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Investor Behaviour and Intraday Market Movements: A Study of Volatility in Indian Equity Trading

Dr. Renati Jayaprakash Reddy [1] & Ranganatha R[2]

Professor, Acharya Institute of Management and Sciences, Bangalore, India[1]

Research Scholar, AIMS Centre for Advanced Research Centre, University of Mysore, Bangalore, India[2]

ABSTRACT: Volatility and fluctuations dominate Indian stock market trading. The Indian stock market has been largely influenced by global stock movements with fluctuations. This stock market dynamic mechanism is influenced by sentiments, emotions and feelings which is largely due to herdness. Herd behavior is predominant in Indian stock market as we could see greater influences of major investors drive the market in to chaos, confusion with bursts and spurts. These stock market nuances are subtle and largely sentimental guided with emotions based on major patterns of behavior. The individual investor in Indian stocks is guided by these popular behavior which leads to major drastic changes in Indian economy and its functioning.

This study is an evaluation of Indian investors and their intraday trading behavior. This study is purposive as it elucidates that the Indian intraday investor is largely influenced by market volatility, fluctuations and sentiments based on larger patterns and movements. It is proposed in this study that herd behavior is evident and prominent in Indian stock market intraday trading. This study aims to understand the investment patterns of Indian investors in intraday trading activities. This study is exploratory and conclusive in nature. This study is empirical and quantitative in its approach. This study would use secondary data collected from published sources from 2018 till now. The SEBI report of intraday trading in 2024 by individual investors is also used in this study to a larger extent. This study provides insights on various strategies adopted by Indian investors in Intraday trading. The study also would determine the role of stock prices, market volatility and sentiments and its role on intraday trading. The study would also clearly elucidate that herd behavior is prominent among Indian investors in intraday trading.

KEYWORDS: Indian investors, intraday trading, strategies and approaches, market volatility, fluctuations and sentiments, prevalence of herd behavior in intraday trading.

I. INTRODUCTION

Search for Safe havens: Indian investors

Indian investors are traditional in their outlook on investments as they prefer safe havens in investments. Their nature of investments has always been options which give them steady returns which are also sustainable. They look for risk free returns which have been their basic investment orientation.

Indian investors by nature (Zada et al., 2025) have always been cautious and have preferred safe havens. They have always preferred bank deposits, long term investments (Wu et al., 2025) in post office, gold and land. These have always made risk free investments although the returns are minimal.

The cautious Indian investor (P. Zhang et al., 2025) seems to have changed as they are willing to risk for quicker and faster returns. These investors are generally following the macro behavior which could assure them safe returns or exit in stock markets. Indian investors are emotional, sentimental (Irfan & Kismawadi, 2025) as they are guided by popular behavior. The general trends in the macro environment seem to regulate & guide their investments. Macro environmental fluctuations dominate the changes, trends and patterns of investments during intra & inter day.

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The Indian investors in stock markets have invested in stocks which could give those faster returns (Molina-Muñoz et al., 2025) as quick as possible. The need for quick and faster money has made them to invest during intraday stock trading (Aggarwal & Banerjee, 2025) where the returns could be fluctuating from moment to moment as it can also become nil after the entire 8 hours of trading.

The global market changes have led to volatility, fluctuations as it has created a strong market sentiment (Ma et al., 2025) in Indian stock market and its functioning. The Indian stock market is more responsive as it immediately reacts to these changes (Gülmez, 2025) and this market is rattled as it is more dynamic and functionally efficient. The Indian investors seem to be carried away by larger sentiments and emotions as they tend to use very minimal cognitive features in stock market investment (H. Zhang et al., 2025) decisions. This also has a strong and deepening impact on the nature and functioning of Indian stock market which has been reactive and responsive to global changes rather than being independent. This cascading effect of Indian stock market behavior (Ghosh et al., 2025) also has affected Indian intra & inter day trading. However the nature and patterns of Intraday trading, the role of emotions and sentiments, prevalence of herd behavior and the impact of volatility and fluctuations has not been evaluated or studied as this study is an attempt on it. The next section would deal with literature review.

