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Impact of India and the European Union Free Trade Agreement on the Indian Stock Market: Boon for Investors or Bane for their Investments

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Abstract:

Purpose: This research study examines the market impact of the free trade agreement between the European Union and India, signed on January 27, 2026. This study analyzes the abnormal returns on the different sectors, which are part of India's leading index, i.e., NIFTY50, like retail, automobiles, pharmaceuticals, banking and financial services, logistics, infrastructure, telecom, FMCG, power and utilities, oil, gas & energy, cement and construction material, information technology, and metal & mining.

Methodology/Approach: This research study used quantitative research with an event study approach, using purposive sampling as a sampling technique. The hypothesis test using the abnormal returns of all NIFTY50 companies was performed using statistical testing methods. In which daily returns are calculated by stock prices, and abnormal returns are calculated by subtracting expected returns from company returns. Then, the sector-wise Average Abnormal Return (AAR) is calculated by averaging the daily abnormal returns of companies. Finally, the t-test is applied to find the significance of cumulative average abnormal returns (CAAR) by comparing critical t-values, and to understand the dependency of the dependent factor (stock return) on the independent factor (market return), linear regression analysis is performed and visualized.

Findings: This result showed that there was an impact on sectors such as power and utilities, metal and mining, logistics, retail, cement and construction material, oil, gas & energy, and information technology (IT).

Novelty/ Value: This test result is important to show how an international trade deal affects stock markets across sectors.

Keywords: Event Study, Free Trade Agreement (FTA), Abnormal Returns, Regression

1. Introduction: Free Trade Agreements (FTA'S) are basically tariff free trade pact signed between countries to cater to their countries demand and enhance their productivity. The India – European Union trade deal, which was signed by Prime Minister Narendra Modi of India and European Union President Ursula Von Der Leyen on 27th January, 2026^{Al Jazeera, 2026a}. It was even given a nickname of “Mother of all trade deals”^{Al Jazeera, 2026a}. It creates a trade zone of 2 billion people and covers around 25 percent of global GDP^{Al Jazeera, 2026b; World Economic Forum, 2026}.

The European Union has agreed to give access to 144 service sectors without tariff to India, and in return, India agrees to open up its 102 service sectors for all 27 countries of the European Union. It mentioned that India has agreed to waive off tariff on 97.5 percent of goods and services that are imported from the European Union, and in return, the European Union agreed to waive off 99 percent of goods and services^{Government of India – PIB, 2026; European Commission, 2026}.

For India, that's a great trade-off as it would open up opportunities for IT and Textiles, especially since the European Union is already our second largest trading partner^{Amundi Research, 2026}. But on the other hand, slashing duties on the automobile and pharma industry leaves Indian firms wide open to competition^{Eastpost.in, 2026}.

In the automobile sector, the tariffs before the trade deal were around 110 percent, but after the deal was signed, India agreed to lower it down to 35 percent in the short term and gradually to 10 percent over a long period of time^{Autocar India, 2026; BusinessToday, 2026}. But, the import is capped at 250000 cars annually, and the price of an imported car can't be less than 16000 pounds^{CarDekho, 2026; India Briefing, 2026}.

As for Pharmaceutical sector, the European Union opened 572 billion dollars' worth of import from India, making it a significant contributor in European countries.

For the textile sector, tariffs are planned to drop to 0, allowing Indian companies to compete with

those from Bangladesh and Vietnam (CNBC, 2026; Tribune India, 2026).

For the engineering, procurement, and construction sector, the European Union is already a major market for Indian engineering products, be it machinery, steel, or industrial equipment's. The FTA removes tariffs on many engineering goods, make them affordable and get strategic advantage in Europe as well (Government of India – Commerce Ministry, 2026).

To understand the impact of this trade on the Indian companies/sectors, we have to look for the impact on their respective stocks/indexes. For overall understanding, looking at the Nifty 50—which essentially mirrors the health of India's ₹400 lakh crore corporate landscape—reacted immediately. The index dipped to 24,932 before bouncing back to end at 25,342.75. That recovery hid the real story: auto stocks were sliding while textiles were climbing (CNBC, 2026). Since this all just happened a few months ago (March 2026), we need to move past the "early commentary" and actually look at the data before the full 2027 implementation hits. In a world where everyone is turning protectionist, this deal is a bit of an outlier (ECIPE, 2026), and the sheer size of the European Union's competitive edge in heavy machinery and pharma creates risks we haven't seen in previous deals with Australia or the United Arab Emirates.

