Empirical Economics Letters, 25 (Special Issue 1): pp. 1-21, (August 2026) *ISSN 1681 8997*
https://doi.org/10.5281/zenodo.22098652

Asymmetric Herding Behaviour in the NSE FMCG Sector: A Quantile Regression Analysis under Different Market Conditions

Samapti Chatterjee
Department of Commerce, Kazi Nazrul Islam Mahavidyalaya
Asansol, West Bengal, India
Email: chatterjeesamapti2011@gmail.com

Abstract: Herding behaviour in the NSE FMCG sector is examined using daily closing prices of thirteen constituent companies from 1 April 2014 to 31 March 2025. The Cross-Sectional Absolute Deviation (CSAD) model is estimated through quantile regression at Q10, Q25, Q50, Q75, and Q90 under overall, bullish, bearish, extreme, and normal market conditions. Strong and significant herding is found under overall, bullish, bearish, and normal conditions. Herding is found to be stronger during bullish phases than during bearish phases, and this asymmetry is supported by formal Wald tests across most quantiles. Under extreme market conditions, herding is substantially weakened, although residual herding is detected in extreme bearish regimes in the pooled interaction model. The findings remain robust to alternative market-return constructions and extreme-market thresholds and provide useful implications for investors, portfolio managers, and market regulators in India.

Keywords: Herding, CSAD, Quantile Regression, FMCG Sector, Behavioural Finance

JEL Classification Number: G11, G14, G41