II. LITERATURE REVIEW

(KA & Ganesh) had opined about Indian investors and the occurrence of over confidence bias which could be seen during pandemic and post pandemic periods. The Indian investors have been having over confidence bias which has rattled the Indian stock exchange and its performances. This study is a detailed investigation on the nature and prevalence of over confidence bias in Indian securities market from 2013 till 2023. The prevalence of grey swan period in nifty 50 indexes has been confirmed with this study. It is found in this study that there is a large occurrence of over confidence among Indian investors which could be seen across various sectors & stock market investments. This study confirms that there is a greater occurrence of over confidence across many Indian sectorial stock market investments which have led to behavior biases and fluctuations. This empirical study confirms the prevalence of behavior bias in three different phases from pre-COVID (2013-19), Grey swan phase of COVID-19 (2020-23), and 2020. The Covid pandemic also had its specific impact on confidence of investors which could be seen from drastic alterations and variations among investors. This grey swan period of Covid had led the investors to over confidence and it has also resulted in loss aversion. This study empirically has proven that psychological prejudices have strongly affected Indian investors which could be seen in their erratic investments which are beyond rationality and predictability.

IRF- Volume to Return (2013-23)

Variable (Lag)	Coefficient	t-Stat.	Std. Error	Prob.
Rm_t (-1)	1.057	2.051	0.515	0.040**
Rm_t (-2)	0.772	1.502	0.514	0.133
Rm_t (-3)	-0.459	-0.897	0.512	0.369
Rm_t (-4)	-0.265	-0.518	0.512	0.604
Rm_t (-5)	-0.311	-0.606	0.513	0.544
Rm_t (-6)	0.010	0.019	0.514	0.984
Rm_t (-7)	0.163	0.316	0.516	0.752
Volatility	0.543	12.165	0.045	0.000***

Note: ** shows ∝ 5% and ***shows ∝ 1%

Source: (KA & Ganesh)

This chart clearly states the occurrence of overconfidence bias which has been more prevalent among Indian investors which has led to market fluctuations, chaos and unpredictability. The Indian investors seem to exhibit exaggerated reactions to market conditions which have caused the irrational market chaos which could not be explained under any rationality as it has not been there with them. It is also evident that a two day settlement could lead to over reaction by Indian investors which are the prime reason for market reactions, which are beyond corrections. There is a need for proper understanding of temporal patterns of Indian stock markets and its behavior along with market conditions which

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could lead to prudent investment decisions. It is evident from this study that market volatility and fluctuations lead to uncertainty and risk notions among Indian investors which lead to negative effects on investor sentiments and decision making process.

It is also evident that research studies have not been done on intraday trading and its implications on Indian investors as the role of market fluctuations and volatility has not been empirically assessed as this research study is an attempt on it.

(Som, 2025) had done research on the role of brokers and their nature during stock market trading. This study is specific to explore and investigate on the nature of broker reactions to derivatives channel and its implications. In this study it is found that brokers do have a strong copy trading activity as 17.5% involved in paired investments, 6.1% of options trading & multiple transactions to the extent of 7.4%. The role and impact of brokers during intraday trading and its cascading effects on market volatility, fluctuations and herd behavior in Indian intraday trading has not been researched as this research is an empirical attempt on it.

(Rahadian et al., 2025) had done empirical evaluations on the role of financial innovations and its impact on stock market efficiency. This study also provides strategies for financial innovation using fuzzy logic decision making. This study is an evaluation on the various factors which could increase stock market efficiency and performances. It is empirically found in this study that tax advantage could have a strong positive impact on stock market performances. However it is also found that research studies have not been done on intraday trading, stock market fluctuations, volatility and herd behavior in India as this is an empirical attempt on these aspects and dimensions which has not been explored till now.

(Rushdy & Samak, 2025) had done an empirical evaluation on the market quality and nature of functioning of Egyptian exchange.

Intraday patterns in stock markets:

Pattern	Characteristics	Causes
M-Shaped Pattern	Exhibits lower values at the beginning and end of a trading session, with peak values occurring shortly after the open and just before the close. Additionally, values tend to be lower and more stable during the middle of the session. **The opposite is W-Shaped Pattern**	**Profit Taking:** some traders might sell positions for profit after the initial price increase at the open or right before the close. **Strategic Timing:** Traders may avoid the volatility of the opening and closing periods, opting for more stable conditions in the middle of the session. This could contribute to the dips in the pattern.
U-Shaped Pattern	This pattern features elevated values at the beginning and end of a trading session with a period of lower more stable values during the middle of the session. **The opposite is Inverted-U Shaped Pattern**	**Informational Asymmetry:** The beginning and end of the day might experience heightened informational asymmetry, with some traders possessing more up-to-date information. This can lead to increased trading volumes and wider spreads. Thus, some traders may avoid the high volatility of the opening and closing periods, opting for more stable conditions in the middle of the session (strategic trading).
J-Shaped Pattern	This pattern resembles a U-shaped pattern, with elevated values at the end of the trading session. However, it differs by exhibiting lower values at the beginning of the session. **The opposite is Reverse-J Shaped Pattern**	**End-of-Day Adjustments:** traders may strategically adjust positions or make last-minute trades as the market approaches the close, leading to a spike in activity. **Accumulated Information:** As the trading day progresses, more information becomes publicly available. Increased activity towards the end of the session might reflect traders acting upon this accumulated information.

