

A STUDY ON INVESTORS ATTITUDE TOWARDS EQUITY MARKET WITH REFERENCE TO OIL AND GAS INDUSTRY

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ABSTRACT

An investor is an individual that puts money into an entity such as a business for a financial return. The main goal of any investor is to minimize risk and maximize return. It is in contrast with a speculator who is willing to invest in a risky asset with the hopes of getting a higher profit. The objective of the study is to analyse the investors attitude towards equity market with reference to oil and gas industry. The sample of the study is 120. Descriptive research design and convenience sampling method has been used. Questionnaire has been used as a primary data. Simple percentage analysis, chi-square analysis and correlation have been applied as statistical tools to reach the findings of the study. It is found that there is no significant relationship between the gender of the respondents and investors perception towards the oil and gas industry trends. It is suggested that Investors should actively seek educational resources to better their grasp of the oil and gas business and its market dynamics and regularly tracking news updates and trends relating to the oil and gas business is something investors need to incorporate into their routine. It is concluded that investors who demonstrate a thorough awareness of the oil and gas sector and who keep up with current events and patterns are more likely to be the basis of well-informed investment decisions.

Keywords: Equity market, investors attitude, investors perception, investors confidence

INTRODUCTION

This research explores the complex world of investors and how they engage with the oil and gas sector. It looks at these investors' perceptions of the market, risk management strategies, analyses of industry trends, and, most importantly, level of confidence in their investment choices (Benjamin Graham, 1949). The study acknowledges that, in the context of the oil and gas industry, each of these factors is crucial in influencing investors' decisions. An investor's degree of market understanding frequently affects their views and actions (Eugene F. Fama, 1970). Investor confidence in their investing selections is strongly affected by how they evaluate their risk tolerance and interpret market movements (Daniel Kahneman & Amos Tversky, 1979). The aforementioned factors are interrelated and collectively influence the investment environment in the oil and gas stock market. Nonetheless, there is still much to learn about how these variables interact and how that affects investing methods in the end. The global prominence of the oil and gas industry, along with its distinct potential and problems, makes

it the perfect setting for this research. This study aims to offer useful insights for investors, financial institutions, and regulators by illuminating the complex link between investor attitudes and investment decisions (Harry Markowitz, **1952**). The goal is to create an environment for investments that is more resilient and educated, enabling stakeholders to confidently and strategically traverse the intricacies of the oil and gas industry.

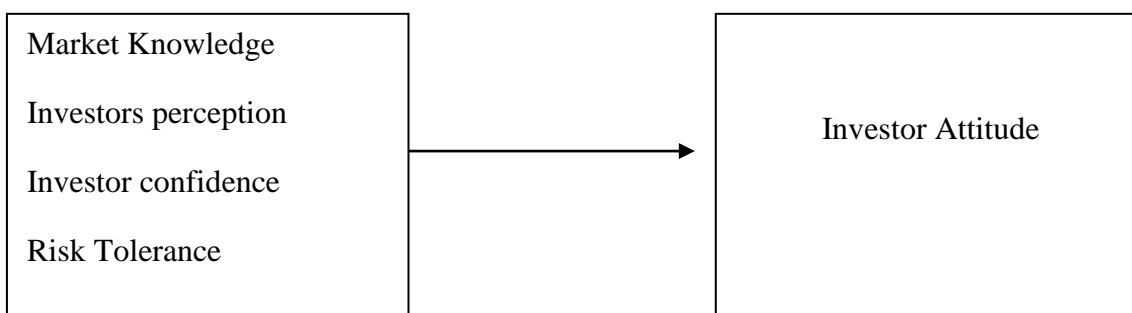
STATEMENT OF THE PROBLEM

The global economy depends heavily on the oil and gas sector, which presents profitable but high-risk investment options (International Energy Agency, **2023**). It is crucial in this context to comprehend how investors in the oil and gas industry feel and behave when it comes to the equities market. This study's main concern is understanding how investors view and interact with the oil and gas sector, taking into account a variety of factors such as their level of market knowledge, risk tolerance, perceptions of industry trends, and overall confidence in their investment choices (Daniel Kahneman & Amos Tversky, 1979). Therefore, the study's main goal is to solve the following issue: Diverse levels of market expertise, risk tolerance, industry trends assessments, and investor confidence are displayed by oil and gas industry investors. It is yet unknown, though, how much these attitudes and habits influence their investing decisions and methods (Eugene F. Fama, 1970). This study aims to clarify the complex relationship that exists between the attitudes of investors and the decisions they make about their investments in the dynamic and complex oil and gas equities market. Our goal in solving this mystery is to offer information that will help politicians, financial institutions, and investors make better decisions and promote a more stable investment climate in the oil and gas sector (Harry Markowitz, 1952).

