

Abstract:

We use the India's unique design to test the convergence between the sentiments based models of IPOs initial return i.e. the difference between the listed price and the issue price. Using a sample of 121 Indian Offerings from 2012-2015, we find there that issue prices are significant in explaining the listing prices. Decomposing the traditional Indian Offerings into its two types namely Book-Build and Fixed Price and try to check if the issue prices are significant in explaining the listed prices. We find that issue prices are significant enough and we even try to put a dummy for the offerings which shows an increase of more than 150 and come to a conclusion that they are the most significant ones.