2. Literature Review: A number of studies evaluate the India- EU Free Trade Agreement and the potential gains and losses of both parties. Most of the studies focused on trade negotiations and trade policy discussions. However, a few of them draw attention towards the financial market reaction after the free trade agreement.

Umarkar (2026) examined the utility, feasibility, and Strategic role of the Free Trade Agreement signed between India and the EU with the help of institutional analysis. It aims to evaluate whether the agreement can serve as a catalyst for sustainable growth, competitiveness of industry, advancement of technology and geopolitical cooperation. However, the research gap mainly focuses on the challenges India and the EU may face while implementing the agreement.

Similarly, García Bercero, Ignacio; Sapir, André (2025) explored the growing economic importance of the India-EU FTA. The study analysis the enhancement of the global supply chain and long-term economic cooperation. The authors also focus on the challenges that may be faced while finalizing the agreement due to high tariffs, regulatory barriers, and institutional differences.

Saroha (2025) examined the historical progression of EU- India relations and access the current status, conditions, and obstacles in EU- India cooperation. Along with that, the study tries to

identify opportunities to enhance Indian European collaboration.

CA Anil K. Jain (2026) discussion paper also focuses on the sector-wise impact of India-EU FTA on Indian trade. The study highlights the few sectors, such as pharmaceuticals, textiles, and IT, that may get benefit from improved market access.

Shahroo Malik, Harald Oberhofer, and Jordi Paniagua (2026) uses a structural gravity framework that explores the impact of Free Trade Agreements while accounting for the presence of informal economic activity among trading partners. Specifically, they focus on the expected welfare gains from the recently concluded EU–India FTA under a counterfactual scenario in which the informal agricultural sector is integrated into the formal economy.

Mistry (2026) also focuses on the emerging challenges like environmental regulations, geopolitical conditions and supply chain adjustments that may impact the FTA.

Several other studies examined the different dimensions of the EU- India Free Trade agreement, Anwasha Basu (2021) attempts to quantify ex-ante the impact on trade flows, revenue, and welfare of the India–EU FTA on India’s dairy sector, while Pohit and Mondal (2026) point out the importance of digital trade infrastructure and paperless trade system.

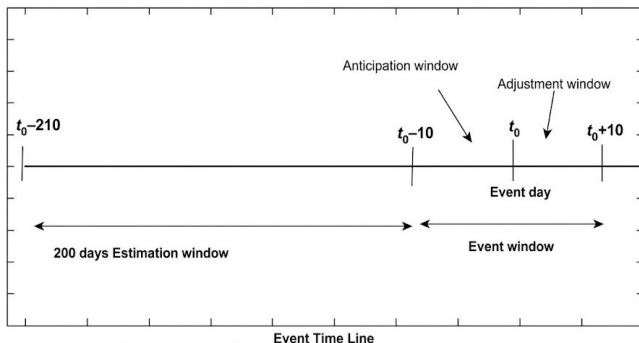
Sangeeta Khorana and Badri G. Narayanan (2017) analyze the modelling Effects of Tariff Liberalisation on India’s Key Export Sectors.

3. Research Methodology:

3.1 Data Collection: This Research Study uses the Event study framework, which measures the impact of the Free Trade Agreement signed between the European Union and India on 27 January 2026 on stock prices by calculating the abnormal returns. In this research, we obtained data from Investing.com (2025–2026). And used the Documentation method, which is a data collection technique that involves systematically reviewing, organizing, and extracting data from different sources such as existing documents, records, and reports. The total observation timeline of this study is 221 trading days, which is divided into two phases:

The Event Window Period (21 days): This time frame of 21 trading days runs from February 9, 2026, to January 9, 2026 includes the 10 days before the event ($t - 10$), the day of the event (t_0), and the 10 days after the event ($t + 10$). This event window period will capture the day itself and its immediate impact. Short-horizon event windows of this type are considered more reliable than long-horizon studies because they attenuate the joint-hypothesis problem and are less affected by risk changes over time Fama, 1991.

The Estimation Period (200 days): This time frame of 200 trading days (from t-210 to t-11) runs from March 20, 2025 to January 8, 2026. This period is used to calculate the expected returns of stock prices.



Source(s): Authors' own work

3.2 Data Analysis Techniques: Data Analysis Study that we have used in this study:

- a. Calculating the return of company stock prices during the estimation window, which was 200 days and, the event window, which was 21 days.

$$R_{i,t} = \frac{P_{i,t} - P_{i,t-1}}{P_{i,t-1}}$$

Where $R_{i,t}$ = returns of stock i on day t, and $P_{i,t}$ = price of stock i on day t.