OBJECTIVES OF THE STUDY

- To assess the level of market knowledge among investors in the oil and gas industry
- To measure the investors perception towards the oil and gas industry trends
- To examine the degree of confidence that investors have in their ability to make profitable investments in the oil and gas sector
- To explore the investors' risk tolerance in the context of the oil and gas industry

Conceptual Framework



REVIEW OF LITERATURE

Prof. Purna Prasad Arcot , Ajay Kumar Mohanty (2023), The diverse accounting markets in the world accept Indian and international equity stocks due to their being connected to a particular regional financial tool or business clear indication or product through to the nation's economy, both of

which represent to dampen price volatility while all at the same affecting shifts in shares traded as well as investor confidence. Consequently, this research examines how people here think about it and act with in stock market, at both the and abroad. The goal of a research plan is to provide a study some sort of structure. Since it dictates how pertinent information for a study will be gathered, the decision about research strategy is a crucial one in the research design process; nonetheless, the research design process contains numerous connected considerations. In accordance with the survey results of this study, there's no statistically significant connection between investors' sexual identity, maturity level, or education level as well as their investments in stock markets choices in either the national or international markets.

Cvk Bhuvanewari (2023). The researcher carried out the study with the objective of finding out the investor's perception towards Equity/Tax saving Mutual Funds For the purpose of Analysis and Interpretation the researcher used the following statistical tools namely Simple Percentage Analysis, Chi-Square Test & Rank Correlation. Based on the Analysis and Interpretation the researcher arrived out with the major findings in her study and Suggestions are given in such a way so that the investors can attain the wealth maximization. The researcher had identify the following major parameters namely, Liquidity, Rate of Return and Market share. The researcher is interested in finding out which Equity/Tax saving mutual fund performs better, for this purpose the researcher used the Spearman's Rank Correlation and the elite performance of the Equity/Tax saving mutual fund.

Latha J.S, Mr. Darshan M, Jeevan B (2023), The objective of the study is to overview the Indian stock market and encapsulate the various investment avenues available and to know investors' perceptions regarding investment in the stock market and the survey is done by collecting data in the form of a questionnaire. The research reveals that awareness and perception towards the stock market vary among investors. Some individuals exhibit a high level of awareness and confidence, viewing the stock market as an essential avenue for wealth creation and long-term growth. On the other hand, some participants display limited awareness, primarily driven by fear of volatility and perceived complexities associated with stock market investing. Additionally, the study emphasizes the role of financial literacy initiatives and investor education programs in bridging the gap and empowering individuals to make informed decisions in the stock market.

Payal Samdariya and Varsha Goyal (2024). Equity Mutual funds are treated as a vehicle of investment, which is suitable for the all-age groups of investors who want to take good return from their investment and are ready to bear risk. Equity Mutual Funds are those where funds are invested in equity shares of various companies. This research paper is an attempt to understand investor's perception towards Equity Mutual Fund schemes during COVID-19 and to study and analyze various factors influencing investor's perception. A survey was conducted via questionnaire and primary data was collected from 120 respondents from Pune city. It was found that there is an impact of COVID-19 situation on investor's investment in Equity Mutual Fund schemes and it depends upon risk, fixed rate of return, SIP mode, company's past track record, higher return, liquidity, tax saving option, sector wise, and size of the equity mutual fund. This study also suggests what kind of steps are needed to take to build up the investor's confidence in Equity Mutual Funds schemes while investing during the outbreak of COVID-19 situation.

Achilleas Boukis(2025), The present study adopts a qualitative approach to explore the nature and sources of consumer-based brand equity (CBBE) in the cryptocurrency market. Drawing on thirty-two semi-structured interviews with crypto investors in the UK, our findings reveal three main sources of CBBE for crypto brands (i.e. blockchain-based features, crypto brand identity, psychological factors). Also, we supply insights into how the nature and features of blockchain technology shape consumers'

attitude towards crypto brands. Our findings also reveal the key elements of cryptos' brand identity (i.e. white papers, brand purpose, ICOs) as well as various psychological factors (i.e. psychological distance, escapism, curiosity) that shape consumer perceptions of crypto brands. Our work extends the cryptocurrency and branding literatures in identifying the main sources of CBBE in the crypto market.

