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PROSPECTS OF ONLINE INVESTMENTS IN EQUITY DERIVATIVES MARKET – A STUDY ACROSS MILLENNIAL INVESTORS IN INDIA

Ms. Priya Sharma
DAV College, Jalandhar

ABSRACT

PURPOSE –The purpose of the study is to assess the role of positive attitude and perception on the prospects of equity derivatives market among millennial investors

METHODS-The research philosophy under consideration is positivism. The research approach employed in this study is a deductive approach. The study focuses on Investors in India, employing a quantitative analysis approach. The present investigation pertains to a cross-sectional research design. The size of the sample used in the study involves the selection of a sample of 385 onlineinvestors from India utilizing the Cochran formula to determine the sample size required for a 7.5% margin of error and a 95% confidence level. The unit of analysis for this study are the investors who invest in equity derivatives market, specifically in instruments listed in the NSE through various online trading platforms. SPSS Version 22 and AMOS Version 22 software are utilized for statistical analysis

FINDINGS –The study's millennial participants overwhelmingly favour Index Futures, call options, stock futures, and put options. The study found that of the several online equities derivatives platforms, millennials favour the IIFL market mobile app, MO Investor, ICICI Direct, Zerodha Kite, and Sharekhan apps. Prospects of the equity derivatives market will rise by 0.783 units for every one unit increase in the mean scores of favourable attitude towards trading in this market. This link is statistically significant.

IMPLICATIONS –Millennials in India are increasingly turning to online equities derivatives markets for investing opportunities, according to the study's findings. Because of this, investors have both opportunities and challenges, since they can trade in a wider variety of ways but are also exposed to the risks associated with the stock market's volatility. As a whole, millennial investors should not rush into making judgements or reaching their trading potential; they need to fully understand the ins and outs of equities derivatives trading.

KEYWORDS- Prospects, Investors, Equity Derivatives Market, Millennial Investorsq

INTRODUCTION

A financial instrument known as an equity derivative follows the value of an underlying asset in relation to its stock price movements(Sanghvi et al., 2024). One example of an equity derivative is a stock option, the value of which rises and falls with the price of the underlying stock (Cao et al., 2021). In order to hedge against the danger of going long or short on stocks, investors can use equity futures to wager on the price movements of the underlying asset(Sandra, 2021). It is possible to use equities derivatives as a model for an insurance policy(Cao et al., 2021). Investors in the options market risk losing money if they don't participate in the market. To participate, they must pay a premium, which is the price of the derivative contract (Sandra, 2021). Purchasing a put option allows an investor to protect himself in the event that the value of their newly acquired shares drops. To hedge against a potential rise in the share price, a shorted investor can purchase a call option. Another potential use case for stock derivatives is speculation(Aiswarya & Janani, 2020). Investing in equity options, as opposed to actual stock, allows one to benefit from the price fluctuations of an underlying asset. Two good things may be said about this method(Cao et al., 2021). To begin, investors can save money by purchasing options instead of stocks. Second, to lessen their exposure to risk, investors can use put and call options on the stock price. Additional types of equity derivatives include convertible bonds, equity index swaps, and stock index futures (Aiswarya & Janani, 2020)

Options, futures, and other derivatives are experiencing a meteoric rise in usage across the Asia-Pacific region, including India(Haralayya et al., 2024). The rising quantity of options with trading day expirations is actually expected to cause the trading volume in the area to quadruple in 2023 (Shah, 2022). Derivatives trading in the Asia-Pacific region increased to 103.5 billion contracts, according to data from the Futures Industry Association, as reported in recent publications (Singh, 2023). In 2023, this percentage rose to 75% of all 137.2 billion contracts, up from 60% the year before. Trading in equity-related derivatives on a global scale increased by 80%, reaching 112.4 billion contracts. Energy, agricultural, and precious metal derivatives trading all saw increases of more than 30%. The total amount of derivatives trades increased by 64% (Bhosale, 2023). India outpaced all other Asia-Pacific countries in terms of trading expansion. Its primary exchanges had a total of 90.7 billion contracts traded, up 2.3% from the prior year (Bhosale, 2023).

The weekly expiries play a significant role in the recent phenomenal expansion of India's derivative market. The incredible 99.6% of trade volumes, or over $4.3 trillion per day, in today's Indian stock market are equities derivatives (Shah, 2022). This is equivalent to almost 200% of the free float exchanged every day, or more than 125% of the market capitalisation of the underlying companies. Since the daily derivative trades amount to 1.25 times the overall capitalisation of the Indian stock market, it is evident that option warriors are altering the Indian share market (Singh, 2023).