Source: (Rushdy & Samak, 2025)

This study in specific focuses on intraday stock patterns and behavior as it also does liquidity analysis and its impact on market performances. It is found in this study that this market by nature exhibits inverted J-shaped pattern in spreads due to information asymmetry, a U-shaped pattern in total depth, and a J-shaped market depth pattern. It is also found in this study that Sunday has the lowest liquidity and Thursdays have peak market performances in Egyptian intraday trading. The prevalence of specific intraday trading pattern in Indian stock market has not been evaluated or studied as this research is an attempt on it.

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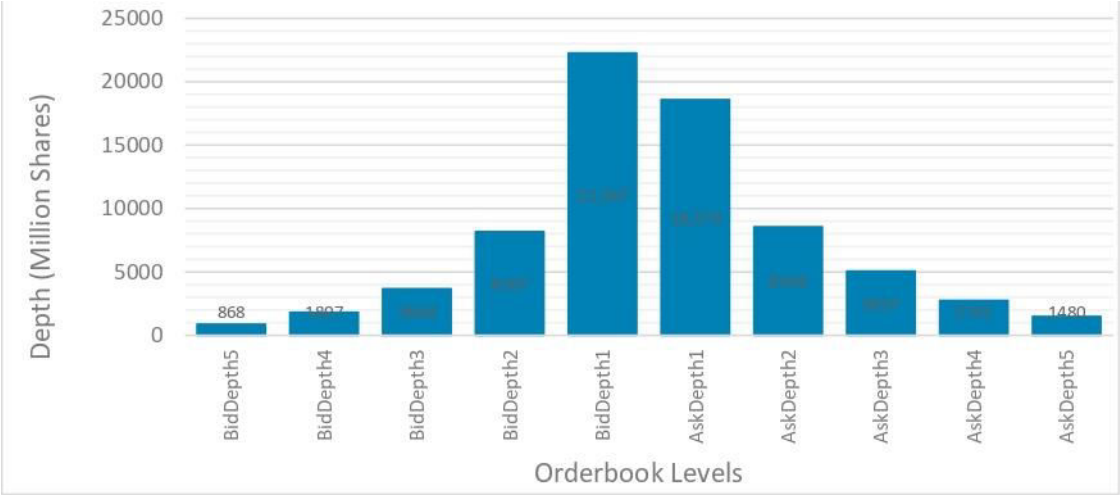
Distribution of the depth at order book level



Source: (Rushdy & Samak, 2025)

An in-depth analysis of Egyptian stock exchange reveals that 76.9 billion shares are traded with an equal distribution of bid and ask. The bid has been around 49% AND ask has been around 51% which is equally distributed and however the bid and ask patterns of intraday trading in Indian stock exchange has not been evaluated or studied as this research is an attempt on it. it is also found in this study that 53% of the total depth is concentrated in the market as the Indian intraday market depth patterns has not been evaluated which needs to be done. 60% of the total depth is at B1 level which indicates that limit order buyers do place more aggressive orders than limit order sellers. The limit order sellers and buyers patterns and its implications on Indian intraday trading in stock exchanges has not been studied as this research is an empirical attempt on it.

Research gap

As researches have not been done on the role of market volatility, fluctuations and herd behavior in Indian intraday trading – this research is an empirical attempt which could provide new directives, strategies and management approaches for Indian investors towards 2035 – this study is an attempt on it.

Aim of the study

This study aims to evaluate the patterns in Indian stock intraday trading. This study would determine the role of stock prices, market sentiments, volatility & fluctuations on Indian stock intraday trading. The influences of individual perceptions & attitudes on Indian stock intraday trading would be evaluated.

Objectives for the study

1. To evaluate the investment patterns and behavior in Indian stock intraday trading.
2. To determine the role of stock prices, market sentiments, volatility & fluctuations on Indian stock intraday trading.
3. To assess the influences of individual perceptions & attitudes on Indian stock intraday trading would be evaluated.