Methodology

The study has covered the investors of equity market in oil and gas industry. The analysis is based only on the opinion and perception of investors. The total number of sample drawn for the study is 120 respondents. Sampling unit is in Chennai. Questionnaire has been framed and used to collect the data in order to analyse the objectives of the study. Descriptive research design and Convenience sampling techniques have been used for the study. Simple percentage analysis, Chi square analysis and correlation have been applied to reach the findings in the study.

Data analysis and interpretation

Table 1. Demographic Characteristics of Respondents

	Categories	Frequency	Percentage
Gender of the respondents	Male	83	69.2
	Female	37	30.8
Educational qualification of the respondents	Under-Graduate	42	35.0
	Post-Graduate	16	13.3
	Diploma	26	21.7
	Professional	25	20.8
	Others	11	9.2
Income per year of the respondents from their occupation	Below Rs. 2,00,000	58	48.3
	Rs.2,00,000 to Rs.3,00,000	32	26.7
	Above Rs.3,00,000	30	25.0

Source: Primary data

The table above demonstrates that 69.2% of the respondents said that male, 35.0% of the respondents have completed UG and 48.3% of the respondents said that below Rs. 2,00,000 as their income per year from their occupation.

Table 2. Investors perception

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
I believe that the oil and gas industry is experiencing growth.	35(29.2%)	49(40.8%)	11(9.2%)	14(11.7%)	11(9.2%)
I think the oil and gas industry is influenced by global economic conditions.	45(37.5%)	27(22.5%)	20(16.7%)	17(14.2%)	11(9.2%)
I consider environmental factors when investing in the oil and gas sector.	16(13.3%)	10 (8.3%)	24 (20.0%)	55(45.8%)	15(12.5%)
I believe that technological advancements impact the oil and gas market.	53 (44.2%)	23(19.2%)	12 (10.0%)	18(15.0%)	14 (11.7%)
I am concerned about the long-term sustainability of the oil and gas industry.	19 (15.8%)	38(31.7%)	25 (20.8%)	19(15.8%)	19 (15.8%)

Source: Primary data

The table above demonstrates that 40.8% of the respondents are agree towards believing that the oil and gas industry is experiencing growth, 37.5% of the respondents are strongly agree towards the oil and gas industry is influenced by global economic conditions., 45.8% of the respondents are disagree towards considering environmental factors when investing in the oil and gas sector, 44.2% of the respondents are strongly agree towards believing that technological advancements impact the oil and gas market and 31.7% of the respondents are agree towards concerned about the long-term sustainability of the oil and gas industry.

Table 3. Investor confidence

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
I feel confident in my ability to make profitable investments in the oil and gas sector.	17 (14.2%)	25 (20.8%)	26 (21.7%)	13 (10.8%)	39 (32.5%)
I believe that the oil and gas industry offers substantial opportunities for investors.	23 (19.2%)	45 (37.5%)	16 (13.3%)	20 (16.7%)	16 (13.3%)
I am optimistic about the	47 (39.2%)	27 (22.5%)	12 (10.0%)	19 (15.8%)	15 (12.5%)

future prospects of the oil and gas market.					
I have trust in the stability of the oil and gas industry.	24 (20.0%)	39 (32.5%)	31 (25.8%)	13 (10.8%)	13 (10.8%)
I am not easily swayed by market fluctuations and remain confident in my oil and gas investments.	39 (32.5%)	28 (23.3%)	22 (18.3%)	13 (10.8%)	18 (15.0%)

Source: Primary data

The table above demonstrates that 32.5% of the respondents are strongly disagree towards confident in their ability to make profitable investments in the oil and gas sector, 37.5% of the respondents are agree towards believing that the oil and gas industry offers substantial opportunities for investors, 39.2% of the respondents are strongly agree towards optimistic about the future prospects of the oil and gas market, 32.5% of the respondents are agree towards having trust in the stability of the oil and gas industry and 32.5% of the respondents are strongly agree towards not easily swayed by market fluctuations and remain confident in my oil and gas investments.

Chi-Square Analysis- Relationship between the gender of the respondents and investors perception towards the oil and gas industry trends.

Null hypothesis (Ho): There is no significant relationship between the gender of the respondents and investors perception towards the oil and gas industry trends.

Alternative hypothesis (H1): There is some significant relationship between the gender of the respondents and investors perception towards the oil and gas industry trends.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	16.937 ^a	12	.152
Likelihood Ratio	20.401	12	.060
Linear-by-Linear Association	.335	1	.563
N of Valid Cases	120		

a. 17 cells (65.4%) have expected count less than 5. The minimum expected count is .31.

As per the above table, it is inferred that the P value is 0.152; it is not significant to 5% (0.05) significant level. The minimum expected count is 0.31. Thus null hypothesis is accepted and it is found that there is no significant relationship between the gender of the respondents and investors perception towards the oil and gas industry trends.

