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A STUDY ON THE LIKELIHOOD OF INVESTING MONEY IN INDIAN EQUITY MARKET BY INDIANS LIVING IN SINGAPORE, CONDUCTED AT SINGAPORE

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ABSTRACT

Foreign Direct investment plays a very important role in the development of the nation. Sometimes domestically available capital is inadequate for overall development of the country. Foreign capital is seen as a way of filling in gaps between domestic savings and investment. India can attract much larger foreign investments than it has done in the past. The present study has focused on the trends of FDI Flow in India during 2000-01 to 2014-15 (up to June 2015).

The study conducted at Singapore in the month of June 2018 highlights the patterns of investment in Indian Equity market from Singapore for the period of January 2018 to July 2018. The study based on primary data which have been collected through one to one conversation with individuals of Indian origin based in Singapore. The study concludes that Singapore emerged as a potential source of investments contributing in the Indian Equity market. The result of this study shows that investing in Indian Equity Market is subject to various constraints and to plan an effective policy, all such constraints and hurdles need to be taken care of. The study also shows that investing in Indian Market from Indians based in Singapore is similar to domestic investment which is affected by gender, income level, age and risk-taking capabilities.

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INTRODUCTION

Foreign direct investment is one of the measures of growing economic globalization. Investment has always been an issue for the developing economies such as India. The world has been globalizing and all the countries are liberalizing their policies for welcoming investment from countries which are abundant in capital resources. The countries which are developed are focusing on new markets where there is availability of abundant labours, scope for products, and high profits are achieved. Therefore, Foreign Direct

Investment (FDI) has become a battle ground in the emerging markets.

Foreign investment plays a significant role in development of any economy as like India. Many countries provide many incentives for attracting the foreign direct investment (FDI). Need of FDI depends on saving and investment rate in any country. Foreign Direct investment acts as a bridge to fulfil the gap between investment and saving. In the process of economic development foreign capital helps to cover the domestic saving constraint and provide access to the superior technology that promote efficiency and productivity of the existing production capacity and generate new production opportunity.

India's recorded GDP growth throughout the last decade has lifted millions out of poverty & made the country a favoured destination for foreign direct investment.

REVIEW OF LITERATURE

Foreign investment flows to the Indian capital market have surged after the global financial crisis due to continuous stimulus measures from the US Federal Reserve in the form of quantitative easing. India has witnessed the highest inflow of foreign institutional investments (FIIs) in 2010 and 2012 in the aftermath of the opening of the liquidity taps, which did not happen during 2006 or 2007 (the boom years). During November 2013, Nifty climbed over the level of 6415.25, when FIIs purchased more than US$51.67 million of Indian stocks in just three months.

According to Debjibaan Mukherjee (2007) in ‘Comparative Analysis of Indian Stock Market with International Markets’, The Stock Market is witnessing heightened activities and is increasingly gaining importance. The Indian stock exchanges hold a place of prominence not only in Asia but also at the global stage. The Bombay Stock Exchange (BSE) is one of the oldest exchanges across the world, while the National Stock Exchange (NSE) is among the best in terms of sophistication and advancement of technology. The Indian stock market scene really picked up after the opening up of the economy in the early nineties. The whole of nineties was used to experiment and fine tune an efficient and effective system.

According to Ila Patnaik and Ajay Shah (2013), The home bias literature has shown that foreign investors often invest in only a small set of firms in an emerging market. As an example, while there are over 5000 listed firms in India, in 2011 there were only 703 firms where foreign investors owned above 5 per cent of the publicly traded (i.e. ‘floating’)market value. This raises questions about these chosen firms. What is the process of portfolio formation adopted by foreign investors? Do foreign investors possess a strong investment technology, through which their capital is channelled into good projects?

Vaishali S. Dhingra, Shailesh Gandhi and Hemant Kumar P. Bulsara (2016) pointed out that Along with some of the Emerging Market Economies (EMEs) like Brazil, China and Korea, India witnessed a preponderance of portfolio flows due to liberal investment regimes, rapid growth of economy, and strong macro-economic fundamentals.

Dr. Makarand S. Wazal and Sudesh Kumar Sharma (2017)said in their study paper ‘Participation of Retail Investors in Indian Equity Market’ that Indian Equity Market is making its mark on the global scenario. It is one of the most sought-after securities Markets around the world. Very recently the two stock exchanges, the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) scaled new heights when their benchmark indices BSE Sensex and NSE Nifty respectively touched highest record levels to date. The experts are upbeat about the indices and anticipate closing fiscal year on yet new record level in March 2018.

METHODOLOGY

INTRODUCTION

a.) The Study and its Objectives

This project titled "A study on the Likelihood of investing money in Indian Equity market by Indians living in Singapore, conducted at Singapore" aims towardscollecting information from individuals of Indian origin based in country like Singapore.

The basic motive of this study is to analyse how many individuals or organisations invest in the Indian Equity Market along with answering the following questions:

- What are the various investment behaviours?
- Their motive to invest in Indian Market rather than Singapore Market?
- Their percentage of income engaged in the Market.
- The factors convincing them to invest.
- Their time horizon and
- The factors leading to exiting the market.

This also includes analysing the factors why an individual won't invest in the Indian market.

A brief introduction about investing in the Indian Markets:

Security represents an ownership position in publicly traded corporation which is called as stock, a creditor relationship with government body or a corporation which is called as bond, or a right to ownership which is represented as option.

Security is negotiable and interchangeable financial instrument which represents some type of financial value. Indian stock markets are one of the oldest markets in Asia. The ideal stock market is the one which provides limitless liquidity to investors' investment. The present study focuses on identifying the trend of security market using various parameters and challenges faced by individual investors while trading in the security market.

Indian Equity Market is making its mark on the global scenario. It is one of the most sought-after securities market around the world. Very recently the two stock exchanges, the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) scaled new heights when their benchmark indices BSE Sensex and NSE Nifty respectively touched highest record levels to date. The experts are upbeat about the indices and anticipate closing fiscal year on yet new record level in March 2018. Of-course the reason for this scenario could be many, but how does it translate to retail investors. Many studies are voicing about elusive retail investors in Indian Equity Market.

Indian GDP is growing at 6%-7% per annum and as thumb-rule equities deliver return which is equal to GDP growth + Inflation. Equities are best asset class for investing to beat inflation.Investing in equities is considered risky because it is subjected to market fluctuations, but if invested prudently and wisely, equities are relatively best options to invest, because of the high returns it offers to the investor.

Investing in equities is easy done than said. SEBI, a regulator of financial services industry, has already simplified the process. However, most of us are unaware of this process of investing in equities.

- Understand your Profile - There are multiple investment products with different risk and return. When it comes to investing, first step should be to know personal risk profile.
  An investor should first understand his or her risk profile for investing. Risk profile depends on following two factors:
  - Risk Attitude - The risk one is ready to take
  - Risk Capability - Risk one should take as per financial position

  Generally higher the age and financial obligations lower the risk profile.
  Knowing the risk profile helps in knowing the products one should not invest in. The below helps to understand the basic categories of profiles and meaning-

Investment Style: Conservative

The primary objective of this class of investors is to protect the capital from loss. Conservative Investors want a stable growth over large returns but without taking any risk on capital. Generally, investors in Higher age bracket or with high financial obligations fall into this category.

Moderate

These kinds of investors look for capital growth along with decent protection of capital. Investors

who lie in this class can tolerate some fluctuations in the short term in the value of their investments in the anticipation of higher returns, in the long term.

Moderately Aggressive

The primary objective of this class of investors is capital growth with calculated risk in the capital. Moderately aggressive Investors are able to accept fluctuations if long-term expected result is positive and can deliver return higher than fixed deposits.