- b. Calculating the stock market index return during the estimation window and the event window.

$$R_{m,t} = \frac{I_t - I_{t-1}}{I_{t-1}}$$

Where $R_{m,t}$ = market index return on day t, and I_t = market index value on day t.

- c. The study uses the market model to find the expected returns. The expected returns are calculated as:

$$E(R_{i,t}) = \alpha_i + \beta_i * R_{m,t}$$

Where, $E(R_{i,t})$ = Expected Returns

α_i = Intercept

β_i = slope

$R_{m,t}$ = market Returns.

- d. Calculating the abnormal returns by measuring the difference between actual Company returns and expected returns.

$$AR_{i,t} = R_{i,t} - E(R_{i,t})$$

- e. Calculating the average abnormal return (AAR) of all the companies of the sector in the NIFTY50 Index.

$$AAR_t = \frac{1}{N} \sum_{i=1}^N AR_{i,t}$$

- f. Calculating the Cumulative average abnormal return (CAAR) from the event period (-10, +10) for the security.

$$CAAR(-10, +10) = \sum_{t=-10}^{+10} AAR_t$$

- g. Calculating the standard error of the estimate based on the average return during the estimation period.

- h. Conducting a t-test by dividing the Cumulative average abnormal return (CAAR) value by the standard error of the estimate value.

$$t = \frac{CAAR_{(-1, +10)}}{SE}$$

4. Research Gap and Objectives:

Gap: No event studies on 2026 FTA of India – European Union announcements or margin simulations.

4.1 Research Question

- (1) How would Retail, Domestic, and international investors react to the Trade Deal?

(2) How would specific stocks/sectors react to the news? What would be the abnormal return?

(3) What could be the long-term impact on the overall company? Be it operational or financial?

4.2 Objectives:

(1) Assess short-term impact on companies (sector-wise), which are part of NIFTY 50.

(2) Analyse stock returns via Event Study with the help of T – test, Regression analysis, and abnormal return for pre- trade and post-trade deal.

5. Data Analysis and Discussions:

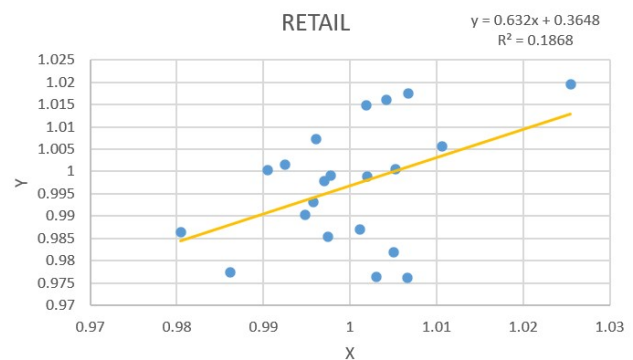
The hypothesis test using abnormal return with the help of excel was carried out to understand the performance of various stocks under different sectors, which are part of NIFTY50. The European Union and India Free Trade Agreement had an overall positive impact but some sectors performed extraordinarily well, and some bled, to give investors a hard time.

Though the majority of sectors, which were not explicitly mentioned in the trade deal, saw a nominal return that was positively correlated to the NIFTY50 index, showing positive investor sentiments overall.

5.1 Impact on Retail Sector: Asian Paints is India's largest paint manufacturer engaged in decorative and industrial coatings with a strong

presence in the domestic and international markets, having a notable presence in the NIFTY 50. Titan Company is a leading Indian lifestyle company known for its watches, jewellery and eyewear brands with a strong retail network across the country, having a notable presence in the NIFTY 50. It has a T statistics value of -2.51142, which shows abnormal return for 1 percent significance level, signifying that it showed higher volatility and higher gains compared to the overall market returns. Retail would get access to 27 countries and a chance to cater to a population of around 45 crore people. India, being one of the largest exporters of retail goods, has a huge hook to get strategic advantages (Government of India – Commerce Ministry, 2026).

