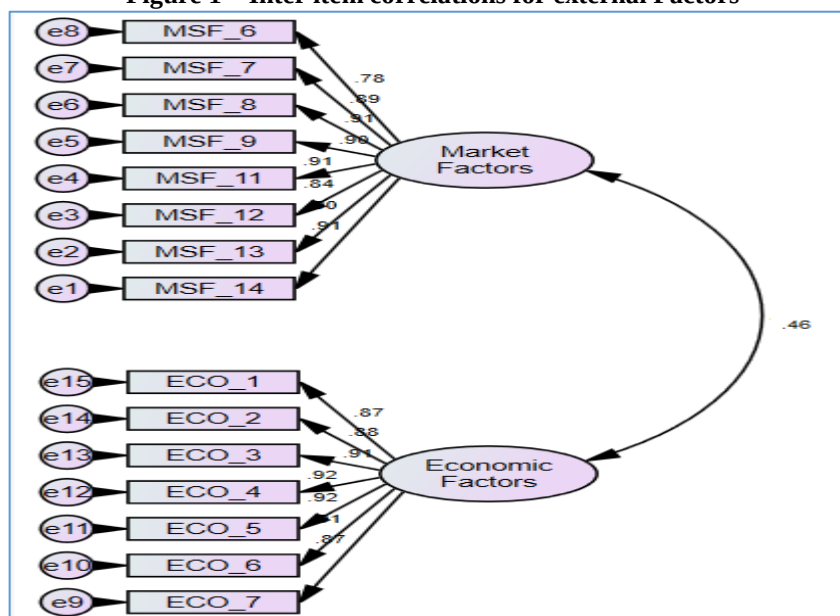
(e) Rotated component matrix

Total 15 items were classified into 2 factors. Market factors were loaded with 8 items and Economic factors were loaded with 7 items

(f) Inter item correlations

The sweet spot for average inter-item correlations among sets of items is usually found to be somewhere between .20 and .40. [36]

Figure 1 – Inter item correlations for external Factors



The inter-item correlations among the items fall under the previously indicated threshold, indicating a satisfactory level of association. Moreover, the elements that exert an influence on external factors are deemed suitable for subsequent study.

(g) Scale Validity and reliability**Table Error! No text of specified style in document..5 –Scale validity and reliability for external factors**

	CR	AVE	MSV	MaxR(H)	Market	Economic
Market	0.876	0.528	0.329	0.916	0.726	
Economic	0.836	0.511	0.426	0.918	0.462	0.713

In the current framework, a comprehensive analysis was conducted on aboth dimensions, and it was determined that all constructs satisfied the predefined requirements for validity. Therefore, it was determined that the constructs under external factors exhibits both validity and reliability.

Null Hypothesis- Economic and Market factors do not influence the investment decision of investors in Indian stock market

Alternate Hypothesis- Economic and Market factors influence the investment decision of investors in Indian stock market

(a) Model Fit statistics

The field of model fit statistics encompasses various criteria used to evaluate how well a statistical model can be fitted to its original data. A goodness of fit index above 0.800 is indicative of a strong fit with the data. The current model has a goodness of fit index of 0.926, indicating a strong fit as it is considered an acceptable value. The χ^2 / df value is 3.451, indicating a strong fit with the data as it is below the threshold of 5.000. The Root Mean Residuals (RMR) should be less than 0.050 (0.075), the RSMEA should be less than 0.080 (0.041), and the statistics of the current model meet the acceptable criteria.[37]