Hypothesis for the study

H1: To evaluate the role of herd behavior is evident and prominent in Indian stock intraday trading.
HO: There is no role of stock prices, market sentiments, volatility & fluctuations on Indian stock intraday trading.
H1: There is a positive influence of individual perceptions & attitudes on Indian stock intraday trading would be evaluated

Research design

This study is empirical and quantitative in its nature and approach. This study is exploratory and conclusive in its approach. This research is exploratory as it explores in to the various aspects and dimensions of herd behavior and its

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impact on Indian stock intraday trading. This study is conclusive as it intends to provide effective strategies to reduce herd behavior in Indian stock intraday trading. This study is done with secondary data collected from various sources. The data would be evaluated with critical and evaluative methods as suitable suggestions, recommendations & conclusions would also be provided. Secondary data for this study has been done using data from equity cash segment from the sample brokers, across the three years covered in the study.

In this study all individuals who had invested in intraday trading from 2019 to 2023 were considered as a part of this study. The intraday trades of traders were only considered in this study.

Sample:

Year	No. of Individual Intraday Traders (in Lakh)	All Individuals in cash segment (in Lakh)	Percentage share
FY19	14.9	46.6	32%
FY22	78.3	200.3	39%
FY23	68.9	217.7	36%
Total Sample	**162.1**	**464.5**	**35%**

Source: (Vasdani & Thakrar, 2024)

This study covers both individual intraday traders and individuals who have invested in cash segment. This study by nature covers only 32-36% of the total intraday trading during this period of time. The individual data has been collected from top 10 brokers, identified on the basis of individuals' turnover in cash segment in FY23 at NSE. Data from these brokers accounted for around 86% of individuals' count in cash segment at NSE during FY23. Dataset of individuals include HUF and NRIs (excludes institutions, partnership firms, companies etc.).

This research by nature covers these aspects only:

- Segment: Equity Cash Segment in Indian Securities Market
- Trade Type – Intraday trades
- Securities - listed equity shares and ETFs only
- Demographic details – Age, Gender, Marital Status, Location
- Trade details – Gross Purchase value, Gross Sale value, Number of Trades, Cost of trading
- ∟ Cost of trading includes Brokerage, Exchange fee, SEBI turnover fee, Stamp duty, STT, GST.
- ∟ Number of trades are the count of orders placed by an individual which translated into trades, during a given period.

Sub category of the sample:

S.No.	Data Fields	Sub- Category
	Demographic Attributes	
1	Age	<20, 20-30, 30-40, 40-50, 50-60, >60 (years)
2	Gender	Male, Female
3	Location/City	Tier I, Tier II, Tier III*
4	Marital status	Single, Married
	Trade-based Attributes	
5	Turnover_category	[Very Small, Small, Medium, Large, Very Large]
6	Tradesize_category	[Very Small, Small, Medium, Large, Very Large]
7	Txnno_category	[Very Small, Small, Medium, Large, Very Large]

Source: (Vasdani & Thakrar, 2024)

This study does not cover other demographical dimensions, other locations in India. This study covers turnover category, trade size category and as it does not cover other trade based attributes. The next section would cover data analysis in detail and in depth.

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Data Analysis

Demographic analysis

Intraday turnover in sample coverage

Turnover -category	Annual Intraday Turnover (Rs.)	% of individuals covered
Very Small	< 50K	51.1
Small	50K - 5L	22.1
Medium	5L - 25L	11.8
Large	25L - 1Cr	7.4
Very Large	> 1Cr	7.5

Source: (Vasdani & Thakrar, 2024)

It is found from this study that majority of the intraday traders are trading less than 50,000 INR who form 51% of the total sample covered. It is found that very large turnover of less than one crore happens with 7.5% of the total sample.

Intraday trading size in sample coverage

No. of Trades - category	No. of Trades in a year	% of individuals covered
Very Small	< 10	57.0
Small	10 - 50	23.9
Medium	50 – 100	6.3
Large	100 – 500	9.3
Very Large	> 500	3.3

Source: (Vasdani & Thakrar, 2024)

It is found that majority of the individual investors do less than 10 trades in a cover which form 57% of the total sample.

Intraday turnover across subcategories: 2023

Turnover category	Turnover (Rs.)	Individual count (in Lakh)	% of individuals covered	Value - % share in Total Turnover
Very Small	< 50K	38.5	55.9	0.1
Small	50K - 5L	15.0	21.8	0.8
Medium	5L - 25L	7.3	10.6	2.5
Large	25L - 1Cr	4.1	6.0	6.2
Very Large	> 1Cr	3.9	5.6	90.4
Total	-	**68.9**	**100.0**	**100.0**

Source: (Vasdani & Thakrar, 2024)

It is found in this study that 90% of individual traders trade from 50,000 to 5, 00,000INR. It is also found in this study that 90% of the total intraday trading is done by just 3.9 lakh traders and individuals in this market.