As for the significance level of 5 and 10 percent, for the event window of (-10, 10)



5.2 Impact on Banking Sector: HDFC Bank is India's largest private sector bank, providing a wide range of banking and financial services, including retail banking, wholesale banking, and

digital banking solutions, having a notable presence in the NIFTY 50. ICICI Bank is one of India's leading private sector banks offering banking, investment and financial services with a strong domestic, and international presence, having a notable presence in the NIFTY 50. Axis Bank is a major private sector bank in India providing retail, corporate, and investment banking services with a large nationwide network, having a notable presence in the NIFTY 50. Kotak Mahindra Bank is a prominent private sector bank offering banking, wealth management, and investment services across various financial segments, having a notable presence in the NIFTY 50. State Bank of India is India's largest public sector bank, providing a wide range of banking and financial services with an extensive domestic and international network, having a notable presence in the NIFTY 50. It has a T statistics value of 1.24034, but we still fail to reject the null hypothesis as it doesn't satisfy the criteria of for 1, 5, and 10 percent, for the event window of (-10,10). It pretty much reacted with respect to the Index. Bajaj Finance is one of India's largest non-banking financial companies, providing consumer finance, SME lending, and wealth management services, having a notable presence in the NIFTY 50. Bajaj FinServ is a diversified financial services company offering lending, insurance, and wealth management solutions through its subsidiaries, having a notable presence in the NIFTY 50.

Shriram Finance is a leading non-banking financial company specializing in commercial vehicle financing, retail lending, and MSME loans, having a notable presence in the NIFTY 50. It has a T statistics value of 1.24034, but we still fail to reject the null hypothesis as it doesn't satisfy the criteria of for 1, 5, and 10 percent, for the event window of (-10, 10). It pretty much reacted with respect to the Index. The primary reason could be that India would get an inflow of foreign exchange from exports but loose a bit of it due to imports; all in all, it could act as a neutral factor. This reason made investors react neutrally to the given market Amundi Research, 2026.



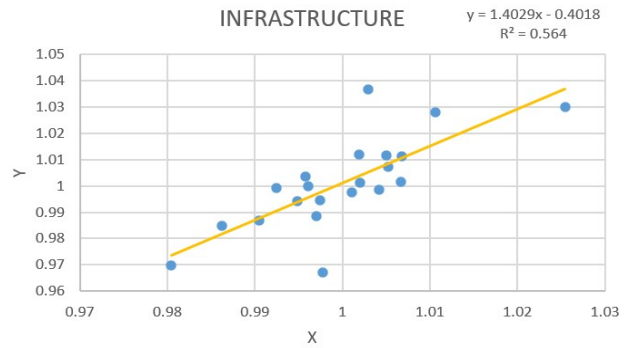
5.3 Impact on Logistics Sector: There is only 1 company which has been a part of the NIFTY 50, which is Adani Ports and Special Economic Zone. It has a T statistics value of 1.54618, but we still reject the null hypothesis as it doesn't satisfy the criteria of for 1, 5 and 10 percent, for the event window of (-10,10). It pretty much reacted with respect to the Index. Adani ports and special economic zones don't have any ports present in

countries of the European Union, so no major movements, either positive or negative was observed.

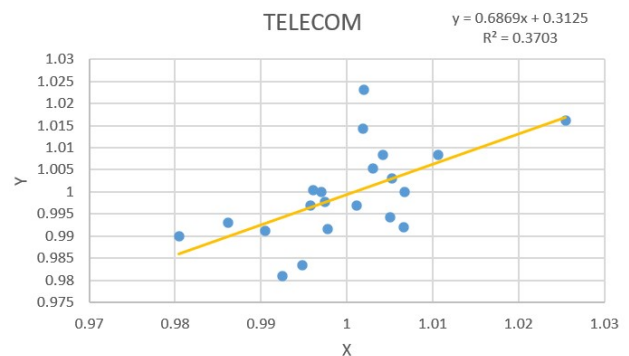


5.4 Impact on Infrastructure and Capital Goods Sector:

Larsen and Toubro is India’s largest Engineering, Procurement and Construction company with an order book of 7.38 lakhs crore, having a substantial influence in NIFTY50, indicating a uniform and positive correlated movement. It has a T statistics value of 0.38632, but we still reject the null hypothesis as it doesn’t satisfy the criteria of for 1, 5 and 10 percent, for the event window of (-10,10). It reacted the same way as Index. Themajority of the order book of Larsen and Toubro is based in either India or Middle Eastern countries, leading to a median return in comparison to NIFTY 50.