Correlation Analysis- Relationship Between educational qualification of the respondents and investor confidence

Correlations

		EDUCATIONAL QUALIFICATION OF THE RESPONDENTS	INVESTOR CONFIDENCE
EDUCATIONAL QUALIFICATION OF THE RESPONDENTS	Pearson Correlation	1	-.086
	Sig. (2-tailed)		.349
	N	120	120
INVESTOR CONFIDENCE	Pearson Correlation	-.086	1
	Sig. (2-tailed)	.349	
	N	120	120

INTERPRETATION

The above table indicates that out of 120 respondents, co-efficient of correlation between educational qualification of the respondents and investor confidence is -0.086 . It is below 1. So there is negative relationship between educational qualification of the respondents and investor confidence.

ANOVA TEST

Table – II to analyze the impact of Income of the respondents on Risk Tolerance

NULL HYPOTHESIS (H₀): There is no significant relationship between income of the respondents and risk tolerance.

ALTERNATIVE HYPOTHESIS (H₁): There is a significant relationship between income of the respondents and risk tolerance.

ANOVA					
Risk Tolerance					
	Sum Squares	df	Mean Square	F	Sig.
Between Groups	1.476	4	.369	1.308	.271
Within Groups	32.436	115	.282		
Total	33.912	119			

Interpretation

The table clearly shows that the independent variable such as income of the respondents and risk tolerance has a figure are not less than 0.05 values. Hence, the significant value is not less than 0.271 for which the significant percentage is above 95%, hence rejecting alternative hypothesis. Thus, accepting null hypothesis i.e., There is no significant relationship between income of the respondents and risk tolerance.

Findings

It is found that it is found that 69.2% of the respondents said that male, 47.5% of the respondents said that below 30, 35.0% of the respondents have completed UG, 48.3% of the respondents said that below Rs. 2,00,000 as their income per year and 44.2% of the respondents said that Rs.50,000 to Rs.75,000 as their income from the investment per annum of the respondents. The majority 40.8% of the respondents are agree towards believing that the oil and gas industry is experiencing growth, 45.8% of the respondents are disagree towards considering environmental factors when investing in the oil and gas sector as their perception. It is found 39.2% of the respondents are strongly agree towards optimistic about the future prospects of the oil and gas market and 32.5% of the respondents are strongly agree towards not easily swayed by market fluctuations and remain confident in my oil and gas investments as their confidence. it is found that there is no significant relationship between the gender of the respondents and investors perception towards the oil and gas industry trends and there is negative relationship between educational qualification of the respondents and investor confidence. It is found that there is no significant relationship between income of the respondents and risk tolerance.

DISCUSSION

- Investors need to analyze and assess the growth potential within the oil and gas business to make smart investment selections.
- Acknowledging and comprehending the impact of global economic conditions on the oil and gas business is something investors should prioritize.
- Considering environmental considerations when investing in the oil and gas sector is a responsible practice investors should adopt.
- To make informed investment decisions, investors must stay updated on technical changes impacting the oil and gas business.
- Acknowledging and supporting efforts toward securing the long-term sustainability of the oil and gas business is something investors must align with.
- Investors should actively engage in confidence-building measures and seek support to make lucrative investments in the oil and gas sector.
- Recognizing and seizing the huge potential available in the oil and gas industry is something investors need to be attentive to.
- Maintaining confidence about the future prospects of the oil and gas business is vital for investors seeking long-term success.
- To create confidence, investors must seek transparent and regular communication regarding the stability of the oil and gas business.
- Cultivating resilience to survive market volatility in the oil and gas sector is something investors must prioritize.

CONCLUSION

To sum up, this research explored the complex terrain of investors' perceptions of the stock market, particularly in relation to the oil and gas sector. A multifaceted picture has formed from a thorough study of responses to statements pertaining to the investors' confidence in their investing selections as well as their comprehension of market dynamics. The conclusion is that investors who demonstrate a thorough awareness of the oil and gas sector and who keep up with current events and patterns are more likely to be the basis of well-informed investment decisions. The study highlights the need of maintaining up-to-date information about the oil and gas industry for effective investing, and it finds a direct relationship between knowledge and confidence in one's ability to make investments. Investors and stakeholders in the oil and gas industry need to understand the significance of continuous education for investors, build trust by communicating openly, and align with sustainability considerations in order to navigate and improve the investment landscape. This study adds to our understanding of the decision-making processes involved in equity market investments by offering insightful information about the factors influencing investor attitudes, especially in the context of the oil and gas industry.

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