

## IMPACT ON FII & DII IN COVID FIRST WAVE: INDIA

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#### Abstract:

India is on the path of Digital India, FII and DII's in the country boost the country's economy. Both FII and DII have dominant role in capital formation which assists in assets formation along with investments in the stock market form of trading of various securities. FII funds a capital sources in India from foreign countries , affect the financial system and boost the economical growth. During pandemic , covid -19 the Indian economy has faced severe changes which affected the DII and FDI funds too. The research paper points on the changes in the FII and DII funds due to pandemic with reference to increase in covid cases. Design/Methodology/Approach- The paper employs quantitative approach have exploratory research design. The secondary has been collected from authorized government sites i.e. [www.moneycontrol.com](http://www.moneycontrol.com) & [www.statista.com](http://www.statista.com) for infusion of FII and DII funds in India and data sheet of COVID-19 cases in India( January 2020 to December 2020). Furthermore, for analyze of data SPSS version 20 has been used. Correlation & regression and ANOVA; Statistical techniques have been applied to reach the findings. The findings exhibits that there has been a significant changes in FII and DII during the COVID first wave period as compared to the pre COVID. Being FII and DII are very important for any countries economy, therefore studying the same and especially for the COVID period is highly essential from the Future perspective. This paper is original as till date no study has been conducted in detail to study the pattern and impact of FII and DII during the COVID times.

**Keywords:** FII, DII, Economy, Growth, Covid 19, Pandemic, and Investors, JEL Classification- G01,G20,O11

#### Introduction:

FII (Foreign Institutional Investors) are among the significant wellsprings of liquidity for the Indian business sectors. In the event that FIIs are putting enormous sums in the Indian stock trades, at that point it mirrors their high certainty and a solid financial specialist conclusion for our business sectors. However, with the current worldwide monetary disturbance and a liquidity and credit freeze in the global business sectors, FIIs have become net merchants (on an everyday premise). DII means 'Domestic institutional Investors.' DIIs are a specific class of speculators that attempt to put resources into monetary resources and protections of the nation they are presently dwelling in. These venture choices of DIIs are affected by both political and monetary patterns. Like unfamiliar institutional financial specialists (FIIs), homegrown institutional speculators (DIIs) can likewise affect the economy's net venture streams.

In India, homegrown institutional speculators have a significant definitive job with regards to the presentation of the Indian securities exchange, particularly when unfamiliar institutional financial specialists are the district's net dealers. As of March 2020, DIIs put a combined ₹55,595 crores in the Indian value market. This was a record speculation for the nation inside a solitary month.

### **FII vs DII Competitive Analysis for 2020**

- ✓ **Asset under Management (AUM):** As of April 2020, DIIs had a total of ₹20.4 lakh crores in their assets under management whereas foreign institutional investors had about ₹24.4 lakh crores. Since January of 2020, domestic institutional investors experienced a fall of about 10% in their AUM while FIIs saw a fall of double that at about 21.3%.
- ✓ **Inflows/Outflows YTD:** Since January of 2020, DIIs have invested about ₹72,000 crores year to date. Foreign institutional investors have removed about ₹39,000 crores from Indian equity markets at the year to date.

**Covid-19** has badly impacted the economy all around and FII/DII inflow has been also vulnerable to the same impact. The rising number of cases during an year 2020 significantly changed the infusion of FII/DII funds in India.

### **Literature Review:**

**Lakshman et al. (2007)** conducted a study to identify the market-wide herding presence in the Indian stock market and the impact of FIIs on such herding. The researcher indicated that herding exists in the Indian stock market, but its impact is not very severe. Further, results revealed that FII flows do not significantly influence the herding behavior. An interesting finding from the study also suggested that mutual funds significantly increase the tendency of herding.