Out of more than 5,000 companies registered in India, 193 stocks and indices are eligible for usage in derivatives contracts. There are about 46,000 unique contracts available for these at any given time, spanning several different products (futures, options), tenors, and strike prices. Despite the availability of derivative instruments for 193 individual equities, the market is dominated by index options, such as Nifty or Bank Nifty, which account for 98% of all derivative transactions (Shah, 2022). Even when buying options, you run the risk of losing a lot of money due to the leverage. A recent study conducted by SEBI found that ₹56,000 is the average loss suffered by each investor, and that 90% of investors suffer financial losses. Almost eighty percent of ordinary investors' wagers were unsuccessful(Sanghvi et al., 2024). According to the SEBI analysis, most of the participants lost more than ₹45,000 crore, while a small fraction won about ₹6,900 crore. Big bets can put markets and individuals at risk, and losses like these show that the derivative market isn't free (Singh, 2023).

The implementation of weekly expiries for different indices and the inbuilt advantage in weekly options are two examples of how changes in contract structure are fuelling the optimism of Options Warriors (Shah, 2022). Furthermore, the latest trading apps make both onboarding and navigating the market a snap. There are currently more than four million active derivatives investors, an increase of eight times the number from less than half a million in 2019. The figure has increased fourfold in the cash market, going from approximately 3 million in 2019 to more than 11 million in 2023 (Singh, 2023).

Index options, which are popular among Indian individual investors, account for almost all derivative volumes in the country (Rosdiana, 2020). Deals with a weekly expiration date make up nearly all of them (95%). Due to the fact that key index expirations might now occur on different days of the week, with the possibility of zero-day expiries, volumes have increased. Index options are well-liked by Indian investors due to their high inherent value (Rosdiana, 2020). An index option has a 500-fold effective advantage on expiration day, which means that a trade of approximately ₹2,000 in the option premium gives exposure to the index worth about ₹10 Lakh. The research from Axis Mutual Fund shows that these wagers are primarily speculative, and investors frequently hold them for only thirty minutes(Sanghvi et al., 2024). These days, on most stock exchanges, the volume of derivatives is five to fifteen times higher than the cash market volume. But derivative volumes in India are more than 400 times bigger than the underlying cash market. Three times as much as it was from 2010 to 2023 (Rosdiana, 2020).

Millennials are at a crossroads in terms of long-term financial planning. Those between the ages of 28 and 43 have, undoubtedly as a result of wise decision-making, built stable careers that provide above-average incomes and job stability. With the advent of "greater opportunities," serious investors have a better chance of making profitable stock and security investments (Rosdiana, 2020). In order to secure their financial future, the next generation might start trading at a young age and take advantage of compound interest. Furthermore, individuals in this age bracket still have plenty of productive years ahead of them, giving them the chance to weather temporary market downturns(Sanghvi et al., 2024). They can afford to take measured risks because they know doing so will boost their return on investment (ROI). One can lay the groundwork for a financially stable future by slowly but surely increasing their savings at this point (Mahardhika& Zakiyah, 2020).

With this background, the current study aims to prospects of online trading in equity derivatives market – A study across millennial Investors in India

REVIEW OF LITERATURE

This study examined the equity derivatives market by reviewing previous studies and unique investigations using a systematic literature review technique. One criterion utilised to find and choose 34 publications for the review was that they had to be published in English during the last five years (Mohamed et al., 2021). After getting the whole texts of the relevant research articles, 24 pieces of literature were selected for a comprehensive review based on their quality. Four studies were not included in the analysis due to iterative techniques and quality problems. The present inquiry is based on a comprehensive review of twenty relevant scholarly works concerning the subject (Paul et al., 2021).

After obtaining the articles from credible publications, they were meticulously examined to determine the study's quality (Van et al., 2021). Library catalogues kept by Taylor & Francis, Elsevier, Routledge, and CRC Press. Databases maintained by Emerald Group Publishing, Sage, and Springer Nature. To get a few more papers, we looked in academic databases like JSTOR, Wiley, and Guildford Press.

Prior studies on the equity derivatives market have shown that equity derivatives are the best tool for portfolio diversification and risk mitigation (Dungore et al., 2022). This means that investors can't protect themselves from market swings using hedging methods; they may need to convert their private financial assets into borrowing vehicles; and the stock derivatives market offers new trading tactics a chance to earn maximum rewards (Sahoo, 2020). Because of the liquidity they provide, traders are able to easily switch between different asset classes (Sarker, 2024). Moreover, equity derivatives are appropriate for a wide range of assets, making them appealing to both institutional and individual investors (Deepika &Pachiyappan, 2022).

