

Stock Market Performance During the Covid 19 Pandemic in Sri Lanka

W.P. Wasana¹ and W.G.I.D. Premarathne²

Department of Finance, University of Kelaniya, Sri Lanka^{1,2}

piyumiwasana3@gmail.com¹, devindip@kln.ac.lk²

ABSTRACT

Introduction: With the covid 19 pandemic eruption, Sri Lankan economy began to collapse. Stock Market ranks among the best indicators of a country's economic condition. This study focuses on identifying the impact of the covid 19 pandemic on performance of Colombo Stock Exchange.

Design/Methodology/Approach: In this study monthly values of All Share Price Index (ASPI) and USD Exchange rate were used as independent variable; the monthly Total Return Index (TRI) value was also used as dependent variable to measure the Colombo Stock Exchange performance. Monthly data from March 2017 to February 2020 were used to show stock market performance before the covid 19 pandemic and monthly data from March 2020 to December 2020 were used to show Colombo Stock Exchange performance during the period of the covid 19 pandemic.

Findings: The stock market performance during the Covid 19 pandemic was not the same as the stock market performance before the covid 19 pandemic. And the findings conclude that Covid 19 pandemic is negatively affecting the performance of the stock market.

Conclusion: The study concludes that the performance on the Colombo Stock Exchange has declined due to the covid 19 pandemic, and the future researchers have an opportunity to improve the study using death rates etc. as well as independent variables for the study.

Keywords: *Stock market performance, Total Return Index, All Share Price Index, US Dollar Exchange Rate*