**Tripathy (2007)** examines the linkage among stock market, market capitalization, and net FII investments by applying both Ganger causality and vector auto regression (VAR) test. The results indicate that there is no significant causality between FII investment and market capitalization, but there is a unidirectional, casual relationship between market capitalization and stock market and net FII investment and stock market.

**Chittedi (2008)** analyzed the performance of the sensex vs FIIs in the Indian stock market. She found that the liquidity, as well as the volatility, was highly influenced by FII inflows in BSE Sensex. She concluded that the FIIs who have been so bullish in India for the last so many years might start looking at other cheaper emerging markets for better returns. So, it is 5 very tough to predict whether the Sensex will sustain the momentum in the Future or not.

**Samarakoon (2009)** investigates the relation between equity flows by different investor classes and returns in Sri Lanka and finds that purchases and sales of domestic and foreign investors, both institutional and individual, are positively related with past returns, except during crisis periods, when they are negatively related. Domestic institutional and foreign individual purchases lead to higher Future returns whereas domestic individual purchases lead to lower Future returns.

**Ray (2009)** attempts to identify whether a causal relationship exists between the net investment made by FIIs and the equity return in the Indian stock market. The author finds

evidence that suggests that the equity returns Granger cause FII investments, but not the reverse. Kumar, Tavishi and Khatua (2012) find strong evidence of positive feedback trading of FIIs and a bidirectional relation between FII flows and equity market returns in India.

**Siddiqui and Azad (2013)** analyzed the relationship between market indices and FIIs in the Indian context for the period 2000 to 2010. The results revealed a significant impact of FIIs on stock returns with respect to the Auto Index, Metal Index and IT Index. A mild significant impact was noticed in the case of SENSEX, BSE 500, BSE 100, BSE Capital Index, BSE Consumer Durables Index and PSU Index. However, the study evidenced an insignificant impact in the case of BANKEX, Realty Index, FMCG Index, Oil and Gas Index and Power Index.

**K.Vimaladevi (2014)** : Conducted a research on Study On The Impact Of Foreign Institutional Investors Fiis In Indian Stock Market and found out that FII is a vital component which helps in the development of financial market and the overall financial development thereby allowing the capital flows available in a country to pursue its trajectory of economic growth. The study conducted observed that investments by FIIs and the movements of Sensex are quite closely correlated in India and FIIs make significant influence on the movement of Sensex. FIIs have positive impact on BSE Sensex and Nifty. This signifies that market rise when increase in FIIs and collapse when FIIs are withdrawn from the market. This explains that favorable Sensex movements would attract FIIs investments and the vice versa.

**Ghosh and Srinivasan (2014)** analyzed the dependence of BSE on FII and DII activity. The study is conducted by collecting data on prices and FII and DII activity from September 2007 to October 2013. They found that BSE 100 does depend upon DII activity.

**Kotishwar. A (2015):** Conducted a research on FII and DII fund flow impact of mutual funds inflows and outflows – A study and found out that Mutual fund inflows were having negative co-relation with secondary market bench mark. It has been observed that nifty had field infuses the mutual fund inflow and outflow in India during study period. DII flow was having the stronger infuses mutual fund out flow.

**Syamala(2015):**evaluated the relation between stock liquidity and institutional ownership using the data relating to Indian firms for the period 2001–2012. The two liquidity measures, HL-Spread and Amihud illiquidity, were estimated. The researchers found a negative relationship between stock liquidity and institutional ownership and it is driven by Bank Ownership and Foreign Institutional Investors. The study also noticed a positive relationship between stock liquidity and retail ownership and thus concludes that liquid stocks are mostly held by the FIIs.

**Singh, Singh, and Kaur (2016)** examined the trend of FII flow in India from 2001 and 2015 and also examines the relationship between FII and the two important barometers of the Indian stock market, i.e., S&P BSE Sensex and CNX Nifty. They used regression analysis and revealed that Net FII had a significant impact on the proxies of the Indian stock market, i.e, Sensex and Nifty.

