

Abstract

This research explores the influence of macroeconomic factors on financial markets, with a specific focus on stock market performance. The study uses a mixed-methods approach to analyze how key macroeconomic variables—such as inflation, interest rates, GDP growth, and unemployment—affect stock market returns and volatility. By combining quantitative data analysis with qualitative insights, the research aims to provide a comprehensive understanding of the dynamic relationship between macroeconomic indicators and stock market behavior.

In the quantitative phase, statistical models are applied to analyze historical data from global stock markets, assessing the impact of macroeconomic factors on stock market performance over time. Regression analysis and time-series modeling are used to identify correlations and measure the strength of these relationships. This phase also explores how different sectors of the stock market respond to macroeconomic changes, shedding light on sector-specific sensitivities to broader economic shifts.

The qualitative component of the study involves interviews with financial analysts, economists, and institutional investors to gain insights into how these macroeconomic factors are perceived and incorporated into investment strategies. These interviews provide a deeper understanding of the psychological and decision-making processes behind market reactions to economic data. By integrating both quantitative and qualitative methods, this study aims to offer valuable insights into how macroeconomic conditions shape stock market performance and inform investment decisions.