

ABSTRACT

This study examines the herding behavior in the NIFTY 100 stocks between the time periods of 2007 to 2022. The novel contribution of this thesis is to examine the herding behavior during the whole period, global financial crisis and coronavirus outbreak time period. The coronavirus time period is further classified into three phases, first wave, second wave and the third wave time period. This study applies the model proposed by Chang et al. (2000) for estimation of existence of herding in the Indian stock market using the daily stock closing prices of NIFTY 100 firms. The results for the full sample period indicated the non-existence of herding behavior in the Indian stock market. While, there no evidence of herding during the period of global financial crisis (1st June 2007 - 31st March 2022). There was a strong evidence of herding behavior during the covid 1st wave (30th January 2020 to 2nd February) and the 3rd wave time period (1st January 2022 to 31st March 2022). The study highlights importance of crisis to understand the herding behavior by demonstrating how herding is evident during a non-financial crisis but not during a financial crisis. The study can be used by investors to devise their trading strategies during different market conditions such as financial crisis and non-financial crisis