Researchers have shown that an up-and-coming investor base is more likely to use equity derivatives as a means to manage a substantial percentage of her wealth (Roy & Chakraborty, 2023). The need for tools to mitigate risk and the resurgence of interest in more complex trading methods are driving up demand, which is helping to fill it up (Upputuri et al., 2021). Investors will have even more opportunities to diversify their portfolios and boost their profits in the years to come as the equity derivatives market is projected to continue growing (Anu &Chellasamy, 2020). Investments in equity derivatives, which aim to diversify trading tactics and apply finance-related methodologies, have historically been highly lucrative for investors (Singh, 2022).

Prior research has also highlighted numerous challenges in the online stock derivatives market, including regulatory changes that increase counterparty risk and liquidity concerns (Belim, 2023). These issues were formerly insurmountable, but they are now within reach thanks to technology advancements, more market transparency, and a growing awareness among all stakeholders (with the exception of consumers). Maybe the market's upside will be even greater than expected as consumers learn and feel more at ease using equity derivatives (Jetti & Bhaskar, 2021). Ultimately, given the dynamic nature of the global financial landscape, equity derivatives appear to be well-positioned for future growth and adaptation to meet the growing demands of investors.

RESEARCH GAP

Since most studies depend on secondary data analysing performance across exchanges, quantitative research on equity derivatives markets is scarce. The factors impacting price changes and trading volumes cannot be fully understood due to this lack of empirical evidence. This study intends to tackle this by doing primary quantitative research that identifies important growth drivers and their prospects. One way to add to what is already known about market dynamics is to gather and carefully analyse first-hand data. Policymakers, investors, and others in the financial sector could benefit greatly from the findings.

RESEARCH OBJECTIVES

The research Objectives are –

- To identify the attitudes of the investors towards online equity investments
- To assess the role of positive attitude on the prospects of equity derivatives market

HYPOTHESIS DEVELOPMENT

The research Hypothesis development

The link between investor psychology and performance is intricate, but keeping a positive outlook and having a positive opinion of the market might affect investors' risk tolerance and involvement levels. Positive thinkers may be more receptive to possibilities with high stakes and potential for large rewards, which, given the correct circumstances, might result in better profits. In the same vein, having faith in one's abilities could encourage further engagement in the dynamic realm of equity derivatives. But there are risks associated with being too confident. Some people may reduce dangers and fail to take necessary safety measures because they have an excessively positive view of the future. Additionally, in the face of the uncertainty of financial markets, optimistic thinking for the near term does not provide any assurances. Consequently, the effect of perspective and attitude on this domain is still up for debate, since reasonable investigation must also take into consideration inevitabilities. There is probably a complex interplay between psychological, economic, and contextual elements that determine the stock derivatives industry's success or failure.

Hence, H1 – There is a significant impact of Positive attitude and Positive perception on the prospects of equity derivatives market

RESEARCH METHODS

The following research methods are used for the study

This study takes positivism as its guiding philosophical framework. Investment theory and the positivist tenets of research are compatible. Improving the future of the equity derivatives market is the primary goal of this research (Alharahsheh& Pius, 2020).This study used a logical method to research. Positivist research often makes use of the deductive technique, which relies on drawing a hypothesis from existing theories, collecting data to test the theory, and then analysing the results (Casula et al., 2021). Using a mono method quantitative research approach, the study zeroes down on Indian investors. The researchers polled investors in several Indian cities via survey in order to collect numerical data. Researchers in India were able to learn about the equity derivatives market's visibility, understanding, and difficulties by employing this method (Manzoor, 2020). Investors in the stock derivatives market, particularly those working for companies listed on the NSE, will be the subjects of the researcher's survey. A well-organised survey was put together by consulting the works of (Belim, 2023 ; Jetti & Bhaskar, 2021; Manzoor, 2020 ; Ainapur&Kheni, 2021). A cross-sectional study design is relevant to the current investigation. Over the course of four months, the researcher surveyed Indian investors to compile their data. The selected duration allows for a large enough sample to detect any changes in trade patterns that could be caused by seasonal influences (Selvaraj, 2021). The study's sample size was determined using the Cochran formula, which allows for a margin of error of 5% and a confidence level of 95%. A total of 385 Indian investors were included in the sample (Wang &

Cheng, 2020). This study's unit of research is the equities derivatives market, more especially the NSE and its listed instruments, as well as the different online trading platforms used by these investors. In this study, convenience sampling, a kind of non-probability sampling, was used to choose the samples. Researchers have easy access to a large pool of potential investors across India, which is why convenience sampling was a valid method to use (Sedgwick, 2013).