**Jalota (2017)** studied the behavioral aspect of FIIs and DIIs to find the relationship between the two through correlation and one-way ANOVA test. It has been seen that FII took the money out under the conditions of volatility in the Indian stock market whereas, on the other hand, it impacts the behavior of the DII in India.

**Narayan Parab & Y.V Reddy(2020)** : Conducted a study on FII and DII fundy pre and post demonetization and found out that the results indicated a negative relationship of FIIs and DIIs with Nifty 50 Index Returns prior to demonetization; however, such a relationship was noticed to be positive post-demonetization. The study found the Nifty Realty sector to be severely affected because of demonetization. e study found the impact of demonetization on stock market returns, but did not evidence any such impact on FIIs and DIIs. This may be due to the presence of serial correlation in the data pertaining to FIIs and DIIs.

**Gap Analysis:** No study till date has been conducted to study the impact of FII and DII during COVID times.

### **Research Methodology:**

#### **Research Objectives:**

1. To Study the FII and DII funds during Covid 19 pandemic.
2. To Study the cash and F&O segments in FII and DII.
3. To correlate the FII and DII Futures Index an stock Segments.

#### **Research Considerations:**

- ✓ It includes **quantitative & secondary data** from reliable websites and journal.
- ✓ Statistical tool used to analyze the data to derive at the conclusions and form interpretations is Correlation & regression and ANOVA applied through SPSS 20.
- ✓ The variables considered for the study are:
- ✓ Dependent Variable: Covid-19 cases in India from January to December
- ✓ Independent Variables: FII and DII cash, FII Index Future, FII Index Option, FII Stock Future, FII stock Options

**Statistical Analysis:** The Covid -19 active cases data in India is taken monthly wise from January 2020 to December 2020. FII and DII data is also collected in both cash and Futures and Options segment for last 12 months. Covid cases data is used for correlating with FII and DII. Correlation has been applied for few variables and then Regression analysis along with One Way ANOVA is conducted.

#### **Data Analysis:**

#### **Correlation between FII cash and Covid – Cases**

#### **Correlation between FII cash and Covid – Cases**

<b>Date</b>	<b>Net Purchase/Sales of FII</b>	<b>Covid Cases</b>
<b>Jan-2020</b>	<b>-5359.51</b>	<b>1</b>
<b>Feb-2020</b>	<b>-12684.30</b>	<b>3</b>
<b>March-2020</b>	<b>-65816.70</b>	<b>8889</b>
<b>April-2020</b>	<b>-5208.50</b>	<b>413652</b>
<b>May-2020</b>	<b>13914.49</b>	<b>620516</b>
<b>June-2020</b>	<b>5492.95</b>	<b>10558374</b>
<b>July-2020</b>	<b>2490.19</b>	<b>31716501</b>
<b>August-2020</b>	<b>15749.86</b>	<b>80749620</b>
<b>September-2020</b>	<b>-11410.69</b>	<b>149113758</b>
<b>October-2020</b>	<b>14537.40</b>	<b>226770312</b>
<b>November-2020</b>	<b>65317.13</b>	<b>264556412</b>
<b>December-2020</b>	<b>47088.35</b>	<b>38068745</b>

		<b>Correlations</b>	
		<b>FII Cash</b>	<b>Covid Cases</b>
FII Cash	Pearson Correlation	1	0.622
	Sig.(2-tailed)		0.041
	N	11	11
Covid Cases	Pearson Correlation	0.622	1
	Sig.(2-tailed)	0.041	
	N	11	12

**Interpretation:** With the above obtained results, it is observed that the significant value is .041 which is below the p value of 0.05 which means there is a significant relation between FII funds and Covid cases in India. From the above table it is understood that FII funds were in negative state when there was complete lockdown i.e in the month of April.