(B) Confirmatory Factor Analysis

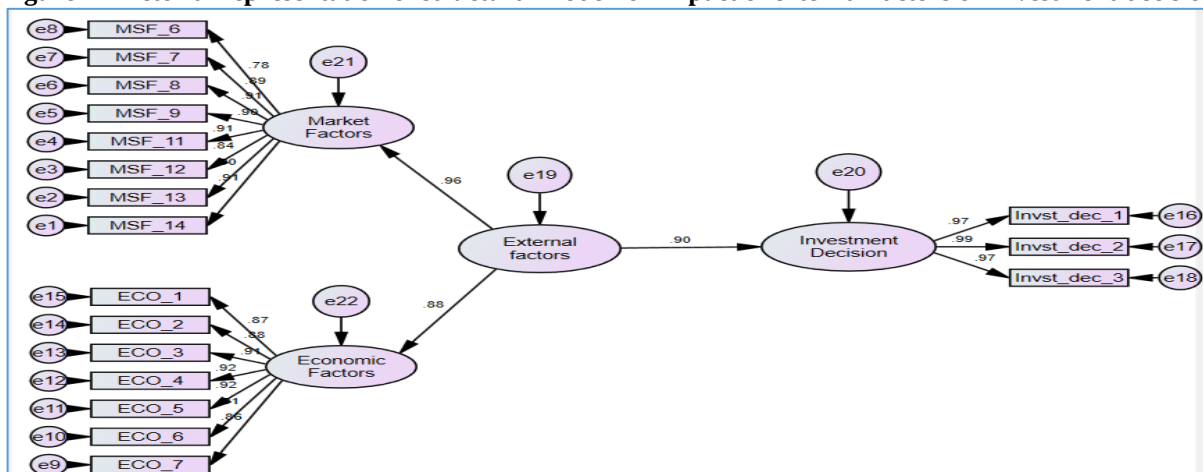
The Structural Equation Modeling (SEM) Model is employed in situations where there are several variables and a desire to comprehend the influence of observed factors on unobserved variables.

Table 6 - Estimates for impact of External factors on investment decision

STRUCTURAL RELATIONSHIP				Unstd Estimate	Std Estimate	P
Market_Factors	<---	External_factors		0.439	0.962	***
Economic_Factors	<---	External_factors		0.253	0.877	***
Investment_Decision	<---	External_factors		0.372	0.895	***

One unit increase in mean scores of External factors will lead to 0.439 units increase in the investment decisions. The standardised estimate of 0.962 indicates the contribution of external factors to the investment decision is very high and this relationship is statistically significant at $p < 0.05$. ($B = 0.439$, $b = 0.962$, $p = 0.00$)

Market and economic factors are the two factors of External factors and the standardised estimate show that Both economic and market factors are equal contributors to external factors with standardised estimates of 0.877 and 0.895. [12], [16]

Figure 2– Pictorial representation of structural model for impact of external factors on investment decision

This suggests that external factors play a substantial role in influencing investment decisions. The strong positive correlation between external factors and investment decisions highlights the importance of considering external influences when making investment choices. With a p-value of 0.00, it is clear that this relationship is not due to random chance, further solidifying the significance of external factors in the decision-making process. Role of economic and market factors cannot be underestimated when it comes to investment decisions [13]. These findings indicate that investors should not only focus on internal factors like company performance, but also take into account external variables such as economic indicators and market trends [15]. By recognizing the impact of external factors on investment choices, investors can make more informed and strategic decisions that are likely to yield better outcomes in the long run. Ultimately, this research underscores the importance of a holistic approach to investment analysis that considers both internal and external influences [14].

This results also show that both economic and market factors should be carefully analyzed and taken into account when making investment decisions[18]. By understanding the impact of these external influences on investment choices, investors can better navigate the complexities of the market and make more informed decisions[18]. Ultimately, by acknowledging the importance of external factors in the decision-making process, investors can increase their chances of making profitable and successful investments.