According to the guidelines provided by (Gliem & Gliem, 2003), the following are the acceptable ranges for the validity and reliability of the data-gathering tool used in this study: "_ >.9 - Excellent, _ >.8 - Good, _ >.The following scale is used: 7 indicates Acceptable, _ >.6 indicates Questionable, _ >.5 indicates Poor, and _ <.5 indicates Unacceptable. All of the Investors research instrument's constructs have reliability scores above.9 and below.95, demonstrating high reliability. Use of confirmatory factor analysis allows one to examine the inter-item correlations among the constructs. With a value of 0.675 for the Pearson correlation, we can confidently say that there is internal consistency. Examining the level of agreement among different concept indicators through correlation is what convergent validity is all about. It is important to consider the indicator's factor loading, composite reliability (CR), and average variance extracted (AVE) when establishing convergent validity (Hair et al., 2017). The values range from 0 to 1. The AVE needs to be higher than 0.50 in order to be deemed real. The following conditions must be met: maximum shared square variance (MSV) >MaxR(H); composite reliability (CR) > 0.70 (0.872); average variance explained (AVE) > 0.50 (0.655); and maximal reliability (H) > MSV-MSV. The second criterion's discriminant validity is checked using the Fornell-Lacker criterion (Farrell & Rudd, 2009). Using this method, one may assess how AVE-related latent variables are. To a greater extent than it can explain the variation in indicators of other latent constructs, one would expect a latent construct to do so in terms of its own indicators(Fornell & Cha, 1994). According to Fornell & Cha, (1994), it is anticipated that the square root of each construct's average variance extracted (AVE) will be greater than the correlations with other latent constructs.The Investors questionnaire was deemed valid and trustworthy in this model after all aspects were checked and validation standards were met. The reliability and validity of the questionnaire were verified using Gaskins' master validity technique (Shia et al., 2023).

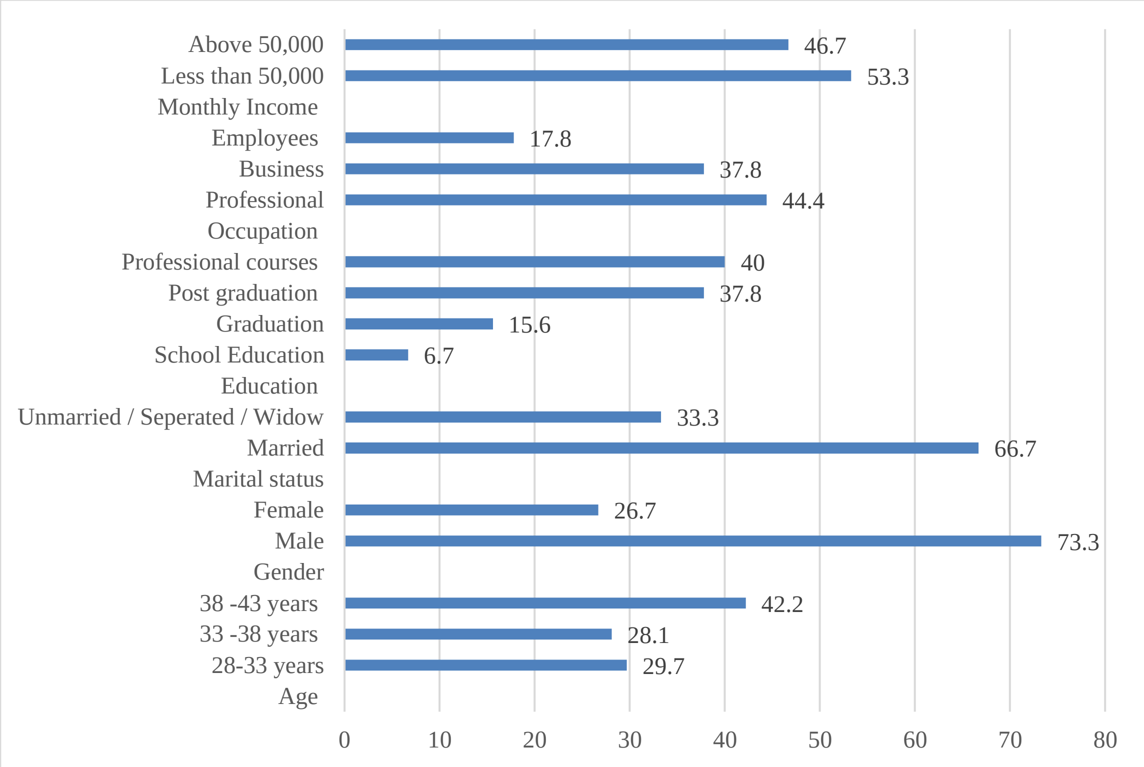
Effective study of collected data and evaluation of inter-variable correlations are made possible by the use of SPSS Version 22 and AMOS Version 22 software in research. Researchers improved their understanding of the elements impacting the prospects of India's stock derivative markets by using a variety of software tools and statistical approaches, such as structural equation modelling and factor analysis (Thakkar & Thakkar, 2020).