#### **Correlation between DII Cash and Covid Cases**

<b>Date</b>	<b>Net Purchase / Sales of FII</b>	<b>Covid cases</b>
Jan-20	1,073.49	1.00
Feb-20	16,933.03	3.00
Mar-20	55,595.18	8,889.00
Apr-20	-117	413652
May-20	12,293.19	620,516.00
Jun-20	2,434.40	10,558,374.00
Jul-20	-10,007.88	31,726,501.00
Aug-20	-11,046.78	80,749,620.00
Sep-20	110.3	149113758
Oct-20	-17,318.44	226,770,312.00
Nov-20	-48,319.17	264,556,412.00
Dec-20	-37,035.89	38,068,745.00

		<b>Correlations</b>	
		<b>Covid Cases</b>	<b>DII Cash</b>
Covid Cases	Pearson Correlation	1	-0.718
	Sig.(2-tailed)		0.013
	N	12	11
DII cash	Pearson Correlation	-0.718	1
	Sig.(2-tailed)	0.013	
	N	11	11

**Interpretation:** After conducting correlation using SPSS, the result shows that there is a significant relation between domestic Institutional Investors and Covid Cases. The P value is less than 0.05 i.e it is only 0.13. When the Covid cases decreased in India DII's showed interest in investing and thus DII fund became positive in the month of September.

#### **Regression analysis between FII and DII**

<b>Date</b>	<b>Net Purchase / Sales of FII</b>	<b>Net Purchase / Sales of</b>
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		<b>DII</b>
Jan-20	-5,359.51	1,073.49
Feb-20	-12,684.30	16,933.03
Mar-20	-65,816.70	55,595.18
Apr-20	-5,208.50	-117
May-20	13,914.49	12,293.19
Jun-20	5,492.95	2,434.40
Jul-20	2,490.19	-10,007.88
Aug-20	15,749.86	-11,046.78
Sep-20	-11,410.69	110.3
Oct-20	14,537.40	-17,318.44
Nov-20	65,317.13	-48,319.17
Dec-20	47,088.35	-37,035.89

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.73	0.532	0.415	75753731

ANOVA						
Model		Sum of Squares	Df	Mean Square	F	Sig
1	Regression	5.224E+16	2	2.612E+16	4.552	0.048
	Residual	4.591E+16	8	5.739E+15		
	Total	9.815E+16	10			

**Interpretation:** From the above output it is inferred that the significance value is 0.48 which is less than 0.05, it means there is a significant relation between DII cash and FII cash. The R value is .730 which shows that FII and DII funds are 73% dependent on Covid 19 Cases. **Regression Analysis between FII Index Option and FII Index Future**

<b>FII Index Future</b>	<b>FII Index Option</b>
<b>Net Purchase / Sales</b>	<b>Net Purchase / Sales</b>
-10,122.77	24,050.19
-4,400.86	26,444.09
10,768.31	10,408.17
4,109.26	-94,173.73
-2,806.24	11,402.88
-4,379.21	5,520.33
2,778.47	14,508.17
-2,765.63	12,711.65
-1,479.35	19,029.15
-4,945.29	12,148.43
6,815.90	14,496.08

Model Summary					
Model	R	R Square	Adjusted R Square		Std. Error of the Estimate
1	0.317	0.100	0		6052.04

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig
1	Regression	36762485.49	1	36762485.49	1.004	0.343
	Residual	329684404.2	9	329684404.2		
	Total	366446889.7	10			

**Interpretation:** From the regression analysis it is clearly understood that FII index Futures are not depended on movement of FII index options because the significant P value is more than 0.05 and also the Adjusted R square value shows 0% significance between both variables. From the table above also it is clear that when FII index Futures is positive, FII Index options is negative and vice versa.