The results of SEM analysis indicate Alternate Hypothesis- Economic and Market factors influence the investment decision of investors in Indian stock market **to be accepted.**

CONCLUSION

While economic theories surrounding supply, demand, interest rates and regulations offer meaningful understanding into influences on investment choices, applying such complex notions requires nuanced consideration of diverse inputs. A savvy investor carefully weighs short and long-term effects of shifting market climates alongside their risk profile and objectives. By closely tracking signs within the economic landscape for shifts in conditions, opportunities to realign holdings in favor of newly emerging potentials may materialize. Conversely, pending dangers can be identified, allowing preparations to minimize detrimental impacts. Though digesting multilayered influences involves attentive analysis, the careful investor who integrates consideration of theories with reactive repositioning stands prepared to optimize outcomes in changing contexts. While quantitative analyses of market influences on financial choices offer valuable statistics, a qualitative review could enrich our comprehension in profound ways. By interviewing investors and meticulously studying their responses, researchers may elucidate the intricate interplay between objective data and subjective feelings that ultimately direct money motions. Sometimes strict numbers fail to fully capture the subtle shadings of sentiment, memories, and intuition swirling beneath surface decisions. A mixed-methods assessment incorporating both quantifiable reports and exploratory dialogues might progressively peel back layers of this multifaceted determination. Only through diverse inspection do we stand to gain a truly integrated appreciation of how external triggers interact with each individual's unique internal processing to collectively culminate in complex monetary motions.

REFERENCES

- [1]. Market Activity, <https://www.ibef.org/economy/domestic-investments>, (Last visited on 22.7.2024)
- [2]. Financial Services in India, <https://www.ibef.org/industry/financial-services-india>, (Last visited on 22.7.2024)
- [3]. Indian Economy News, <https://www.ibef.org/news/india-s-real-gdp-projected-to-grow-between-6-5-7-in-2024-25>, (Last visited on 22.7.2024)
- [4]. Dash, M. K. (2010). Factors influencing investment decision of generations in India: An econometric study. *Int. J. Buss. Mgt. Eco. Res*, 1(1), 15-26.
- [5]. Abdul Kareem, A. A., Fayed, Z. T., Rady, S., Amin El-Regaily, S., & Nema, B. M. (2023). Factors influencing investment decisions in financial investment companies. *Systems*, 11(3), 146.
- [6]. Antony, A., & Joseph, A. I. (2017). Influence of behavioural factors affecting investment decision—An AHP analysis. *Metamorphosis*, 16(2), 107-114.
- [7]. Kengatharan, L. (2019). Factors influencing investment decisions in stock market: evidence from individual investors in the northern province of Sri Lanka.
- [8]. Patil, S., & Bagodi, V. (2021). A study of factors affecting investment decisions in India: The KANO way. *Asia Pacific Management Review*, 26(4), 197-214.
- [9]. Sarbabidya, S., & Saha, T. (2018). Factors affecting investment decisions: A study on Bangladesh stock market. *Journal of Accounting*, 8(2), 1-19.
- [10]. Dhochak, M., & Sharma, A. K. (2016). Identification and prioritization of factors affecting venture capitalists' investment decision-making process: An analytical hierarchal process (AHP) approach. *Journal of Small Business and Enterprise Development*, 23(4), 964-983.
- [11]. Nightingale, A. (2009). A guide to systematic literature reviews. *Surgery (Oxford)*, 27(9), 381-384
- [12]. Bialowolski, P., & Weziak-Bialowolska, D. (2014). External factors affecting investment decisions of companies. *Economics*, 8(1), 20140011.