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Part 2: Intraday investment patterns and implications

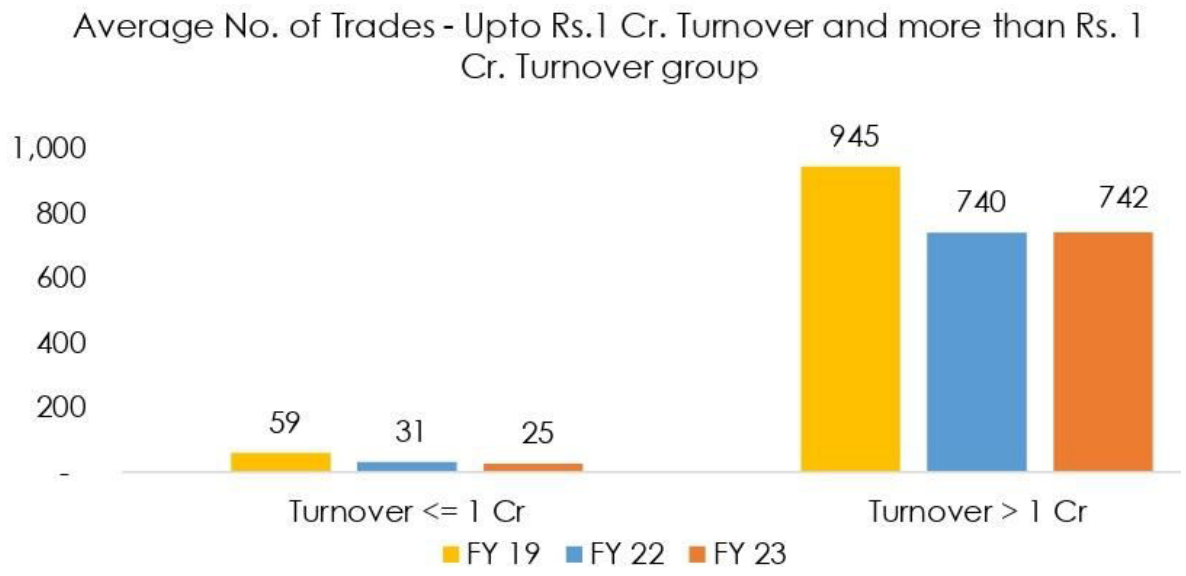
Profit and loss of intraday individual traders

	All Individual Traders		
	FY19	FY22	FY23
Average P/L	-10,042	-2,484	-2,069
Total number of Individual traders (sample) – in lakhs	14.9	78.3	68.9
% of Loss-makers	65%	69%	71%
% of Profit-makers	35%	31%	29%
Average Profit made by Profit-makers	9,409	6,910	5,989
Average Loss made by Loss-makers	-20,701	-6,607	-5,371

Source: (Vasdani & Thakrar, 2024)

It is found in this report that individual traders in intraday trading have suffered maximum losses(71%) and the average profits made was just 5989 INR.

Average number of intraday trading: individual traders



Source: (Vasdani & Thakrar, 2024)

It is found in this study that Individual traders with annual turnover of more than Rs. 1 crore carried out 742 trades on an average during FY23. Whereas, those traders with annual turnover of up to Rs. 1 crore, undertook 25 trades during the year.

It is also found in this study that loss-makers, on an average, carried out more number of trades than the profit-makers. Similar trend was observed across individuals with annual turnover up to Rs. 1 crore and those with annual turnover more than Rs. 1 crore.

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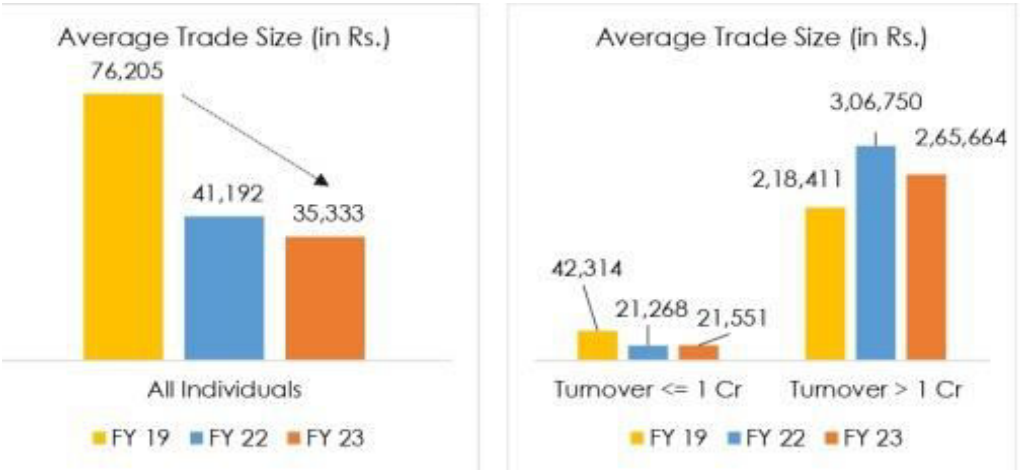
Average trade size of Individual intraday investors