#### Correlation between FII Stock Futures and FII Stock Options

Date	FII Stock Futures	FII Stock Options
Jan-20	-4671.08	251.02
Feb-20	3077.93	479.26
Mar-20	12895.47	260.87
Apr-20	1886	-51.59
May-20	-2889.98	-557.94
Jun-20	3331.26	-148.45
Jul-20	-6898.39	857.09
Aug-20	-12171.85	481.21
Sep-20	-510.28	237.5
Oct-20	1441.02	226.1
Nov-20	-4535.04	136.93

Correlations			
		FII Stock Future	FII Stock Option
FII Stock Future	Pearson Correlation	1	-0.236
	Sig.(2-tailed)		0.485
	N	12	11
FII Stock Opt	Pearson Correlation	-0.236	1
	Sig.(2-tailed)	0.485	
	N	11	11

**Interpretation :** From the above output it can be inferred that there is no correlation between FII stock Futures and FII stock options. The P value is also .485 which is more than 0.05, from this it

is understood that both the variables does not have any relation with each other's purchase and sale of FII's.

### Correlation between FII Cash , FII Index Options and FII Stock Options

Date	Net Purchase / Sales	Index Opt	Stock Opt
Jan-20	-5,359.51	24,050.19	251.02
Feb-20	-12,684.30	26,444.09	479.26
Mar-20	-65,816.70	10,408.17	260.87
Apr-20	-5,208.50	-94,173.73	-51.59
May-20	13,914.49	11,402.88	-557.94
Jun-20	5,492.95	5,520.33	-148.45
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Aug-20	15,749.86	12,711.65	481.21
Sep-20	-11,410.69	19,029.15	237.5
Oct-20	14,537.40	12,148.43	226.1
Nov-20	65,317.13	14,496.08	136.93
Dec-20	47,088.35	21,105.88	-716.94

Correlations		FII Cash	FII Index Opt	FII Stock Opt
FII Cash	Pearson Correlation	1	0.056	-0.149
	Sig.(2-tailed)		0.869	0.662
	N	11	11	11
FII Index Opt	Pearson Correlation	0.056	1	0.289
	Sig.(2-tailed)	0.869		0.388
	N	11	11	11
FII Stock Opt	Pearson Correlation	-0.149	0.289	1
	Sig.(2-tailed)	0.662	0.388	
	N	11	11	11

**Interpretation:** From the above output it is inferred that FII cash is only correlated with FII stock option as the significance value is less than 0.05 and it is also negative. FII cash is not related with FII index option because the significance value is .056 which is more than 0.05

### Correlation between FII Cash , FII Index Future and FII stock Future

Date	FII Cash	Index Future	Stock Future
Jan-20	-5,359.51	-10,122.77	-4671.08
Feb-20	-12,684.30	-4,400.86	3077.93
Mar-20	-65,816.70	10,768.31	12895.47
Apr-20	-5,208.50	4,109.26	1886
May-20	13,914.49	-2,806.24	-2889.98
Jun-20	5,492.95	-4,379.21	3331.26



Jul-20	2,490.19	2,778.47	-6898.39
Aug-20	15,749.86	-2,765.63	-12171.85
Sep-20	-11,410.69	-1,479.35	-510.28
Oct-20	14,537.40	-4,945.29	1441.02
Nov-20	65,317.13	6,815.90	-4535.04
Dec-20	47,088.35	-3,567.29	-1653.91

		<b>Correlations</b>		
		<b>FII Cash</b>	<b>FII Index Future</b>	<b>FII Stock Future</b>
FII Cash	Pearson Correlation	1	-0.17	-0.667
	Sig.(2-tailed)		0.616	0.025
	N	11	11	11
FII Index Future	Pearson Correlation	-0.17	1	0.367
	Sig.(2-tailed)	0.616		0.268
	N	11	11	11
FII Stock Future	Pearson Correlation	-0.667	0.367	1
	Sig.(2-tailed)	0.025	0.268	
	N	11	11	11

**Interpretation:** From the above output, it is understood that FII cash is correlated to FII stock Future as the significant P value is .025 which is less than 0.05. FII index Future is not correlated with FII cash as its significance level is beyond 0.05