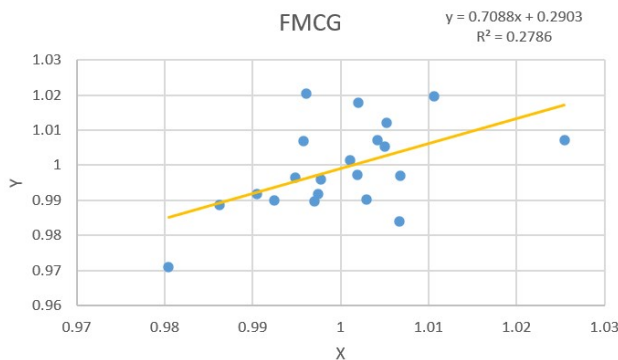
5.5 Impact on Telecom Sector: Bharti Airtel is one of India’s largest telecommunications companies, providing mobile, broadband, and digital services, and it holds a strong position in the NIFTY 50, showing a generally correlated movement with the index. It has a T-statistics value of -0.57334, but we still reject the null hypothesis as it doesn’t satisfy the criteria for 1%, 5%, and 10% significance levels, for the event window of (-10,10). It reacted the same way as the index. In telecommunication sector, Bharti Airtel has a staggering presence in India and African countries but is still working towards expanding European Union countries. So, right now the stock didn’t give any type of abnormal return but carries the capacity to perform much better in future.



5.6 Impact on FMCG Sector: Nestlé India is one of India’s leading FMCG companies engaged in

the production of packaged food products such as dairy, beverages, and nutrition products, having a notable presence in the Nifty 50. Hindustan Unilever is one of India’s largest consumer goods companies, offering a wide range of products in personal care, home care, and food segments and having a notable presence in the NIFTY 50. ITC Limited is a diversified Indian conglomerate with strong operations in FMCG, cigarettes, hotels, paperboards, and agribusiness, having a notable presence in the NIFTY 50. It has a T-statistic value of -0.72338, but we still reject the null hypothesis, as it doesn’t satisfy the criteria for 1%, 5%, and 10% significance levels for the event window of (-10,10).

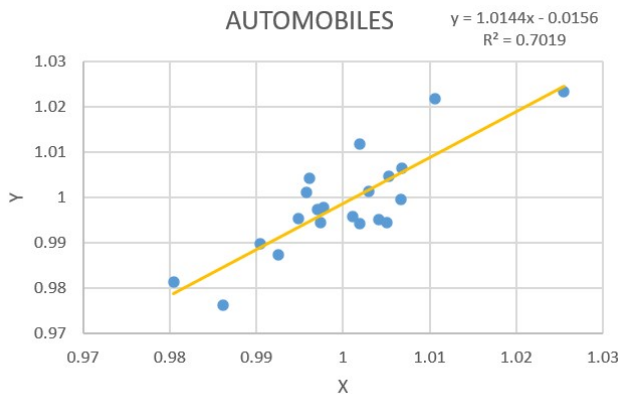
It reacted the same way as the index. Nestle India and Hindustan Unilever has their parent companies based in Europe and carries the ability to take advantage of the Free Trade Agreement Euronews, 2026.



5.7 Impact on Automobiles Sector: Tata Motors (Passenger Vehicles) is one of India’s major

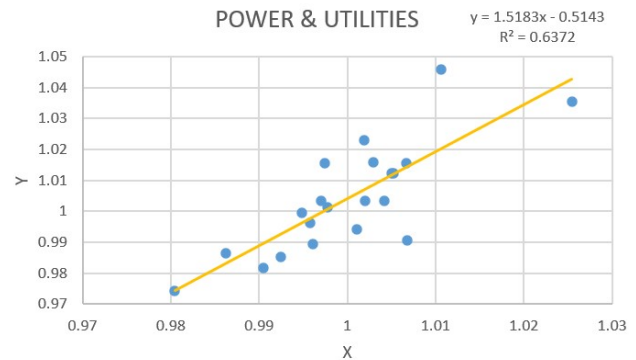
automobile manufacturers, producing passenger vehicles and electric vehicles with a strong domestic and global presence, having a notable influence in NIFTY 50, and indicating a fairly uniform and positively correlated movement. Mahindra & Mahindra is a leading Indian automobile company well known for its SUVs, utility vehicles, and tractors with a strong share in the domestic automobile market, having a notable influence in NIFTY 50, indicating a fairly uniform and positively correlated movement. Maruti Suzuki is India’s largest passenger car manufacturer with a dominant presence in the Indian automobile industry, having a notable influence in NIFTY 50, indicating a fairly uniform and positively correlated movement. Bajaj Auto is one of India’s prominent two-wheeler and three-wheeler manufacturers with a strong export base and global reach, having a notable influence in NIFTY 50, indicating a fairly uniform and positively correlated movement. Hero MotoCorp is the world’s largest manufacturer of motorcycles and scooters by volume with an extensive distribution network in India, having a notable influence on NIFTY 50, indicating a fairly uniform and positively correlated movement. Eicher Motors is an Indian automobile company known for its premium motorcycle brand, Royal Enfield, along with its commercial vehicle operations, having a notable influence in NIFTY 50, indicating a fairly uniform and positively

correlated movement. It has a T-statistic value of -1.2930, but we still reject the null hypothesis, as it doesn't satisfy the criteria of 1, 5, and 10 percent for the event window of (-10, 10). It reacted the same way as Index. The automobile sector did face a little trouble due to the import of cheap European cars, as tariffs are considerably reduced to around 30-40 percent in the short term and to 10 percent in the long term. Indian companies need to ideate a new strategy or find an alternate course of action to survive the heat.



