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Seasonality and Calendar Anomalies in Indian Stock Market: Unique Evidence from BSE Sensex

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Abstract: The article explores the seasonality, calendar anomalies and volatility of returns for Indian stock market, considering BSE sensex and comprising data from January, 1990 to December, 2023. We use monthly closing share price data of the Bombay Stock Exchange's share price index from January, 1990 to December, 2023. Using GARCH framework along with OLS Dummy variable regression equation, the result suggests that for BSE, there exists July, November, December effect in returns while using GARCH (1,1) July effect for BSE while using EGARCH, no effect is found while using dummy variable regression analysis. In BSE market, positive shocks (good news) generate less volatility than negative shocks (bad news) and volatility takes a long time to die out following a crisis in the market.

Keywords: GARCH, EGARCH, BSE, Stock returns, Volatility, India

JEL Classification Number: G11, G12, G14, G15

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