Aggressive

The primary objective of this class of investors is capital growth with calculated risk in the capital. Aggressive Investors are able to accept fluctuations if long-term expected result is positive and can deliver return higher (Mukherjee, 2007)than fixed deposits.

Identify Stocks:

Most crucial step is to identify shares for investing. There are two major methodologies to choose from:

- Value strategy - Strategy focussed on investing mature companies growing at a low rate that industry, which are available below their intrinsic value is known as value strategy. Generally, investors invest in popular stocks which are growing too fast, but there are companies which are already matured in their business and are not fancy with investors due to the lower growth rate in business. Investor gives more importance to the overall value of the

  company and invests only if it is available at a discount to intrinsic valuation. These companies normally have high dividend yield ratio since they repay profit to

  investors as dividends and low P/E ratio and Price/Book Value ratio. Generally, people follow such strategy in picking stocks of Commodity or Automobile companies

- Growth Strategy - Investing in companies which are experience or expecting faster than average growth is called growth

  strategy. These can be early growth companies who have brought innovation in the industry and can experience huge growth, like IT companies. Investors gives more importance to future growth of the company rather than valuation. These companies can trade at super normal valuations. The shares of these companies mostly trade at higher price than their intrinsic value. These companies generally have high P/E ratio and Price/Book Value ratio on the expectations of high growth. But these companies commonly have low dividend yield ratio since these companies usually invest profits for growth.

Objectives of the Study

The study was undertaken with the following objectives in mind;

1. To gather information on how many people of Indian origin invest in the Indian Market:

This study was focused on the individuals of Indian origin residing in Singapore who invest in the Indian market (NSE/BSE/MCX/MSEI) or the

Singapore market (SGX) and come up with the approximate number of investors in an area.

2. To analyse various Investment behaviours:

This project studies the investment behaviours which varies from person to person depending upon his interest, his level of income, the

willingness to take risks and their greed to earn from the market. Such behaviours include time horizon (period for which the security is held in the market by one investor), the number of securities held, the reasons to exit the market etc.

3. To study the percentage of income involved, individually and collectively:

The foremost objective is to arrive at an approximate percentage of income of an investor engaged in the market. This objective also studies the collective percentage of income engaged in the market coming from one area of Singapore.

4. To study the reasons why an individual won't invest in the market:

Indian Stock Market is prone to risks and high speculations which becomes the prominent reasons why some people maintain a distance from the market. Furthermore, this project helps to identify the auxiliary reasons of not investing in NSE/BSE. Some of the examples are; adverse movement of foreign currency, taxes and other fees, political disturbances and government policies.

5. To study the alternatives where an individual is investing his earnings:

If an individual is not investing in the security market, this project tries to understand the alternatives where he would mobilise his savings.

Real estate is a major example in this context. Singapore shows a tremendous growth in real estate and offers returns usually equal to or higher than the Indian Stock Market.

More such cases can be studied under the above objective.

b.) The Sample

The sample for this study has been collected through primary data from the information gathered after detailed conversation from the individuals of Indian origin residing in Singapore. The information was collected with the help of offline and online questionnaires.

Details about the sample has been explained in the table below:

Sample size	50
Target Audience	Individuals of Indian origin residing in Singapore.
Area	East-West Line (PasirRis to Tuas Link)
Questions asked	12

c.) **The Tools:**

For Data Collection

To collect data, this project has used online and offline Questionnaires.

(A **questionnaire** isa research instrument consisting of a series of questions (or other types of prompts) forthe purpose of gathering information from respondents. The questionnaire was invented by the Statistical Society of London in 1838.)

Questions type:

Usually, a questionnaire consists of a number of questions that the respondent has to answer in a set format. A distinction is made between open-ended and closed-ended questions. An open-ended question asks the respondent to formulate his own answer, whereas a closed-ended question has the respondent pick an answer from a given number of options. The response options for a closed-ended question should be exhaustive and mutually exclusive.

To collect data for this study, a close ended questionnaire is formulated with differences in the offline and online questionnaire.On one hand the offline questionnaire consists of 25 questions whereas, on the other hand, the online questionnaire consists of 12 questions.

Questionnaire Administration Modes:

As discussed above, the study includes;

Paper-and-pencil questionnaire administration, where the items are presented on a paper.

Computerized questionnaire administration, where the items are presented on a computer.

Concerns with Questionnaires:

While questionnaires are inexpensive, quick, and easy to analyse, often the questionnaire can have more problems than benefits. For example, unlike interviews, the people conducting the research may never know if the respondent understood the question that was being asked. Also, because the questions are so specific to what the researchers are asking, the information gained can be minimal.

One key concern with questionnaires is that there may contain quite large measurement errors. These errors can be random or systematic. Random errors are caused by unintended mistakes by respondents, interviewers and/or coders. Systematic error can occur if there is a systematic reaction of the respondents to the scale used to formulate the survey question. Thus, the exact formulation of a survey question and its scale are crucial, since they affect the level of measurement error.

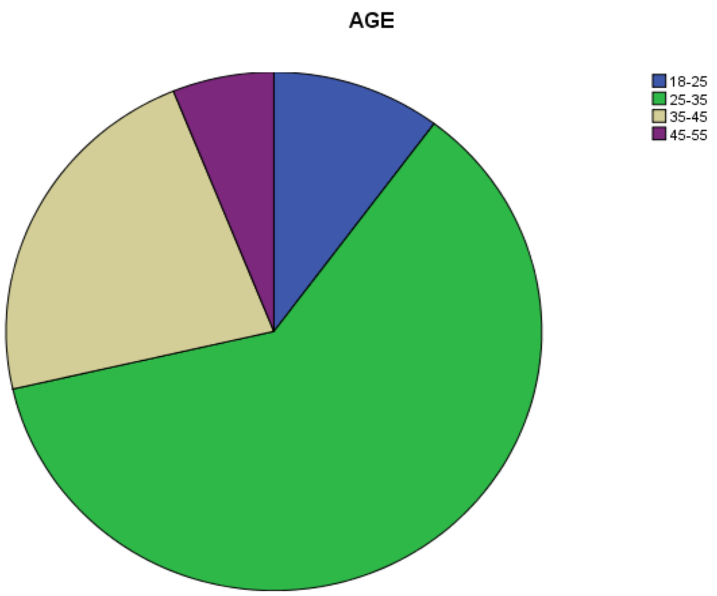
Results

Frequency Tables

Frequency tables are a tabular form of statistics. Each entry in the table contains the frequency or count of the occurrences of the values within a particular group or interval, and in this way, the table summarizes the distribution of values in the sample.Given below are the frequency tables of the questions analysed in the study which is backed up by suitable use of charts.

1. Age:

   This question analyses the age group of the investor. Age groups are a major criteria which determines the investment pattern of the individual. Young investors are considered aggressive whereas middle and old age customers prefer conservative style of investment.

