SUBJECT RELATED RESEARCH ARTICLE
AN EMPIRICAL STUDY ON REGRESSION MODAL THROUGH EXCHANGE RATE AND BSE SENSEX

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INTRODUCTION
The movement of stock indices is highly sensitive to the changes in fundamentals of the economy and to the changes in expectations about future prospects. Expectations are influenced by the micro and macro fundamentals which may be formed either rationally or adaptively on economic fundamentals, as well as by many subjective factors which are unpredictable and also non quantifiable. It is assumed that domestic economic fundamentals play determining role in the performance of stock market. However, in the globally integrated economy, domestic economic variables are also subject to change due to the policies adopted and expected to be adopted by other countries or some global events.

The common external factors influencing the stock return would be stock prices in global economy, the interest rate and the exchange rate. For instance, capital inflows and outflows are not determined by domestic interest rate only but also by changes in the interest rate by major economies in the world. Recently, it is observed that contagion from the US subprime crisis has played significant movement in the capital markets across the world as foreign hedge funds unwind their positions in various markets. Other burning example in India is the appreciation of currency due to higher inflow of foreign exchange. Rupee appreciation has declined stock prices of major export oriented companies. Information technology and textile sector are the example of falling stock prices due to rupee appreciation.

From the beginning of the 1990s in India, a number of measures have been taken for economic liberalization. At the same time, large number of steps has been taken to strengthen the stock market such as opening of the stock markets to international investors, regulatory power of SEBI, trading in derivatives, etc. These measures have resulted in significant improvements in the size and depth of stock markets in India and they are beginning to play their due role.

METHODOLOGIES APPLIED
Researcher defines various existing literatures related with the study and problems of the title, various objective frames by the researcher, which leads to research phenomenon. The study is based on the secondary data and it collected from secondary source. There are two type of data used for the study first Exchange Rate (USD to INR) as dependent variable and Indian stock indexes BSE SENSEX as independent variables. In data classification, researcher has endeavored 10 years BSE SENSEX and its impact on Exchange Rate (USD to INR) for the period from 2006-07 to 2015-16.

Researcher employed Statistical tools Coefficient of correlation and coefficient of determination employed in the variables for purpose of measure the effect of independent variables BSE