



A Comparative Study of Investment in US Market and Indian Stock Market

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Abstract

This study presents a comparative analysis of investment opportunities in the United States (US) stock market and the Indian stock market, focusing on market structure, risk, return, volatility, liquidity, diversification, and factors influencing investment decisions. The US stock market, represented by major indices such as the S&P 500 and Nasdaq, is characterized by a highly developed financial system, greater market capitalization, strong institutional participation, and exposure to leading global companies. In comparison, the Indian stock market, primarily represented by the Nifty 50 and Sensex, is a rapidly growing emerging market supported by economic expansion, increasing domestic participation, and improving financial infrastructure. The study examines the relative performance and investment characteristics of both markets while considering factors such as currency fluctuations, inflation, interest rates, taxation, political and economic conditions, and regulatory frameworks. It also highlights the advantages and limitations faced by domestic and international investors when investing across these markets. The comparison indicates that the US market generally offers greater global diversification and stability, whereas the Indian market provides significant growth potential accompanied by comparatively higher volatility and emerging-market risks. The study concludes that investors should consider their risk tolerance, investment horizon, diversification objectives, and macroeconomic conditions before selecting between the two markets. The findings can assist investors and researchers in understanding the opportunities and challenges associated with investing in the US and Indian stock markets.

Keywords: US Stock Market, Indian Stock Market, Investment, Risk, Return, Volatility, Diversification, Nifty 50, S&P 500, Sensex.