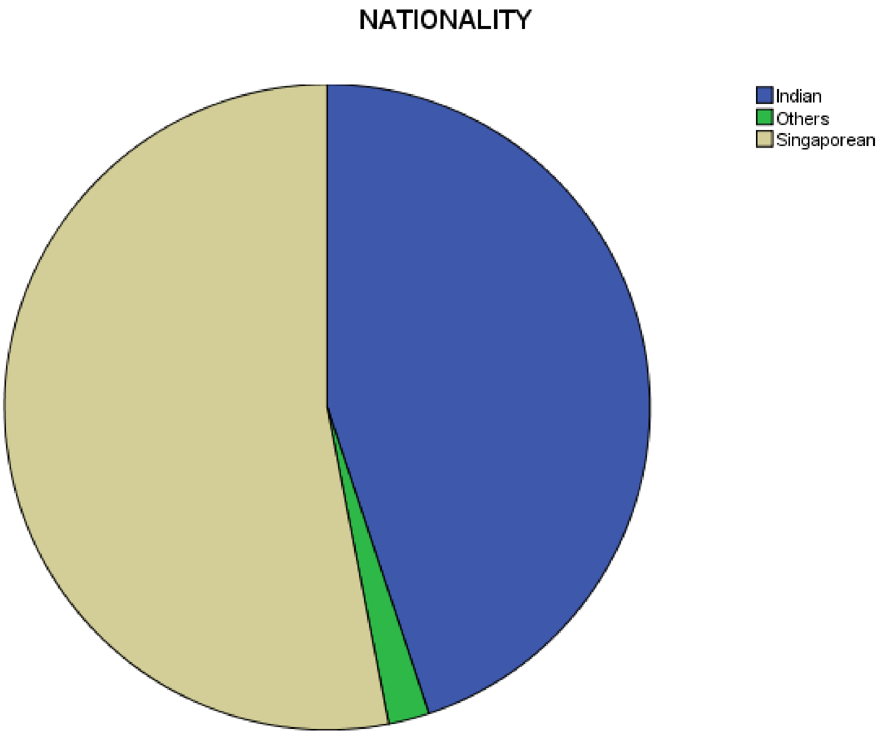


AGE

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-25	5	10.2	10.2	10.2
	25-35	30	61.2	61.2	71.4
	35-45	11	22.4	22.4	93.9
	45-55	3	6.1	6.1	100.0
	Total	49	100.0	100.0	

2. Nationality:

   This question analyses the nationality of the individuals of Indian origin. The first generation Indians have their Indian nationality intact whereas the second and third generation individuals who are born there possess Singaporean nationality.

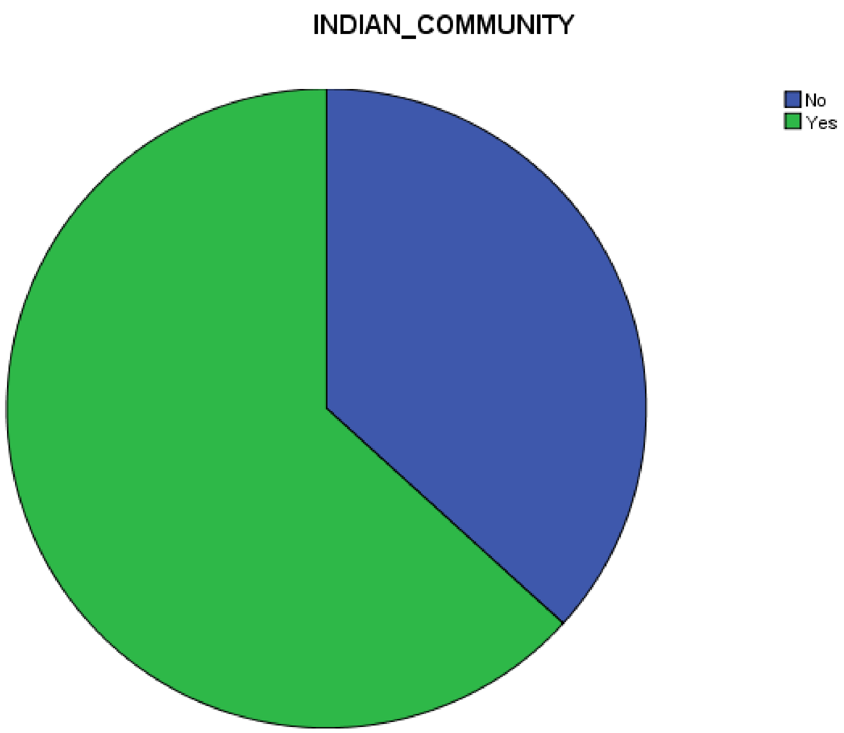


NATIONALITY

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Indian	22	44.9	44.9	44.9
	Others	1	2.0	2.0	46.9
	Singaporean	26	53.1	53.1	100.0
	Total	49	100.0	100.0	

3. Indian Regional Community:

   Being associated with a regional community shows a different investment behaviour as compared to investing with one mind, the investment behaviour of an individual in such cases can change because of peer pressure from his/her friends and family.

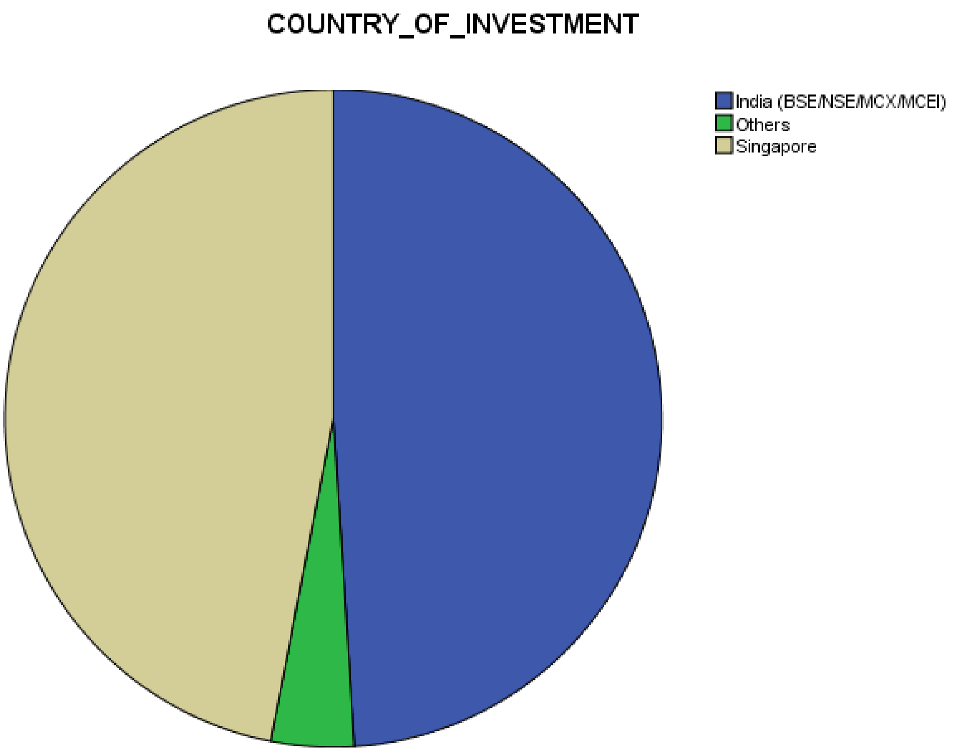


INDIAN_COMMUNITY

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	18	36.7	36.7	36.7
	Yes	31	63.3	63.3	100.0
	Total	49	100.0	100.0	

4. Country of Investment:

The question studies where the investor preferably like to invest, which includes all the indices of the Indian Stock Market i.e. Bombay Stock Exchange, National Stock Exchange, Multi-Commodity Stock Exchange and Metropolitan Stock Exchange of India with respect to the Singapore Stock Exchange collectively.