RESULTS AND DISCUSSION

Considering Investors as a demographic is crucial when marketers develop a marketing campaign plan for specific new trading ideas. By comprehending the ages, income levels, and trading history of potential holders, both characteristics of this group can be tailored.

Demographic profile of the Investors

Figure 1- Demographic profile of the Millennial Investors



A quarter of the respondents are between the age bracket of 28–33, a third between 33 and 38, and nearly half (42.2%) between 38 and 43. With the exception of responder number 33, the distribution of age groups is rather even. There was also a shift in customer preferences towards those who valued peace for a few years. Based on the data, it appears that a significant number of respondents are in their middle age, with an average age of 4739 years. Regarding age distribution, this survey sample ought to be somewhat representative of the total population.

The study includes 73.3% male investors and 26.7% female investors. Of those who took the survey, 66.7% are married and 33.3% are single. In a nutshell, the study indicated that the majority of its investors are married men. Because of this, it's possible that the sample is overly representative of a certain demographic, such older men who are married. To provide a more comprehensive picture, future research might benefit from recruiting a wider range of participants.

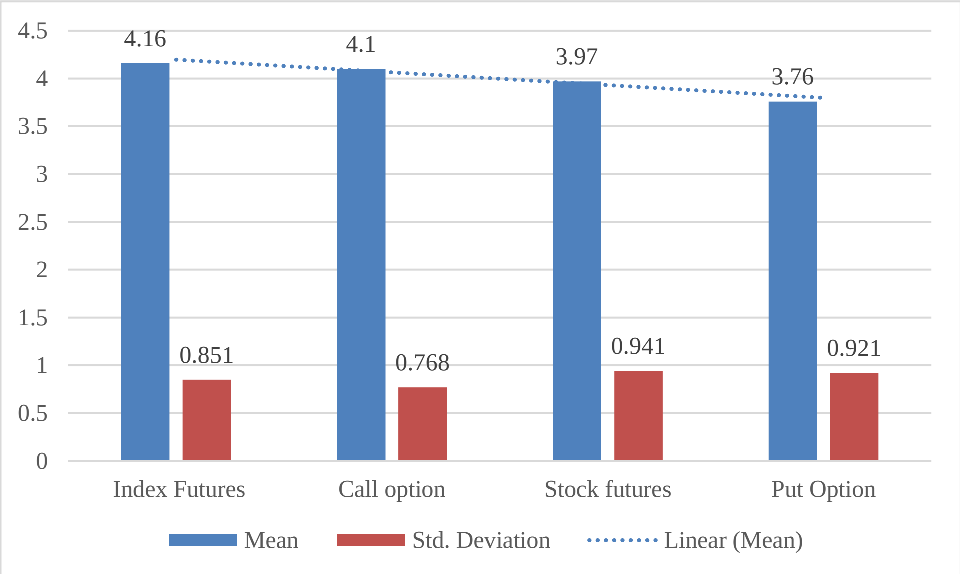
The study found that out of the total respondents, 37.8% have master's degrees, 40% have professional certificates, and 15.6% have bachelor's degrees. The respondents in this survey came from a wide range of educational backgrounds, with many holding advanced degrees. This seems to indicate that the people who participated in the poll might have a higher level of education than the average citizen. Whatever the case may be, it is plain to see that a sizeable portion of the working-age population is enrolled in some kind of educational program. Investor behaviours across demographics could be better understood with more diverse educational backgrounds, which could be the subject of future research.

A total of 44.4% are working professionals, 37.8% are entrepreneurs, and 17.8% are in some other type of employee role. The background of the interviewed investors is readily apparent when discussing trading strategies and decision-making processes: state-of-the-art expertise backed by distinguished academic qualifications. Professionals and businesspeople make up a disproportionate share of the population, which raises the possibility that they have a deeper familiarity with financial markets and trends and can, as a result, make better trading decisions. Still, future studies could yield valuable clues about whether professional class backgrounds influence traders' actions and decisions if they included a broader range of professional kinds.

Despite the wide variety of occupations included in the study, the majority of respondents still encounter financial constraints. This would imply that factors other than wealth, such as educational attainment and job history, significantly impact market investment choices. People could learn more about the aggregate effects of various socioeconomic variables on trading behaviour if future studies included a more diverse range of income levels.