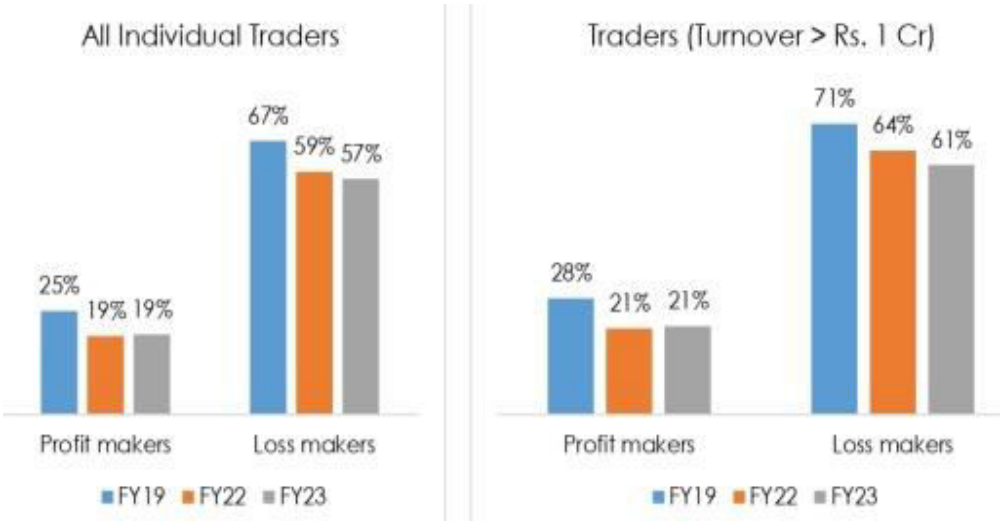


Source: (Vasdani & Thakrar, 2024)

It is found in this study that there has been a decline in the average trade size of individual traders across trade groups over the years. The average trade size declined to Rs. 35,333 in FY23 from Rs. 76,205 in FY19, due to addition of large number of new traders with low trade size post FY20.

It was also found in this study that average trade size of individual traders with annual turnover of more than Rs. 1 crore was Rs. 2,65,664 in FY23 as against Rs. 21,551 of those traders with annual turnover of up to Rs. 1 crore.

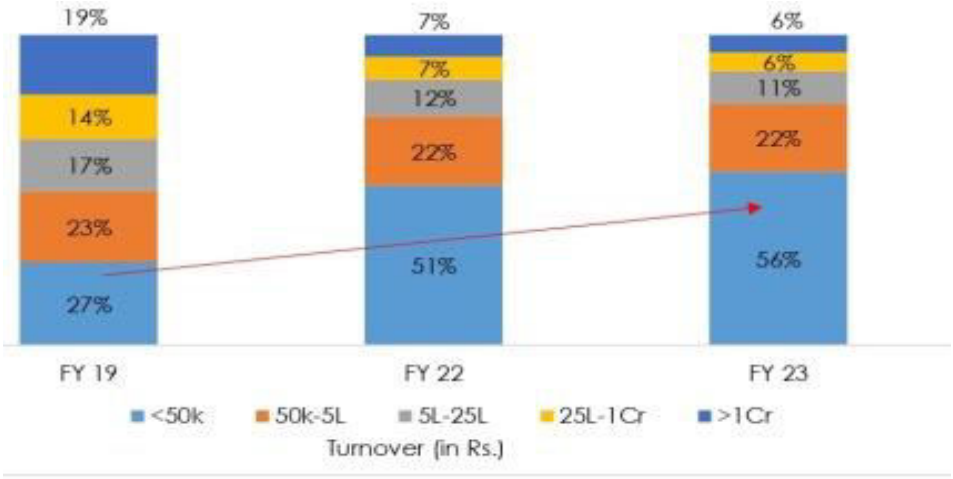
Cost of trading of all individual intraday investors



Source: (Vasdani & Thakrar, 2024)

It is found that the individual traders with annual turnover more than Rs. 1 crore, loss-makers expended 61% over and above their aggregate trading loss as cost of trading during FY23. Whereas, profit-makers spent 21% over and above their aggregate trading profit as cost of trading in FY23.