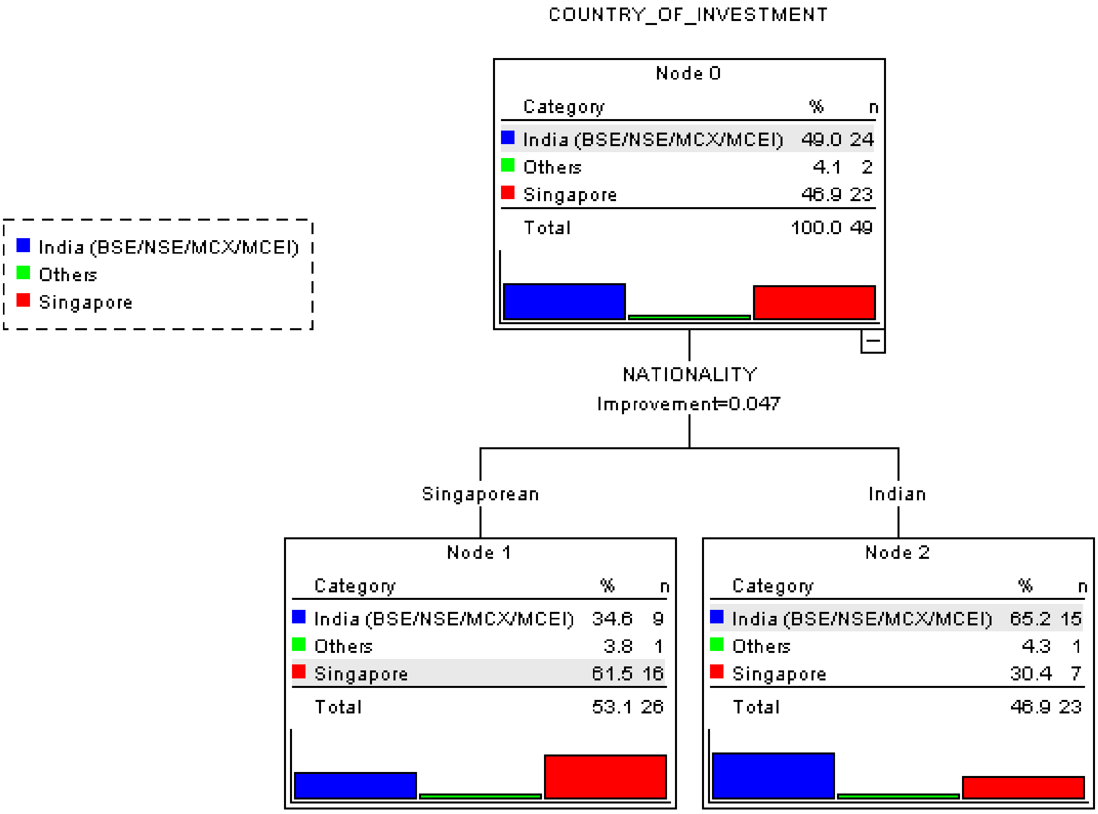
COUNTRY_OF_INVESTMENT

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	India (BSE/NSE/MCX/MCEI)	24	49.0	49.0	49.0
	Others	2	4.1	4.1	53.1
	Singapore	23	46.9	46.9	100.0
	Total	49	100.0	100.0	

Classification Tree

Classification Trees are used to predict membership of cases or objects in the classes of a categorical dependent variable from their measurements on one or more predictor variables. Classification tree analysis is one of the main techniques used in so-called Data Mining

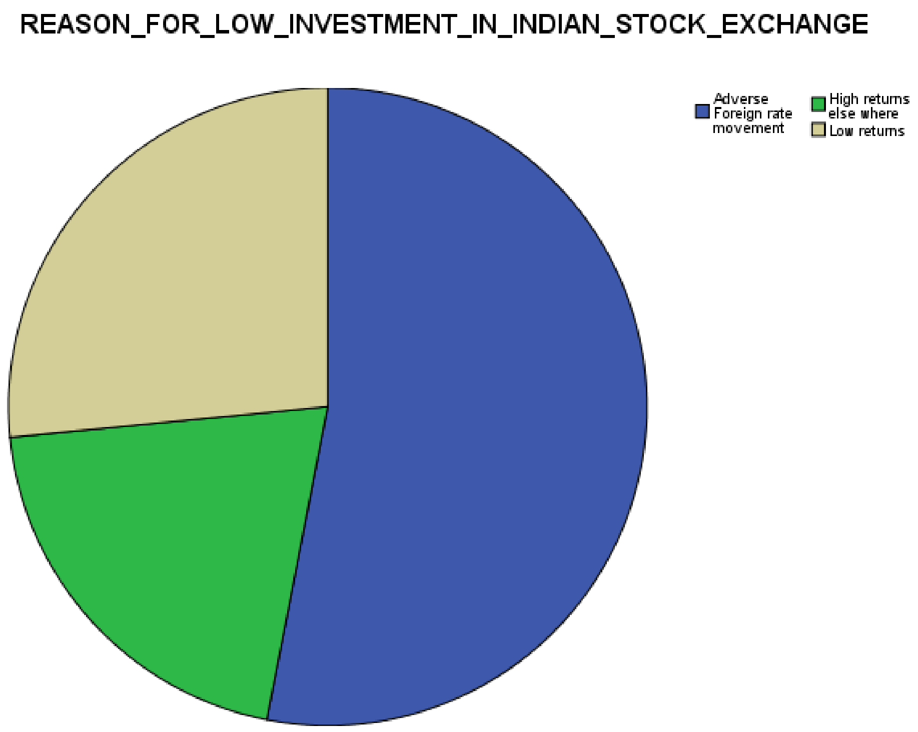
The goal of classification trees is to predict or explain responses on a categorical dependent variable, and as such, the available techniques have much in common with the techniques used in the more traditional methods of Discriminant Analysis, Cluster Analysis, Nonparametric Statistics, and Non-liner Estimation.



The classification tree shows the investment destinations of individuals with different nationalities i.e. Indian and Singaporean. Individual with Singaporean nationality generally invest in Singapore only (61.5%) whereas Indian nationalities prefer Indian markets more (65.2%). The other investment destinations are 3.8% and 4.3% respectively which include Malaysia and Indonesia.

5. Reason for low investment in Indian Stock Exchange:

   This question studies the reasons why an investor would prefer any other method/destinations of investment over Indian Security Market. The reasons include adverse foreign rate movement, high returns else where or low returns from the market.



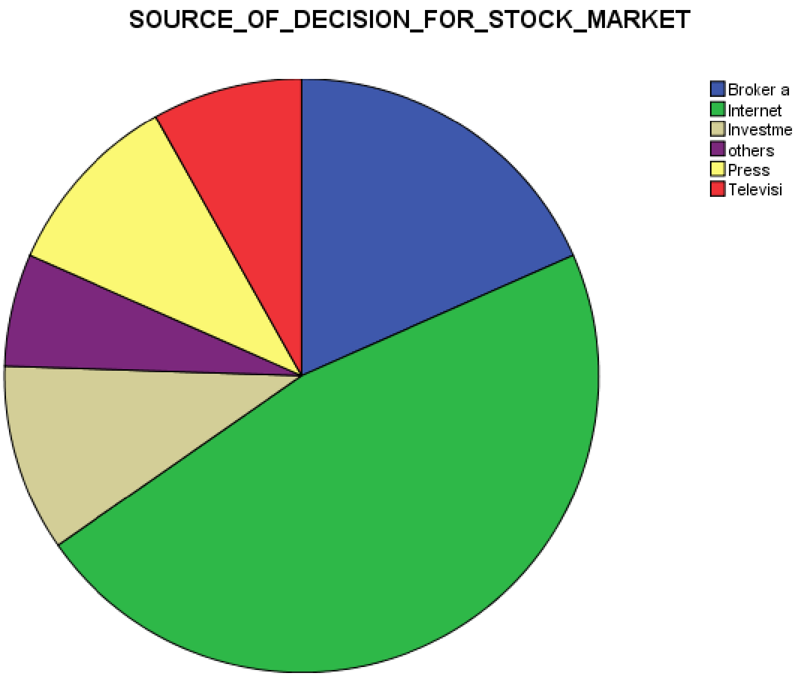
REASON_FOR_LOW_INVESTMENT_IN_INDIAN_STOCK_EXCHANGE

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Adverse Foreign rate movement	26	53.1	53.1	53.1
	High returns else where	10	20.4	20.4	73.5
	Low returns	13	26.5	26.5	100.0
	Total	49	100.0	100.0	

Out of all the reasons for low investment in Indian equity market, 53.1% respondents think it is because of adverse foreign rate movement, 20.4% think it is because of High returns elsewhere and 26.5% think it is due to low returns.