Preference of equity derivatives trading instruments

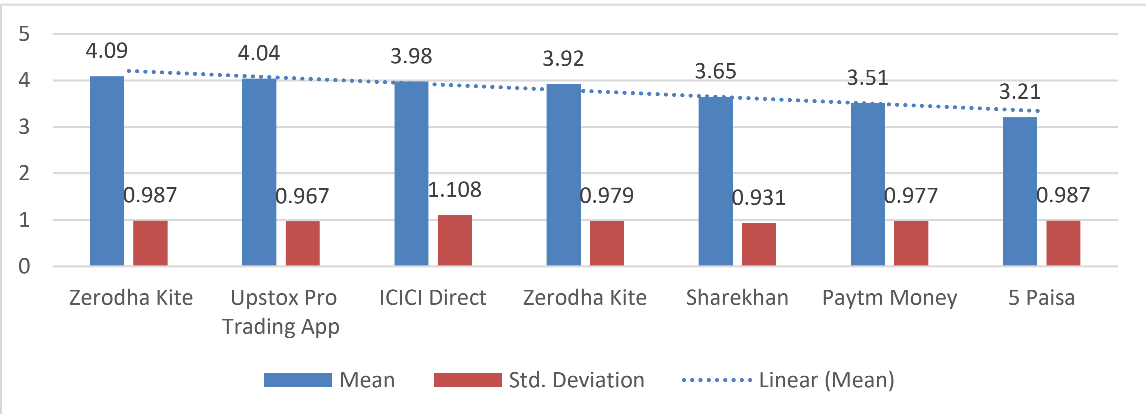
Figure1 – Preference of equity derivatives trading instruments



Index futures, call options, stock futures, and put options were the most preferred types of equity derivatives among the millennials surveyed. Potentially huge returns and trading strategy independence are two reasons why millennials are drawn to these four equities derivatives options. Index futures allow investors to gain exposure to a wide range of market indices, while options on futures and options on puts and calls provide for leverage and risk management. Nevertheless, investors can wager on the future price action of specific equities using stock futures. Due to their versatility and potential for profit, these four equity derivatives may be more popular among millennials.

Preference of online equity derivatives trading Platforms

Figure2 - Preference of online equity derivatives trading Platforms



Zerodha Kite, Upstox Pro Trading App, ICICI Direct, Sharekhan Paytm Money, and 5 Paisa app were ranked as the top online equities derivatives trading platforms among the millennials in the study, according to the mean scores. Even though these trading platforms had great reviews for their user-friendliness and analytical tools, the younger investors were especially ecstatic about how easy they were to use and how cheap they were. These services definitely struck a chord with millennials due to the convenience of placing trades, the speed of order fulfilment, and the availability of current market information. The simplified process and time savings compared to more conventional choices were praised by some. Some users mentioned that they were able to strategically add to their portfolios thanks to the sophisticated tools for analysing unpredictable marketplaces. When it comes to remotely managing their equities derivative trading, this generation clearly anticipates the benefits of current technology.

Item analysis statistics

Table 1- Descriptive statistics for positive attitude and Prospects of equity derivative markets

		Mean	Std. Deviation	Skewness	Kurtosis
Attitude_1	Investing in futures and options is highly convenient.	3.98	0.776	-0.540	0.116
Attitude_2	Engaging in equity derivatives Investing can evoke feelings of anxiety, fear, and panic.	3.93	0.802	-0.665	0.298
Attitude_3	Investing in the cash/spot market is relatively straightforward when compared to the F&O market.	3.98	1.024	-1.214	1.332
Attitude_4	Investing in equity derivatives requires a significant amount of capital due to the fixed lot size.	4.02	0.909	-1.125	1.544
Attitude_5	Equity derivatives contracts offer a comparatively lower level of risk when compared to the equity market.	3.96	0.789	-0.471	-0.096
Attitude_6	Equity Derivative instruments serve as effective tools for enhancing profitability and managing risk.	3.87	0.886	-0.705	-0.047
Attitude_7	Hedging risk in derivatives has limitations, and Investing in the equity derivatives market may not yield significant profits.	3.73	1.000	-0.525	-0.202
Attitude_8	Generating profitable returns from equity derivatives requires assuming a certain level of risk.	3.51	1.130	-0.823	-0.006
Attitude_9	Investing in equity derivatives offers superior returns compared to Investing in cash, spot market, or debt instruments.	3.31	1.192	-0.063	-1.126
Attitude_10	Equity Derivative Investing enhances market information flow and	3.64	1.160	-0.745	-0.231

	facilitates rapid dissemination of information.				
Prospects_1	Investing in equity derivatives may be a possibility in the near future.	3.80	0.982	-0.445	-0.782
Prospects_2	I would choose Equity derivatives.	3.82	0.741	-0.035	-0.539
Prospects_3	I plan to invest in equity derivatives in the near future.	3.62	1.063	-0.662	-0.099
Prospects_4	I am considering Investing in equity derivatives for my next Investing decisions.	3.91	1.031	-0.560	-0.850