### Correlation between DII cash , Index Option and Stock Option

<b>Date</b>	<b>Net Purchase / Sales</b>	<b>Index Opt</b>	<b>Stock Opt</b>
Jan-20	1,073.49	24,050.19	251.02
Feb-20	16,933.03	26,444.09	479.26
Mar-20	55,595.18	10,408.17	260.87
Apr-20	-117	-94,173.73	-51.59
May-20	12,293.19	11,402.88	-557.94
Jun-20	2,434.40	5,520.33	-148.45
Jul-20	-10,007.88	14,508.17	857.09
Aug-20	-11,046.78	12,711.65	481.21
Sep-20	110.3	19,029.15	237.5
Oct-20	-17,318.44	12,148.43	226.1
Nov-20	-48,319.17	14,496.08	136.93
Dec-20	-37035.89	21,105.88	-716.94

		<b>Correlations</b>		
		<b>DII Cash</b>	<b>FII Index Opt</b>	<b>FII Index Opt</b>
DII Cash	Pearson Correlation	1	-0.097	0.002
	Sig.(2-tailed)		0.777	0.996

	N	11	11	11
FII Stock Opt	Pearson Correlation	-0.097	1	0.289
	Sig.(2-tailed)	0.777		0.388
	N	11	11	11
FII Index Opt	Pearson Correlation	0.002	0.289	1
	Sig.(2-tailed)	0.996	0.388	
	N	11	11	11

**Interpretation:** From the result obtained it is clearly observed that DII cash is not correlated with FII stock option segment and FII index option segment. FII stock option is negative against DII cash.

#### 4.9 Correlation between DII Cash, Index Future and Stock Future

Date	DII Cash	Index Future	Stock Future
Jan-20	1,073.49	-10,122.77	-4671.08
Feb-20	16,933.03	-4,400.86	3077.93
Mar-20	55,595.18	10,768.31	12895.47
Apr-20	-117	4,109.26	1886
May-20	12,293.19	-2,806.24	-2889.98
Jun-20	2,434.40	-4,379.21	3331.26
Jul-20	-10,007.88	2,778.47	-6898.39
Aug-20	-11,046.78	-2,765.63	-12171.85
Sep-20	110.3	-1,479.35	-510.28
Oct-20	-17,318.44	-4,945.29	1441.02
Nov-20	-48,319.17	6,815.90	-4535.04
Dec-20	-37035.89	-3,567.29	-1653.91

		Correlations		
		DII Cash	FII Index Future	FII Stock Future
DII Cash	Pearson Correlation	1	0.149	0.683
	Sig.(2-tailed)		0.663	0.02
	N	11	11	11
FII Index Future	Pearson Correlation	0.149	1	0.367
	Sig.(2-tailed)	0.663		0.268
	N	11	11	11
FII Stock Future	Pearson Correlation	0.683	0.367	1
	Sig.(2-tailed)	0.02	0.268	
	N	11	11	11

**Interpretation:** From the correlation output it can be inferred that DII cash and FII stock Future has a significant relation with P value of .020. DII cash and FII index Future are not correlated to each other. DII cash and FII stock Future are fluctuating in a similar way.

