

Investment Dynamics: Special Focus on ESG Indices' Influence on its Peer Indices

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Abstract: This study examines the relationship among the selected indices namely ESG 100, Digital, Tourism, Infrastructure, Manufacturing, MNC, Mobility, New Age Consumption, Oil & Gas, Total Market, and Enhanced ESG and to see how if a shock introduced on one variable is affecting the other variables. The author used Augmented Dickey Fuller test, VAR, Impulse Response Function, and Pearson's correlation test. It was found that only New Age Consumption is having opposite relations with the remaining studied variable and there is a strong influence of ESG indices on Manufacturing, Digital, Oil & Gas, and Overall market indices in the short-run. Few policy recommendations are made based on the study findings.

Keywords: ESG Investing, Indices, Peer Comparison, Sector Indices

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