Individual intraday trading and turnover categories



Source: (Vasdani & Thakrar, 2024)

It is found in this study that the proportion of individual traders belonging to the smallest turnover category i.e with annual turnover less than Rs. 50,000, increased steeply from 27% in FY19 to 56% in FY23.

It was also found in this study that individual traders with annual turnover more than Rs. 1 crore constituted just 6% of all individual traders in FY23, while they accounted for 19% of all individual traders in FY19.

Part 3: Volatility in intraday trading

(Cheriyan & Lazar, 2019) had done an empirical research study to investigate & evaluate the relationship which prevails between volatility and intraday trading in Indian stock market.

Liquidity & volatility relationship in Indian intraday trading:

Trading activity measure	Constant	Activity	R^2
Number of transactions (N_t)	0.01969	0.001017	0.3851
	(6.1694)	(4.3279)	
Trading volume (Q_t)	0.02521	0.00263	0.3012
	(5.6479)	(6.9839)	

Table 6: Coefficients of regression by considering proxies of liquidity as dependent variable and volatility of returns as independent variable

Liquidity measure	Constant	VOL	R^2
SPREAD	0.1248	0.3244	0.01826
	(49.7708)	(1.8715)	
MDLIQ	0.13205	0.24543	0.13012
	(7.8787)	(4.6714)	

Source: (Cheriyan & Lazar, 2019)

It has been found in this study that liquidity has an aggressive association with volatility of stocks as it affects market returns in intraday trading in Indian stock market functioning.

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Part 4: Intraday herding patterns and evaluations 2024

(Marisetty, 2024) had done an evaluative study to identify the traces and effects of herd behavior in Indian stock market for the period from 2011 to 2020. This study has been done with S&P BSE 500 stocks. It has been found in this study that herd behavior is prominent and prevalent in Indian stock trading which has led to volatility in Indian stock market conditions.

So it is clearly understood that intraday individual investors have suffered maximum losses during 2019 to 2023. It is also evident that volatility has been more prevalent in Indian intraday trading which has led to herd behavior as volatility has been influenced by macro emotions, sentiments and popular behavior in Indian stock markets.

Major findings on participation patterns in intraday trading: 2024

1. It is found in this study that 1 in 3 individuals who trade in equity cash segment, trades in intraday segment
2. It is found in this study that the number of individual traders who traded intraday through top 10 brokers6, increased to 69 lakh in FY23 from 15 lakh in FY19 (4.6 times).
3. It is found in this study that the share of young intraday traders (age less than 30 years) has grown to 48% in FY23 as compared to 18% in FY19.
4. It is found in this study that the proportion of Female traders (by intraday traders count) declined to 16% in FY23 from 20% in FY19.
5. It is found in this study that the participation from Tier-1, Tier-2, Tier-3 (sample7) cities increased to 3x, 5x, 10x, respectively, in FY23 as compared to FY19.
6. It is found in this study that the Share of 'Very Small' traders (annual intraday turnover less than Rs. 50,000), has doubled from 27% in FY19 to 56% in FY23.

Profit and loss maker's proportion and implications: 2024

1. It was found in this study that During FY23, 7 out of 10 individuals (71%) trading in intraday cash segment were loss-makers8.
2. It is found in this study that over the years, proportion of loss-makers in intraday cash segment has been increasing. During FY19, while 65% individual traders were loss-makers, the number increased to 69% in FY22 and to 71% in FY23.
3. It is also evident that Higher the turnover, higher the proportion of loss-makers - Across the three years under the study, it is observed that the proportion of loss-makers was higher in turnover groups9 with higher turnover, with 'Very Small' turnover group being an exception to this trend, recording significantly higher proportion of loss-makers. During FY23, 'Very Small' turnover group had highest proportion (77%) of loss-makers as compared to other turnover groups.
4. It was found in this study that the proportion of loss-makers was found to be higher in traders' groups with higher number of trades. Again, the 'Very Small' group (based on number of trades) was exception to the trend, recording high proportion of loss-makers. During FY23, 'Very Large' group (based on number of trades) had highest proportion (80%) of loss-makers across the groups.
5. It was also found in this study that lower the age group, higher the proportion of loss-makers – Proportion of loss-makers was lower among traders under higher age group. In FY23, traders under the age group of more than 60 years had lowest loss-makers (53%), while those under 20 years of age had highest proportion of loss-makers (81%).
6. It was found in this study that Proportion of profit-makers among group of Female traders was higher as compared to group of Male traders, across all the three years.
7. It was also found in this study by comparing 'single' vs 'married' traders group, 'married' traders group had higher proportion of profit-makers than 'single' traders group across all the three years.
8. It was found in this study that across Tier-I, II and III cities, proportion of profit-makers was highest in Tier-I cities, followed by Tier-II and Tier-III cities.
9. It was found in this study that even after 3 years of experience (individual traders who traded intraday during FY19, FY22 and FY23), 54% of traders were loss-makers in FY23, but this reflected a much lower percentage as compared to overall loss-makers (71%) in FY23.