6. Sources used to make and track decisions on investments in the stock market.

   There are various sources an investor uses to make and track decisions regarding his/her investments in the stock market. The preference of such sources depends on their availability, feasibility and the ease of understanding. Technology also plays a vital role is the preference of these sources.

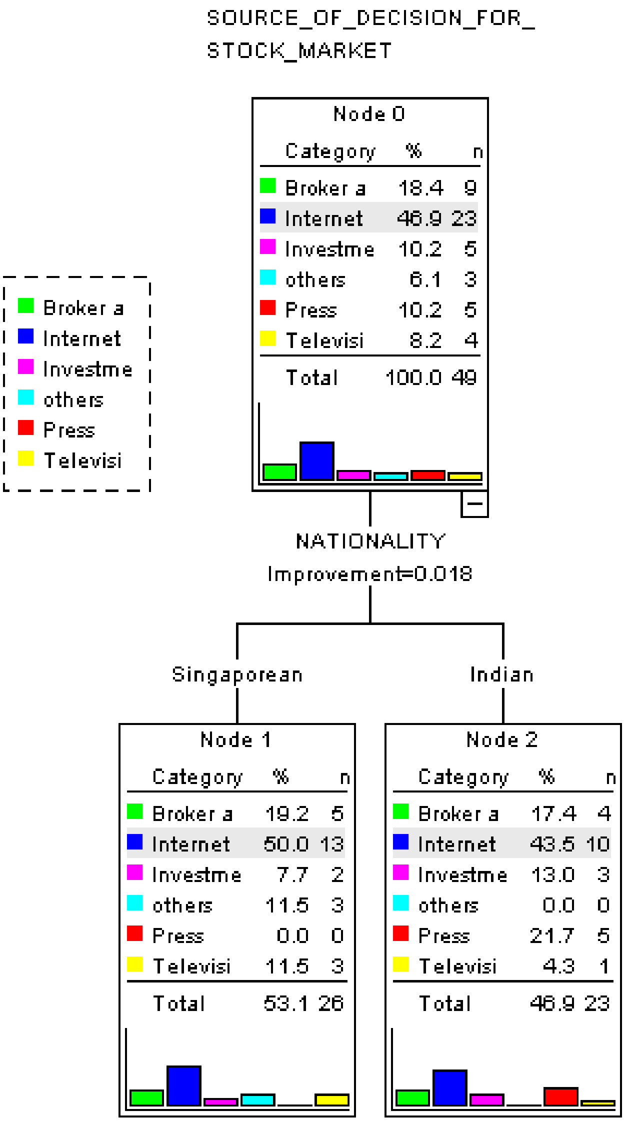


SOURCE_OF_DECISION_FOR_STOCK_MARKET

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Broker a	9	18.4	18.4	18.4
	Internet	23	46.9	46.9	65.3
	Investme	5	10.2	10.2	75.5
	Others	3	6.1	6.1	81.6
	Press	5	10.2	10.2	91.8
	Televisi	4	8.2	8.2	100.0
	Total	49	100.0	100.0	

Out of all the given sources, 18.4% respondents use brokers advice, 46.9%% use Internet, 10.2% use Investment Association advise, 10.2% use Press, 8.2% use Television to make and track decision on investments in the Stock Market making internet the most preferred source because of its availability and feasibility.

Classification Tree:

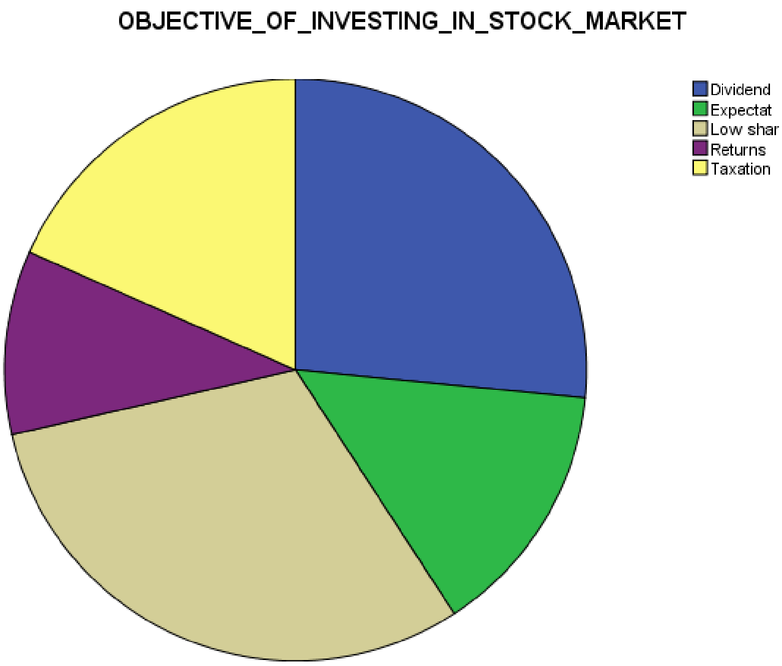


The above representation of classification tree shows the total preferences of the investors collectively as well as the preferences divided according to the two nationalities, Indian and Singaporean. One major factor in this distribution is the age difference. Younger, aggressive individuals prefer latest technology whereas older generation relies on traditional methods.

However, here in Singapore, both the generation use the same source majorly i.e. Internet (50.0% and 43.5% respectively) because of technological upgradation and lifestyle.

7. Objective factors that are considered when investing in Stock Market.

   There are certain factors which are kept in mind before investing in the stock market which varies from person to person. For one person it may be the dividend offered by the company while for any other person it may be the present low share price and anticipation of future increase in the price.

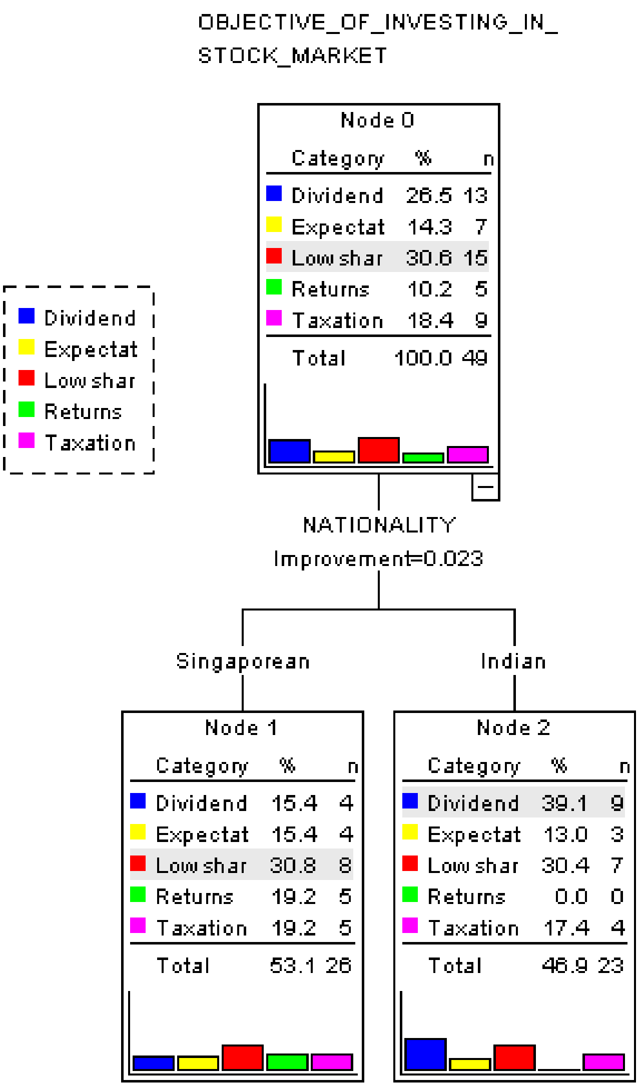


OBJECTIVE_OF_INVESTING_IN_STOCK_MARKET

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Dividend	13	26.5	26.5	26.5
	Expectat	7	14.3	14.3	40.8
	Low shar	15	30.6	30.6	71.4
	Returns	5	10.2	10.2	81.6
	Taxation	9	18.4	18.4	100.0
	Total	49	100.0	100.0	

