

ABSTRACT

The presence of the seasonal or monthly effect in stock returns has been reported in several developed and emerging stock markets. This study investigates the existence of seasonality in India's stock market and the day of the week effect in the daily stock returns of small cap firms. The data has been collected for the period from April 2001 to March 2012 and has been divided based on the type of industry. The results of the study confirm the existence of seasonality in stock returns in India. The analysis of the sub-market returns is also partly supportive of day-of-the-week effects in the Auto, Healthcare, Metal, Oil and Gas, Capital goods and Consumer durables industries.