Novel approach for Correlation of Stock Market and Inflation using OLS Regression Model

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***Abstract*: Stock market is a marketplace for stock to trade, where stocks are bought and sold of listed companies in stock market. Stock prices are determined by company performance and can fluctuate based on a number of factors, including economic conditions, industry trends, and company-specific news. One of the most important factors which can affect the stock market is Inflation. A measure of inflation is the rate at which the overall level of prices for goods and services rises, lowering one's buying power. Inflation is usually measured using the Consumer Price Index (CPI).** **This is a collection of items and services that individuals often use at home.** **This study uses the Ordinary Least Square (OLS) Regression approach to understand and analyse the impact of inflation on the stock market. It studies the effect on Indian Stock market (NIFTY 100) and CPI.**

***Keywords--* Consumer Price Index (CPI), NIFTY 100, Inflation, Indian Stock Market, OLS.**

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