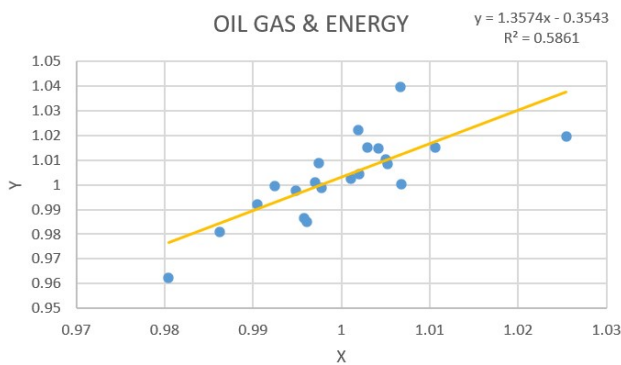
5.8 Impact on Power and Utilities Sector: NTPC Limited is India's largest power generation company with a significant installed capacity contributing a major share to the country's electricity supply, having a notable presence in the NIFTY 50. Power Grid Corporation of India is India's central transmission utility responsible for bulk power transmission across the country with an extensive transmission network, having a notable presence in the NIFTY 50. It has a T-statistic value of 2.4949, and it satisfies the criteria

of 5 percent for the event window of (-10, 10). It generated abnormal returns (gains) and did not move uniformly with the index. NTPC and Power Grid Corporation of India have got an opportunity to expand in European countries, as power and utilities transfer are part of the signed trade deal.



5.9 Impact on Oil, Gas, and Energy Sector: Reliance Industries is India's largest conglomerate with major operations in petrochemicals, refining, oil & gas exploration, and energy along with telecommunications and retail, having a notable presence in the NIFTY 50. Oil and Natural Gas Corporation is India's largest crude oil and natural gas exploration and Production Company, contributing a major share to the country's domestic energy supply and having a notable presence in the NIFTY 50. Coal India is the world's largest coal-producing company, responsible for supplying a major portion of coal used for power generation in India, having a notable presence in the NIFTY 50. Bharat Petroleum is one of India's leading public sector

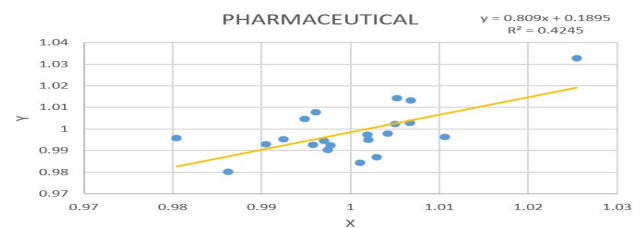
oil marketing companies involved in the refining, distribution, and marketing of petroleum products, having a notable presence in the NIFTY 50. It has a T-statistic value of 12.419, and it satisfies the criteria of 1 percent for the event window of (-10,10). It generated an extraordinarily abnormal gain and reacted significantly differently compared to the index. The oil and gas industry is majorly impacted in the defined period not only because of the free trade agreement but also majorly because of the US and Iran war. Prices of crude oil per barrel have spiked up to more than 100 dollars, leading to good margins for Indian companies, as they could sell it at a premium price.



5.10 Impact on Pharmaceutical Sector:

Sun Pharmaceutical Industries is India’s largest pharmaceutical company engaged in manufacturing and marketing generic medicines and specialty pharmaceuticals across global markets, having a notable presence in the NIFTY 50. Cipla is a leading Indian pharmaceutical