Attitude and Prospects mean scores are in the agreement to strong agreement range, which is above 3,500 to 4.000. Investors' replies to the questions of optimism, perception, and prospects show less fluctuation when the standard deviation is less than 1,500. If the skewness is negative, it means that the distribution has a lengthy left tail. Since the negative skewness is within the permitted range of -3.00 to +3.00, it follows that the majority of the data is centred on higher values. There is no significant outlier in the Kurtosis either. Further analysis can be conducted on the normally distributed data for Positive attitude, Positive perception, and Prospects.

Testing of Hypothesis

H1 – There is a significant impact of Positive attitude on the prospects of equity derivatives market

Model fit statistics is a subfield of statistics that studies the factors that determine how well a statistical model fits the given data. There is a good match between the model and the data if the goodness of fit index is greater than 0.800. A goodness of fit rating of 0.824, which is an acceptable number, indicates a strong fit for the current model. Since it is less than the criterion of 5.000, the χ 2 / df value of 3.6186 suggests a strong fit with the data. In order for the model to be considered acceptable, the RMR and RSMEA values need to be below 0.050 and 0.032, respectively. Additionally, the present model's statistics are satisfactory.

Figure 4- Structural relationship - impact of Positive attitude on the prospects of equity derivatives market

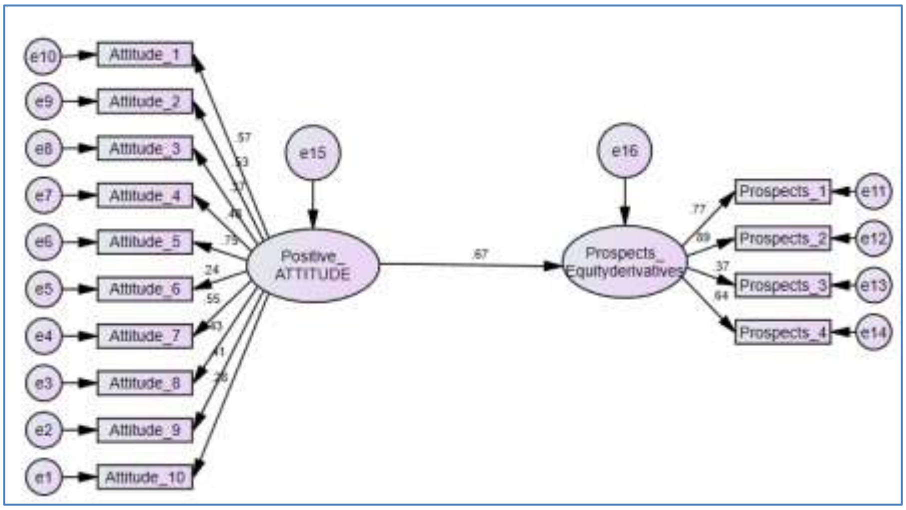


Table 2- Structural relationship –Estimates for impact of Positive attitude on the prospects of equity derivatives market

			Estimate	P
Prospects__Equityderivatives	<---	Positive__ATTITUDE	0.671	***
Attitude_10	<---	Positive__ATTITUDE	0.275	***
Attitude_9	<---	Positive__ATTITUDE	0.415	0.001
Attitude_8	<---	Positive__ATTITUDE	0.429	0.001
Attitude_7	<---	Positive__ATTITUDE	0.548	***
Attitude_6	<---	Positive__ATTITUDE	0.243	0.011
Attitude_5	<---	Positive__ATTITUDE	0.751	***
Attitude_4	<---	Positive__ATTITUDE	0.48	***
Attitude_3	<---	Positive__ATTITUDE	0.367	0.002
Attitude_2	<---	Positive__ATTITUDE	0.529	***
Attitude_1	<---	Positive__ATTITUDE	0.572	***
Prospects_1	<---	Prospects__Equityderivatives	0.769	***
Prospects_2	<---	Prospects__Equityderivatives	0.892	***
Prospects_3	<---	Prospects__Equityderivatives	0.366	***
Prospects_4	<---	Prospects__Equityderivatives	0.636	***

