

# PERFORMANCE ANALYSIS OF SECURITIES MARKETS WITH REFERENCE TO ASIAN STOCK MARKETS

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The stock exchanges in Asia and across globe have experienced important changes since the mid-1990s. Most traditional stock exchanges have either been acquired by another exchange or become part of a stock exchange group. In most cases the parent companies of exchanges have also become public companies with their shares listed and traded on one or more of their own stock exchanges. Stock exchanges in developed Asian economies have also been part of this transformation. The increase in Asian capital markets activity since the year 2000 has triggered several national and regional initiatives aiming to increase integration within regional and global capital markets. Asia's near-term outlook is projected to remain solid, helped by a stronger global economy and broadly accommodative policies and financial conditions. Hence a need to study the trends of the Asian stock markets and their level of integration within themselves was identified. Further an attempt was made to identify if the Asian markets have potential for international portfolio diversification. Keeping in view the objective stock markets of India, Japan, China, Hong Kong and Singapore were taken for the purpose of the study. The monthly closing prices of the stock indices of BSE Sensex, Nikkei225, SSE Composite, Hang seng index and Straits Times Index (STI) were collected over the time period from January 2008 to December 2017. The Findings of the study reflect that the selected markets are efficient markets, India and Singapore markets have greater potential for international portfolio diversification and all the Asian markets are highly integrated.

**Keywords:** *Stock market; Integration; Portfolio diversification*

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