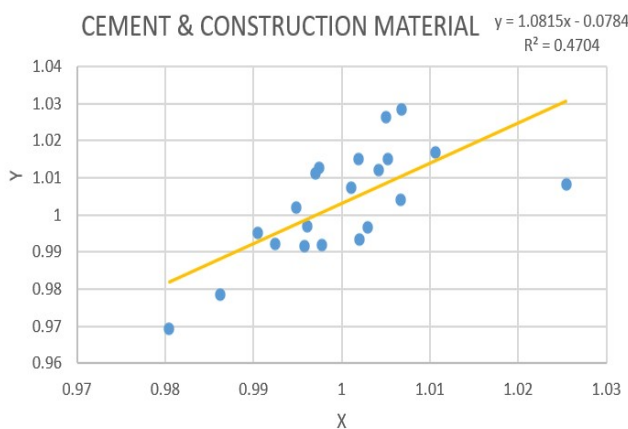
company known for its respiratory, oncology, and antiretroviral medicines with a strong global footprint, having a notable presence in the NIFTY 50. Dr. Reddy’s Laboratories is a multinational pharmaceutical company involved in the development and manufacturing of generic medicines, active pharmaceutical ingredients, and biosimilars, having a notable presence in the NIFTY 50. Divi's Laboratories is a major Indian pharmaceutical company specializing in active pharmaceutical ingredients and custom synthesis for global pharmaceutical companies, having a notable presence in the NIFTY 50. Apollo Hospitals is one of India’s largest private healthcare providers, offering hospital services, pharmacies, and health insurance solutions and having a notable presence in the NIFTY 50. It has a T-statistic value of -0.80968, but we still reject the null hypothesis, as it doesn’t satisfy the criteria of 1, 5, and 10 percent for the event window of (-10, 10). It reacted the same way as Index. Companies that have a presence in European Union countries responded positively, while other companies that don’t have a presence reacted negatively due to an increase in opportunity for competitors.



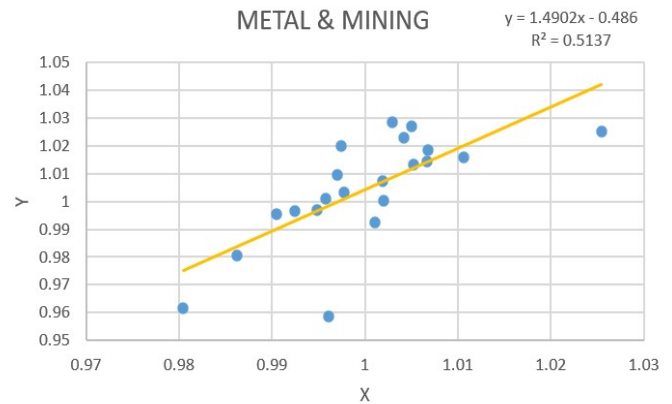
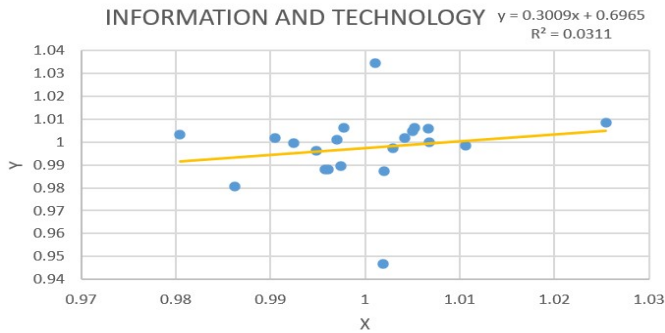
5.11 Impact on Cement and Construction

Material Sector: UltraTech Cement is India’s largest cement manufacturer with an extensive production capacity and a strong presence in infrastructure and construction projects across the country, having a notable presence in the NIFTY 50. Grasim Industries is a flagship company of the Aditya Birla Group engaged in cement, chemicals, and building materials with a significant role in India’s construction sector, having a notable presence in the NIFTY 50. It has a T-statistic value of 1.769509, and it satisfies the criteria for 10 percent for the event window of (-10,10). It generated an abnormal gain return compared to the index. It has a large export to European countries, leading to cheaper export duties as tariffs are eased. So, it reacted positively when the trade deal was signed Government India – Commerce Ministry, 2026.

services company, providing consulting, software development, and digital transformation services to clients across the globe, having a notable presence in the NIFTY 50. Infosys is a leading Indian IT services and consulting company known for its global delivery model and strong presence in digital and cloud services, having a notable presence in the NIFTY 50. Wipro is a multinational information technology company providing IT services, consulting, and business process outsourcing solutions worldwide, having a notable presence in the NIFTY 50. HCL Technologies is a global IT services company specializing in software development, engineering services, and digital transformation solutions, having a notable presence in the NIFTY 50. Tech Mahindra is a multinational technology company providing IT and telecom solutions with a strong presence in digital transformation and enterprise services, having a notable presence in the NIFTY 50. It has a T-statistic value of 1.8332, and it satisfies the criteria for 10 percent for the event window of (-10, 10). It generated an abnormal gain return compared to the index. India is one of the largest exporters of software around the world (majorly to the USA); now gaining access to European markets acts as a cherry on top for the information technology sector.