One unit increase in mean scores of positive attitude of Investing in equity derivatives market will lead to 0.783 units increase in Prospects of equity derivatives market and this relationship is statistically significant (B=0.671, b=0.539, p=0.05). The market tends to favour individuals who have a positive outlook on stock derivatives, and content is enhanced by burstiness in sentence construction. There is a stronger correlation between optimistic attitudes and investors who are inclined positively towards such instruments. This association is statistically significant, suggesting a strong connection between investing attitude and perception of possible rewards(Ikhar, 2014). On the other hand, several viewpoints are present; some participate with faith in the opportunities presented, while others proceed with caution. People who are optimistic about the future are becoming more interested in equity derivatives since they seem to fit with their own ideologies. But not everyone is sure they are; after all, everyone's risk tolerance is different, and absolute certainty is still a mystery. This finding provides more evidence that investors' perceptions significantly influence their market behavior. Financial advisors and lawmakers can tailor strategies to foster advantageous attitudes towards putting assets in equity derivatives by understanding the impact of perception on investing choices. It is essential to address both mindset and belief in order to foster a flourishing and robust marketplace environment, due to the dynamic correlation between the two (Jain, 2012). According to the research, financial experts' perceptiveness greatly influences their signal interpretation and decision-making processes, leading them to sometimes rely on their biases rather than factual evidence. Although attitude is obviously important when evaluating financial professionals' actions, perceptiveness is just as crucial because it shapes and influences mindset. Taken together, these studies highlight the need of improving understanding of perceptual biases and providing tools for financial experts to identify them. This will greatly improve investment decisions and market viability(Bezzina & Grima, 2012).

Maintaining a positive outlook is crucial, even if equities derivatives inevitably carry risk. But this industry keeps pumping out bizarre new goods that might make everyone affluent but end up making a lot of people afraid. So, there is a double requirement for financial advisors. First, they need to address any lingering negative emotions and concerns through compassionate yet direct counselling (HON Tai Yuen, 2013). Secondly, they need to demonstrate to clients how their active engagement may significantly improve the portfolio's performance profile. 'Using historical data to demonstrate that disciplined participation during expansions can really yield rewards dispels the myth that a strategy including a range of equity derivatives is inherently risky (Anu, 2020). Advisors can restore clients' confidence and leave them with an open but realistic perspective on chances by educating them instead of frightening them more. No matter the level of conservatism or risk averseness of a long-term investor, the optimistic portrayal of this market serves to guarantee that advances are beneficial to all (Verma, 2012).

CONCLUSION

The exponential expansion of derivative investing in India has been driven by a number of complementary achievements. The nation's financial markets are now heavily impacted by expirations, which occur every week. Surprisingly, more people trade equity derivatives than sell all of their broking accounts to banks. This accounts for 99.6 percent of the daily stock investing volume on the exchanges. It is a sure evidence that option traders are reshaping India's stock market when derivative agreements quadruple free float at any given moment and surpass the value of all listed businesses by 25% for at least one week. A combination of rising engagement, improved technology, and an increased demand for risk coverage solutions has been the primary driver of this expansion. Derivative instruments have suggestive risk profiles and the potential for enormous profits, which is attracting more and more investors. This bodes well for the continued rapid expansion of the business. Derivatives are the most popular form of investment in the Indian equities market due to the aforementioned reasons, which highlight the importance of investment volume and its cap consequences.

The current study's findings suggest that optimistic views and attitudes are positively correlated with derivatives' future prospects and use, while issues in the realm of online investing and trading are likely to impede the growth of the equity derivatives market. Everyone involved has to watch out that the situation doesn't go south under these circumstances. It is critical for market players to have a high level of financial literacy in order to accurately navigate the market's complexity. To design an investing strategy that is in line with the aim, it is helpful to understand the risks and rewards of derivatives. To ensure the safety of investors and the integrity of the equity derivatives market, regulators should maintain a careful eye on developments and stick to their effective policy.

SCOPE FOR FURTHER RESEARCH

This study uses a quantitative research approach to look at how investors' attitudes and perceptions of online equities derivatives investment, as well as the difficulties of doing so, affect their decision-making. Conducting qualitative research may help future researchers gain a better understanding of the emotional reality and lived experiences of investors, which could lead to a more thorough investigation of the relationship between these variables. Investors and financial institutions could benefit from a better understanding of how financial literacy and risk tolerance influence online investing decisions. In sum, this study's results can inform efforts to improve investors' overall marketplace experience and decision-making while investing in online equity derivatives.

Future researchers may want to recruit participants from a wider range of ages and backgrounds to better understand the elements that influence online investing choices; this study only looked at millennials' viewpoints. Researchers may gain a more complete understanding of Investors' goals and actions in the online investing domain if they include a wide variety of perspectives. As a result, investors may be able to receive more tailored assistance in making educated decisions, which could improve their financial results. To further understand the mechanisms at work in this dynamic ecosystem, future research might also investigate how factors outside of investors' control, like market volatility and regulatory changes, affect their online investing habits.

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