It can be observed that out of the given objective factors, 26.5% respondents think Dividend, 14.3% think Expectation of share price number, 30.6% think Low share price, 10.2% think Returns of other substitute investment and 18.4% think Taxation of dividend and stock market gains are taken into account when investing in Stock Market.

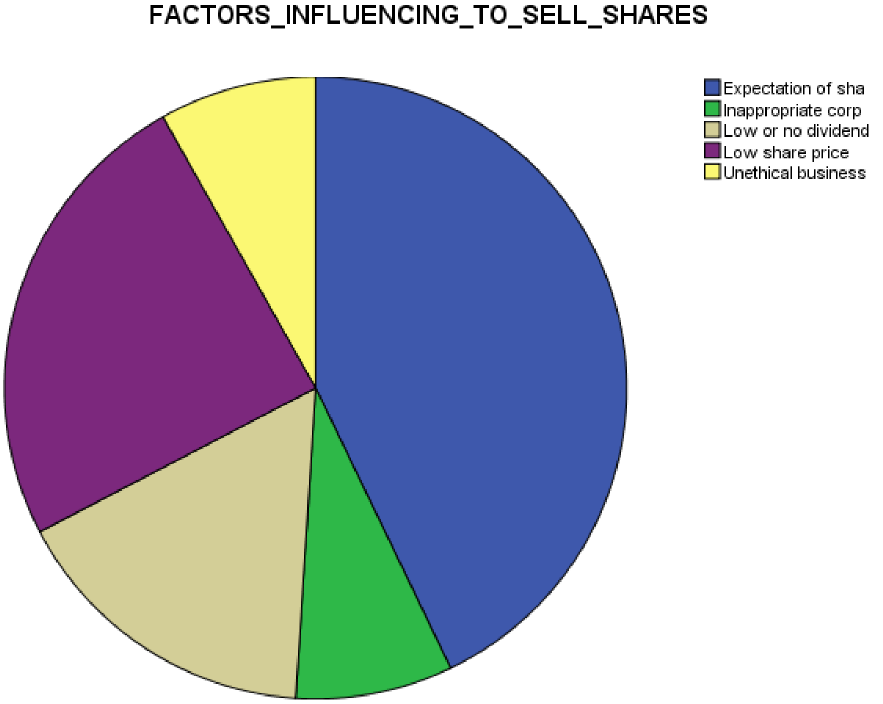
Classification Tree:



The above classification tree shows the objectives of individuals for investing in the stock market. Singapore provides higher returns on real estate but the time horizon to start expecting respectable returns is long (say, 5-10 years) Also, the magnitude of investment in real estate in Singapore is much higher as compared to India. It is because of this reason the individuals with low purchasing power prefer investing in the stock market because of low prices of shares by following the concept of"Buy low, Sell high".

Further, the dividend of the company also attracts an individual to invest their money in the Indian Stock Market. By interpreting the diagram, we can see that low share price is the major objective of investing in Stock Market. (30.6%)

8. Factor influencing the investor to exit the market (Sell his/her shares).
   Several factors in the market leads an investor to exit the market either in loss or profit.
   The exit can also take place at the break-even point which is quite rare.
   This study analyses such factors present in the market.



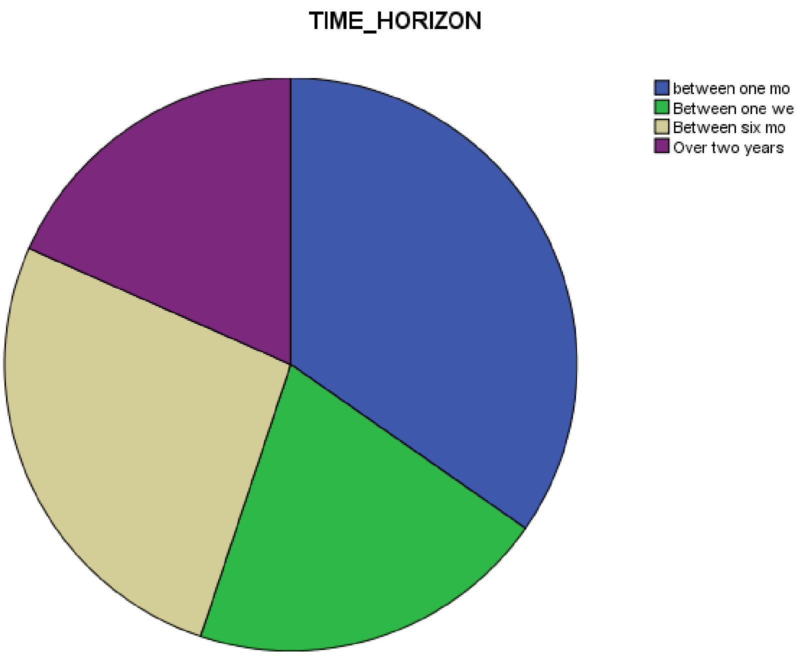
FACTORS_INFLUENCING_TO_SELL_SHARES

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Expectation of sha	21	42.9	42.9	42.9
	Inappropriate corp	4	8.2	8.2	51.0
	Low or no dividend	8	16.3	16.3	67.3
	Low share price	12	24.5	24.5	91.8
	Unethical business	4	8.2	8.2	100.0
	Total	49	100.0	100.0	

It can be observed that out of all the given factors, 16.3% respondents think Low or no dividend, 24.5% think Low share price, 42.9% think Expectation of share price decrease, 8.2% think Inappropriate corporate governance practices, 8.2% think Unethical business practices are the influential factors to sell shares of a certain company.

9. Time Horizon.

Time Horizon refers to the period of time for which the individual holds his/her share in the market. A period of one day to one month shows trading behaviour whereas any period longer than that shows investing behaviour.



