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REVIEWER'S REPORT

Manuscript No.: IJAR-50708 Date: 18/03/2025

Title: Impact of Macroeconomic Variables on Stock Market.

Recommendation:

Accept after minor revision.

Rating	Excel.	Good	Fair	Poor
Originality	✓			
Techn. Quality	✓			
Clarity		✓		
Significance		✓		

Reviewer Name: Dr. Bishwajit Rout **Date:** 18/03/2025

Reviewer's Comment for Publication.

(*To be published with the manuscript in the journal*)

The reviewer is requested to provide a brief comment (3-4 lines) highlighting the significance, strengths, or key insights of the manuscript. This comment will be Displayed in the journal publication alongside with the reviewers name.

1. **Significance**: This study analyzes the impact of macroeconomic variables on the Indian stock market using the BSE Sensex as a proxy. By employing the Auto Regressive Distributed Lag (ARDL) model, the research provides insights into short-run and long-run relationships between Foreign Institutional Investments (FIIs), exchange rates, inflation, and industrial production on stock market performance.

2. **Strength**: The study offers robust econometric modeling with ARDL cointegration analysis, ensuring a comprehensive understanding of macroeconomic influences on market trends. It utilizes monthly data from 2018-2022, increasing its relevance for policymakers and investors.

3. **Key Insight**: FIIs, exports, and CPI significantly drive stock market growth, while exchange rate fluctuations and industrial production negatively impact market performance. The findings emphasize the critical role of foreign investments and inflation management in stabilizing the Indian stock market.

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Reviewer's Comment / Report

The paper titled "*Impact of Macroeconomic Variables on Stock Market."* investigates the influence of macroeconomic factors on the Indian stock market, specifically the BSE Sensex, using the Auto Regressive Distributed Lag (ARDL) model. The research explores the impact of Foreign Institutional Investments (FII), Index of Industrial Production (IIP), Consumer Price Index (CPI), Exports, and Exchange Rate (INR/USD) on the BSE Sensex over the period 2018 to 2022. The findings reveal that FIIs, Exports, and CPI positively impact the Sensex, while IIP and Exchange Rate negatively influence it.

Suggestions for Improvement:

1. The study focuses on five macroeconomic variables, but other critical factors such as interest rates, crude oil prices, GDP growth, and fiscal deficit are not considered. Expand the set of independent variables to include other key macroeconomic factors that influence stock prices.

2. Clarify the research gap- what unique insights does this study offer compared to prior research?

3. The study does not explore how events like COVID-19, financial crises, or global geopolitical risks affect stock market performance. Include a section on external shocks that might have influenced Sensex movements during the study period.

4. While the study highlights macroeconomic determinants, it does not suggest actionable strategies for policymakers and investors. Provide practical policy recommendations for regulators (SEBI, RBI), investors, and businesses based on the finding

This study presents valuable insights into the macroeconomic determinants of the stock market. However, minor revisions are needed to improve methodological clarity, and practical applications. Accept with Minor Revisions- after addressing these refinements, the paper will be suitable for publication in IJAR.

I recommend this paper for publication after minor revision.