Major findings on individual intra day traders: 2024

It was found in this study that individuals having annual intraday turnover more than Rs. 1 crore (i.e. 'Very Large' turnover category) but have executed less than 10 trades (i.e. 'Very Small' No. of trades category) during the year.

It is also found in this study that individuals having annual intraday turnover more than Rs. 1 crore (i.e. 'Very Large' turnover category) but have executed more than 500 trades (i.e. 'Very Large' No. of trades category) during the year.

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Implications on intraday trading: Futuristic strategies

1. It was found in this study that the Distribution of turnover of individual traders is highly skewed. Bottom 78% of the traders (based on annual intraday turnover in FY23) accounted for less than 1% of the aggregate intraday turnover of all individual traders in FY23. On the other hand, top 5.6% traders ('Very Large' group - annual intraday turnover more than Rs. 1 crore) accounted for more than 90% of the turnover.
2. It was also found during FY23, 76% of individual traders with annual intraday turnover more than Rs. 1 crore, were loss-makers.
3. It was found in this study that individual traders with annual turnover of more than Rs. 1 crore incurred an average P/L of (-) Rs. 34,977 during FY23. For such traders' group, the average profit by profit-makers was Rs. 89,172 while the average loss by loss-makers was Rs. 74,575 during FY23.
4. It was found in this study that the average number of trades (in a year) by traders' group with more than Rs. 1 crore turnover was 742 in FY23 as compared to 25 trades for traders' group with less than Rs. 1 crore turnover.
5. It was found in this study that average number of trades by loss-makers was higher than the profit-makers, across all the years.
6. It was found in this study that group of individual traders who executed more than 500 trades in FY23, incurred an average loss of Rs. 61,394 in FY23.
7. It was found in this study that individual traders with high turnover as well as number of trades (i.e. annual intraday turnover more than Rs. 1 crore and more than 500 trades), incurred an average loss of Rs. 75,443 during FY23.
8. It was found in this study that during FY23, 'Male' traders with annual intraday turnover more than Rs. 1 crore, incurred an average loss of Rs. 38,570 as compared to average loss of Rs. 22,153, incurred by 'Female' traders.
9. It was also found in this study that the average loss incurred by 'Married' traders was lower than the average loss made by 'Single' traders across all the years under the study.

Cost of trading as percentage of intraday trading: 2024 analysis

1. It was found in this study that of all individual traders, loss-makers expended 57% over and above their aggregate trading loss as cost of trading during FY23.
2. It was found in this study that profit-makers spent 19% over and above their aggregate trading profit as cost of trading in FY23.
3. It was found in this study that of all the turnover categories, loss-makers under 'Very Large' turnover group (i.e. annual intraday turnover more than Rs. 1 crore) expended highest cost of trading as percentage of their trading loss (61% during FY23).
4. It was found in this study that Loss-makers who were trading very frequently (undertaking more than 500 trades in a year) expended 72% as cost of trading over and above their aggregate trading losses during FY23

Suggestions and Recommendations :

1. There is an intense need to reduce the volatility which is prevalent in Indian stock markets which could lead to market chaos and fluctuating investment behavior & patterns
2. There is a need for more prudent decision making by Indian investors which could be increased with training & awareness programs.
3. Rational decisions by investors could reduce volatility and market fluctuation in Indian intraday trading

III. CONCLUSIONS

Intraday trading has not reaped benefits for Indian individual investors as they have suffered maximum losses only. This is due to the fact that these intraday investors are emotional as they exhibit herd behavior. So there is a need to make prudent investment decisions. Market training and awareness has to be provided which can reduce these market fluctuations and chaotic behavior. Caution with wait and watch could be the most effective prudent intraday market decision for individual intraday investors towards 2025 – 26.

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