TIME_HORIZON

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	between one mo	17	34.7	34.7	34.7
	Between one we	10	20.4	20.4	55.1
	Between six mo	13	26.5	26.5	81.6
	Over two years	9	18.4	18.4	100.0
	Total	49	100.0	100.0	

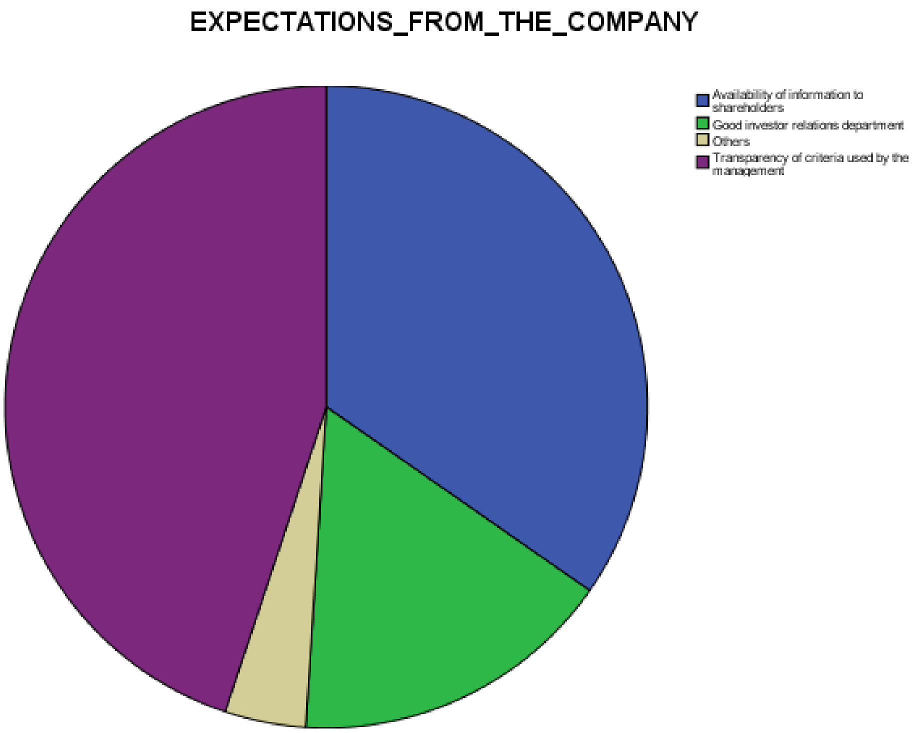
It can be observed that the time horizon for 34.7% is between one month and six months, for 20.4% it is between one week and one month, for 26.5% it is between six months and two years, for 18.4% it is over two years in general.

Different time horizon shows different investment patterns, this decision depends on personal choice, difference between trading and investing, magnitude of surplus resources (cash in hand), urgent requirements etc.

10. The relationship of the investor with the advisory company.

There are two kind of services, on one hand where the company provides consultation along with transaction services and charges a percentage of the amount of the transaction. While on the other hand, companies dealing only with the transactions charge a fixed fee for transactions.

This question shows the services an individual expects from an advisory company.



EXPECTATIONS_FROM_THE_COMPANY

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Availability of information to shareholders	17	34.7	34.7	34.7
	Good investor relations department	8	16.3	16.3	51.0
	Others	2	4.1	4.1	55.1
	Transparency of criteria used by the management	22	44.9	44.9	100.0

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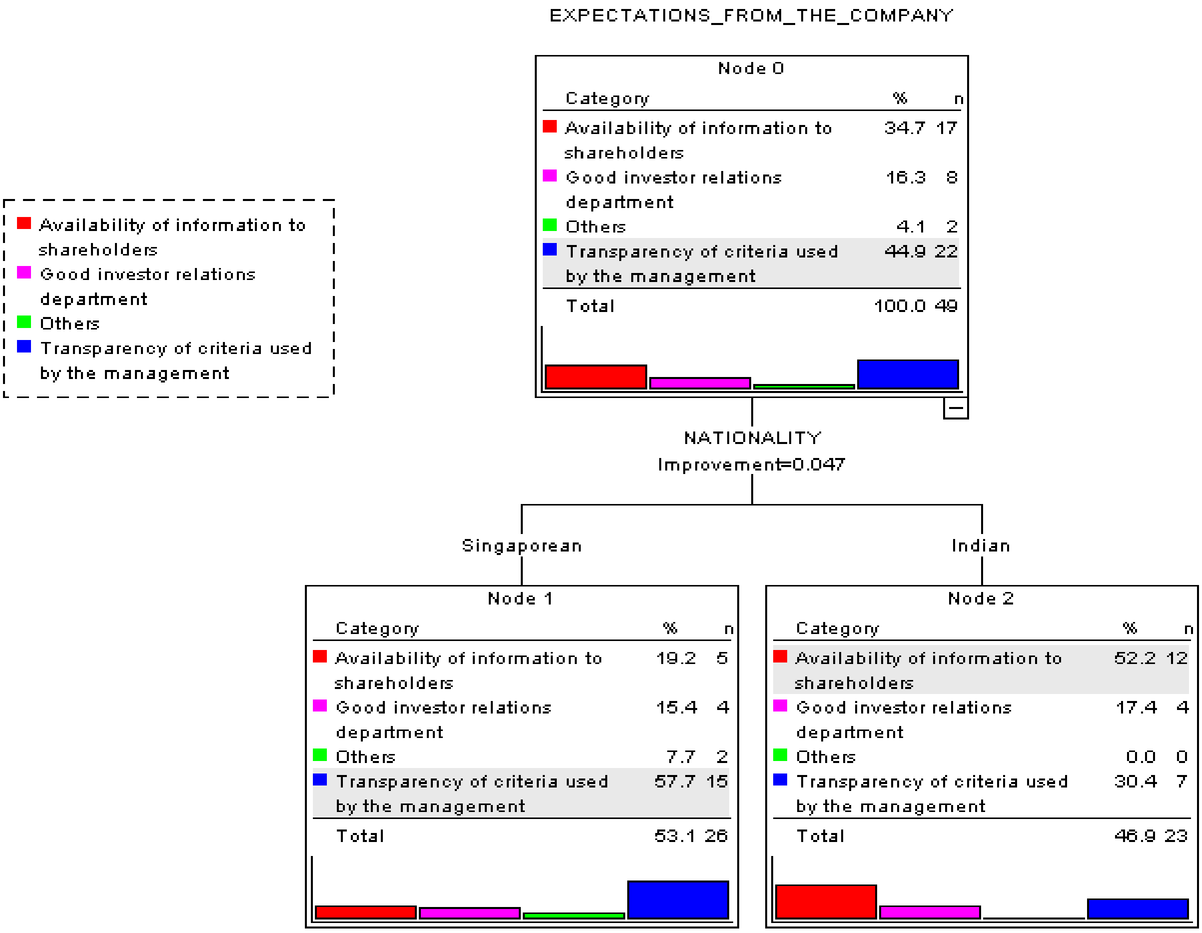
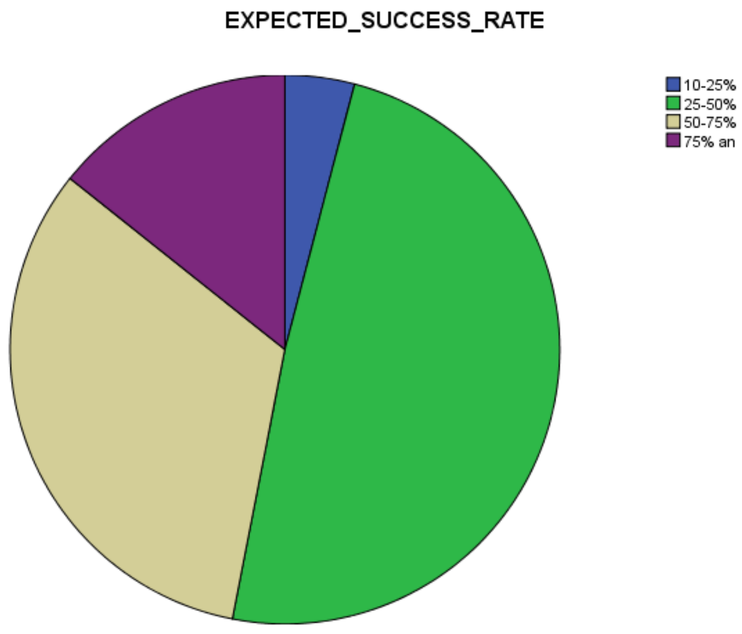
Classification Tree:



The above classification tree shows the expectations of the investor from the company which several heads. The classification is again divided according to the nationalities. The Indians of Singaporean nationality expect Transparency of criteria used by the management, in other words they expect the company to clearly define and explain the criteria of allotment, share price, dividend distribution, implementation of policies etc. Whereas, first generation Indians expect the availability of information to shareholders. Such information includes profitability of the company, annual reports, future prospectus etc.