- [13]. Mutswenje, V. S. (2009). A survey of the factors influencing investment decisions: the case of individual investors at the NSE (Doctoral dissertation, University of Nairobi).
- [14]. Lodhi, S. (2014). Factors influencing individual investor behaviour: An empirical study of city Karachi. *Journal of Business and Management*, 16(2), 68-76.
- [15]. Dash, M. K. (2010). Factors influencing investment decision of generations in India: An econometric study. *Int. J. Buss. Mgt. Eco. Res*, 1(1), 15-26.
- [16]. Obamuyi, T. M. (2013). Factors influencing investment decisions in capital market: A study of individual investors in Nigeria. *Organizations and markets in emerging economies*, 4(07), 141-161.
- [17]. Uslu Divanoğlu, S., & BAĞCI, D. H. (2018). Determining the factors affecting individual investors' behaviours. *International Journal of Organizational Leadership*, 7, 284-299.
- [18]. Metawa, N., Hassan, M. K., Metawa, S., & Safa, M. F. (2019). Impact of behavioral factors on investors' financial decisions: case of the Egyptian stock market. *International Journal of Islamic and Middle Eastern Finance and Management*, 12(1), 30-55.
- [19]. Kengatharan, L. (2019). Factors influencing investment decisions in stock market: evidence from individual investors in the northern province of Sri Lanka.
- [20]. Kengatharan, L. (2019). Factors influencing investment decisions in stock market: evidence from individual investors in the northern province of Sri Lanka.
- [21]. Listyarti, I., & Suryani, T. (2014). Determinant factors of investors' behavior in investment decision in Indonesian capital markets. *Journal of Economics, Business, and Accountancy Ventura*, 17(1), 45-54.
- [22]. Ngoc, L. T. B. (2014). Behavior pattern of individual investors in stock market. *International Journal of Business and Management*, 9(1), 1-16.
- [23]. Schmitz, P. (2007). Market and individual investors reactions to corporate news in the media. Available at SSRN 1004488.
- [24]. Lee, B., Rosenthal, L., Veld, C., & Veld-Merkoulova, Y. (2015). Stock market expectations and risk aversion of individual investors. *International Review of Financial Analysis*, 40, 122-131.
- [25]. Ngoc, L. T. B. (2014). Behavior pattern of individual investors in stock market. *International Journal of Business and Management*, 9(1), 1-16.
- [26]. Barber, B. M., & Odean, T. (2013). The behavior of individual investors. In *Handbook of the Economics of Finance* (Vol. 2, pp. 1533-1570). Elsevier.
- [27]. Baker, M., & Wurgler, J. (2007). Investor sentiment in the stock market. *Journal of economic perspectives*, 21(2), 129-151.
- [28]. Lee, C. F. (2006). *Advances in quantitative analysis of finance and accounting* (Vol. 4). World Scientific.
- [29]. Chaokromthong, K., & Sintao, N. (2021). Sample size estimation using Yamane and Cochran and Krejcie and Morgan and green formulas and Cohen statistical power analysis by G* Power and comparisons. *Apheit International Journal*, 10(2), 76-86
- [30]. Stratton, S. J. (2021). Population research: convenience sampling strategies. *Prehospital and disaster Medicine*, 36(4), 373-374
- [31]. Hair Jr, J. F., Howard, M. C., & Nitzl, C. (2020). Assessing measurement model quality in PLS-SEM using confirmatory composite analysis. *Journal of Business Research*, 109, 101-110.
- [32]. Fabrigar, L. R., & Wegener, D. T. (2011). *Exploratory factor analysis*. Oxford University Press.
- [33]. Mooi, E., Sarstedt, M., Mooi-Reci, I., Mooi, E., Sarstedt, M., & Mooi-Reci, I. (2018). Principal component and factor analysis. *Market research: The process, data, and methods using Stata*, 265-311.
- [34]. Schreiber, J. B. (2021). Issues and recommendations for exploratory factor analysis and principal component analysis. *Research in Social and Administrative Pharmacy*, 17(5), 1004-1011.
- [35]. Shrestha, N. (2021). Factor analysis as a tool for survey analysis. *American journal of Applied Mathematics and statistics*, 9(1), 4-11.
- [36]. Piedmont, R. L., & Hyland, M. E. (1993). Inter-item correlation frequency distribution analysis: A method for evaluating scale dimensionality. *Educational and psychological measurement*, 53(2), 369-378.
- [37]. Barrett, P. (2007). Structural equation modelling: Adjudging model fit. *Personality and Individual differences*, 42(5), 815-824.