#### Correlation between Futures and Options Segment of FII

		Correlations			
		FII Index Future	FII Stock Future	FII Stock Opt	FII Index O
FII Index Future	Pearson Correlation	1	0.367	0.087	-
	Sig.(2-tailed)		0.268	0.799	
	N	11	11	11	
FII Stock Future	Pearson Correlation	0.367	1	-0.236	-
	Sig.(2-tailed)	0.268		0.485	
	N	11	11	11	
FII Stock Opt	Pearson Correlation	0.087	-0.236	1	
	Sig.(2-tailed)	0.799	0.485		
	N	11	11	11	
		-0.317	-0.161	0.289	
FII Index Opt	Pearson Correlation	0.343	0.635	0.388	
	Sig.(2-tailed)	11	11	11	
	N				
Date	Index Future	Index Option	Stock Future	Stock Option	
Jan-20	-10,122.77	24,050.19	-4671.08	251.02	
Feb-20	-4,400.86	26,444.09	3077.93	479.26	
Mar-20	10,768.31	10,408.17	12895.47	260.87	
Apr-20	4,109.26	-94,173.73	1886	-51.59	
May-20	-2,806.24	11,402.88	-2889.98	-557.94	
Jun-20	-4,379.21	5,520.33	3331.26	-148.45	
Jul-20	2,778.47	14,508.17	-6898.39	857.09	
Aug-20	-2,765.63	12,711.65	-12171.85	481.21	
Sep-20	-1,479.35	19,029.15	-510.28	237.5	
Oct-20	-4,945.29	12,148.43	1441.02	226.1	
Nov-20	6,815.90	14,496.08	-4535.04	136.93	
Dec-20	-3,567.29	21,105.88	-1653.91	-716.94	

**Interpretation:** From the above results it is understood that all the 4 variables are not correlated to each other. Every variable has their individual pros and cons in stock markets.

### Findings:

- Foreign Institutional Investors have been affected by changes in Covid 19-cases from January 2020 to December 2020.
- Domestic Institutional Investors also have significant relationship with the Covid cases from last 12 months.
- FII's were negative in the month of April when the entire nation was under lockdown.
- FII and DII funds both had a inverse relationship between them.
- Both FII and DII funds had 73% of significant relationship with Covid- 19 cases in India.
- Foreign Institutional Investors started selling their investments in the months of April and May,
- There is 0% significance between FII index Future and FII index Option.
- FII stock Futures and FII stock options have .480 P value between them , which clearly states that there is no correlation between both variables.
- FII funds cash segment does not have any relation between FII stock options and FII Index option.
- FII cash segment has significant relationship between FII stock Future with the p value = .025.

- FII cash segment doesn't have any relationship between FII stock option because the p value is more than 0.05.
- Domestic Institutional Investors have high insignificant relation between FII index option and FII stock option.
- DII have significant relationship with a P value of .020 with FII stock Futures.
- Domestic Institutional Investors are not having a correlation with FII index Futures.
- FII Index Futures, FII stock Futures, FII Index Options and FII Index Options are not related to each other.
- All the four variables are not dependent on each other but their movements are reflected according to changes in Covid – 19 cases.
- In the initial months from January to April FII funds were negative.
- From May 2020 till November 2020, it showed a positive sign except in the month of September 2020.
- DII funds showed a positive sign in the months from January to March and again in the month of June and September.
- FII's have Global opportunities whereas DII's have domestic opportunities.
- When there is heavy selling in FII's, their will heavy buying in DII's.
- Both FII's and DII's have individual parameters.

### **Conclusion:**

India is an Emerging Economy and with increase in FII there are many global opportunities and with increase in DII's there are domestic opportunities. FII investments have been strong and are improving very rapidly compared to the past. But from January 2020 to December 2020 FII and DII movements have seen a drastic change because of the Covid – 19 pandemic which shook the entire world. DII's had a heavy selling activity in the year 2020 and the same thing was noticed in the year 2016. FIIs influence the Sensex to a great extent. The sensex increases in the case there are positive FIIs' inflows and it decreases when there are negative inflows of the FIIs. However, according to the Pearson correlation, the sensex movements are affected by FII inflows and there exists a positive correlation between the movement of sensex and the particular FII entity. Thus, India has the capability of drawing in more assets into the economy however the inner and outer disturbance's influence it and along these lines prompts significant consequences for the development of FII and DII. Since it has been demonstrated that the FII development influences securities exchange files consequently influencing the DII development moreover.

### **Scope for Future Research:**

This research can be further extended to COVID -19 wave 2(January 2021 to till date) and comparative analysis can be conducted for the impact in both the years.

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