11. The percentage of success rate with the Company.

An investor expects a respectable percentage of success which should be sufficient enough to hold his shares in the market and which can compensate his/her opportunity cost. Opportunity cost is the sacrifice of the value of an investment from an alternative by choosing



EXPECTED_SUCCESS_RATE

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	10-25%	2	4.1	4.1	4.1
	25-50%	24	49.0	49.0	53.1
	50-75%	16	32.7	32.7	85.7
	75% an	7	14.3	14.3	100.0

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	50-75%	16	32.7	32.7	85.7
	75% an	7	14.3	14.3	100.0
	Total	49	100.0	100.0	

This question differentiates the sensible and practical investors from high growth expecting impractical investors. The Indian Stock Market is subject to various complexities. The mixture of internal and external forces acting upon the performance of the company decides it's success rate, such factors should be kept in mind before investing in the market and expecting superficial returns. This classification is necessary to identify what kind of marketing policies to formulate and implement to attract maximum investors to apply through an investor association.

Discussion/Interpretation of Results

From the above results we found out that:

1. The majority of investors belong to the age group of 25-35 years which implies that there are young investors who engage a part of their regular earnings in the stock market irrespective of the country or index.

2. Nationality of investors from Singapore is divided into two parts, Indian and Singaporean. Both being from the Indian origin reflect differences in their investment pattern.

3. There are several Indian Regional Associations in Singapore like Punjabi, Jain and Gujrati Communities. Being associated with one such communities show different investment pattern as compared to individuals who are not a part of such communities, reason being word of mouth publicity and peer pressure.

4. The study analysed investments in two countries, India and Singapore. First generation Indians who travelled and shifted there are inclined towards Indian Market as opposed to Indians being born there.

5. The study analyses reasons for low investment in the Indian Stock Market. Investments suffer from adverse foreign rate movements (loss in currency exchange), high returns else where i.e. real estate in the context of Singapore and when the returns are low from expectations.

6. We get to know the effects of technological upgradation as majority of investors from Singapore use internet for making and tracking their decisions regarding their investments in the Stock Market. The introduction of mobile applications also plays a vital role in such preference along with the availability and feasibility of sources.

7. Individuals invest in the market with an objective in mind which they would like to achieve in the future. Here, from an investor's point of view the main objective is investing in a low share price company with the anticipation of rise in the price in the future. Apart from this, dividends and taxation policies are some of the objectives to invest in the Stock Market.

8. Several factors in the market leads an investor to exit the market either in loss or profit. This decision can be affected by intuition of decrease in the share price as well as continuous low share prices with returns lower than expected. Other factors which compel an investor to sale the shares of a company or exit the market completely are low or no dividend, unethical business practices etc.

9. The most common time horizon observed in holding a security in the market is between six months to two years. This time period shows an investing behaviour rather than a trading behaviour, for reflecting a trading behaviour the time period lies between one week to one month.

10. Investors especially from the equity background expect that the company will provide certain information about itself which will help them in making certain decisions. These decisions include whether to hold the security, sell the security or increase or decrease the magnitude. The most expected factor in this regard is the transparency of the criteria used by the management.
    In other words, they expect the company to clearly define and explain the criteria of allotment, share price, dividend distribution, implementation of policies etc.

11. This question helps in analysing what kind of marketing activities to adopt to cater different classes of investors. The mixture of internal and external forces acting upon the performance of the company decides it's success rate, such factors should be kept in mind before investing in the market and expecting superficial returns.

Suggestions and Conclusion

Suggestions:

1. As it is evident from the results of the research that around 30% of the respondents use Broker Advise and roughly 10% of the respondents use Investment Association's advising to make and track decisions with regard to stock market, so the company has chances for its growth in the foreign market.

2. From the above results, we can see that from the total sample of 49 individuals, approximately 49% of the population prefers Indian market, the company should implement efficient marketing policies in Singapore to attract the rest of the potential investors.

3. The Indians living in Singapore generally invest in real estate which provides a much higher return than the equity market but the time horizon in such investments is long, in such cases the company can promote their short-term momentum trading services with higher returns.

4. Adverse foreign rate movement is the major reason for low investment in Indian market which account to 53.1% of the total reasons which include low returns (26.5%) and high returns else where (20.4%)
   To attract clients from countries apart from India, the company should focus on minimising the foreign exchange loss involved in converting the money to desired currency.

Conclusion:

The stock market is a complex and dynamic system. Forecasting stock market, currency exchange rate, bankruptcies, understanding and managing financial risk, trading futures, credit rating, loan management,bank customer profiling, and money laundering analyses are the core challenging tasks to be considered.

Implications of the Study

Investing in Indian Equity Market by NRI (Non-Resident Indian) has seen a tremendous growth in the past decade. To encourage foreign investment, Government of India has revised the FDI policies.

Under India's FDI policy, Non-Resident Indians (NRIs) have been permitted to invest in India both on a repatriable and non-repatriable basis, subject to certain conditions. For the purpose of investments in India, NRIs have been categorized as a separate category of investors.

1. Under the recent amendments to the Indian Citizenship Act 1953, the categories of foreign investors in India have been simplified. This liberalization in FDI is expected to increase investments by NRIs in Indian Business.
   On the basis of above results and government policies, company can set up their office in Singapore to operate in a more efficient manner.

2. NRIs can now invest in sectors in which FDI is restricted to a certain percentage – for example, in the case of print media, FDI is restricted to 26%. Now, any non-repatriable investment by NRIs will not be counted towards FDI while calculating such 26% limit, thereby allowing more space for other foreign investors to invest into such sectors. Further, NRIs can also invest (on a non-repatriable basis) in sectors where FDI is prohibited.

   This amendment provides the company a scope to increase their operations from equity to other forms of investment. For example, Commodities, Currency and Government bonds & securities.

3. After witnessing the current increase in the GDP of India which was 7.7% in the last quarter, 7.2% in the third quarter showing an annual change rate of 7.1% in the financial year of 2017-18, we can say that there are greater chances of increased investments from India as well as abroad.

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Appendices

1. RoC – Registrar of Companies.

2. Mobilisation of Savings – Engaging the surplus funds of an individual in the market whether bank, real estate or security market by sacrificing its present value with the anticipation of a future gain.

3. Hype Cycles - The hype cycle is a branded graphical presentation developed and used by the American research, advisory and information technology firm Gartner, for representing the maturity, adoption and social application of specific technologies. The hype cycle provides a graphical and conceptual presentation of the maturity of emerging technologies through five phases.

4. P/E Ratio – The price earnings ratio is the ratio for valuing a company that measures its current share price relative to its per-share earnings. The price earnings ratio is also sometimes known as the price multiple or the earnings multiple.
   The P/E Ratio can be calculated as: Market value per share/ Earnings per share.

5. HNI – High Net Worth Clients, individuals with over Rs. 2 crore investible surplus are considered to be HNIs while those with investible wealth in the range of Rs. 25 lakhs – Rs. 2 crores are deemed as emerging HNIs.

6. Intrinsic Value – Intrinsic value refers to the value of a company, stock, currency or product determined through fundamental analysis without reference to its market value. It is also frequently called fundamental value.

7. Supernormal Valuation – A super normal valuation/growth stock is a security that experiences especially robust growth for a time, then eventually reverts to normal levels of growth.
   During their supernormal growth stage, these stocks outperform the market significantly and provide investors with returns that are well above average.