5.12 Impact on IT Sector: Tata Consultancy Services is India’s largest information technology



5.13 Impact on Metal and Mining Sector:

Tata Steel is one of India’s largest steel manufacturing companies with significant operations in steel production and mining, playing a key role in infrastructure and industrial development and having a notable presence in the NIFTY 50. Hindalco Industries is a leading metals company of the Aditya Birla Group engaged in aluminium and copper production with a strong global footprint, having a notable presence in the NIFTY 50. JSW Steel is one of India’s fastest -growing steel manufacturers with a strong presence in steel production and exports, having a notable presence in the NIFTY 50. It has a T-statistic value of 1.8959, and it satisfies the criteria of 10 percent for the event window of (-10,10). It generated an abnormal gain return compared to the index. Indian companies like Tata Steel and JSW Steel are large players who provide hard metals to European countries, and the growing demand for semiconductors has led the particular sector to perform well. Government of India – Commerce Ministry, 2026; Tribune India, 2026.

Some sectors like automobiles have to invest more to compete with the new foreign competition, and some sectors like pharmaceutical and EPC (engineering, procurement, and construction) saw a bright light for opportunities to grasp.

An Overall European Union and India free trade agreement would open up many doors for about 1/3rd of global trades that take place between India and 27 countries of the European Union.

6. Conclusion:

Based on the findings, we have categorized different sectors into significance levels of 1%, 5%, and 10% to understand whether the stock gave nominal returns, abnormal positive returns, and abnormal negative returns.

The regression test on various sectors that are part of the NIFTY 50 has helped us to study the degree of dependency of specific sectors of stock on the overall index. It helped us to study which sectors tend to perform abnormally, whether positive or

negative, to understand the extent of impact. The value of R^2 (coefficient of determination) helps us to understand the degree of the explained output variable that we are getting with the help of the Regression Equation and how much needs to be studied further after the trade deal comes into action (most probably in late 2026 or early 2027) Euronews, 2026; ClearTax, 2026. Some sectors, like automobiles, have to invest more to compete with the new foreign competition, and some sectors like pharmaceutical and EPC (engineering, procurement, and construction), saw a bright light for opportunities to grasp.

An overall European Union and India free trade agreement would open up many doors for about 1/3 of global trades that take place between India and 27 countries of the European Union. This trade deal favors both economies, as they could cater to the demand of both the nation and union of countries without the hassle of paying tariffs and delay in trade completion due to excessive documentation and legal formalities. It would also help India to diversify its trade dependency on the United States of America to various lucrative economies in Europe, be it France, Germany, Italy, etc., due to its uncertain trade policies and ongoing internal disputes between Republicans and the US Supreme Court.

Window Period	Day-t	Retail	Banking & Financial Services	Logistics	Infrastructure & Capital goods
02-09-2026	10	0.012585684	0.009863063	-0.001464951	0.003249046
02-06-2026	9	-0.003240315	0.006709645	-0.015248293	-0.001382358
02-05-2026	8	-0.007840971	0.000909512	0.007225246	-0.000334432
02-04-2026	7	0.012664586	-0.002128628	0.021528389	0.009509904
02-03-2026	6	0.003897589	0.007394714	0.059978562	0.000954509
02-02-2026	5	-0.00160198	-0.013361176	0.030111011	0.015879683
02-01-2026	4	-0.003442478	-0.000496194	-0.029718589	-0.008395477
01-30-2026	3	0.008536923	0.000450541	0.005605253	0.003869994
01-29-2026	2	-0.026285617	0.00375916	0.021924747	0.032898624
01-28-2026	1	-0.028736228	0.0030829	0.004769988	-0.006175812
01-27-2026	0	-0.02197852	-0.00237689	0.035896463	0.005727017
01-23-2026	-1	0.004854784	-0.001936734	-0.063805263	-0.002768827
01-22-2026	-2	-0.003456025	0.003546631	0.019058177	0.000994169
01-21-2026	-3	-0.001563282	-0.002932081	0.011165861	-0.008529699
01-20-2026	-4	-0.015583183	0.001421946	-0.009112481	-0.000120082
01-19-2026	-5	-0.005395785	0.010141572	-0.008651884	0.007915091
01-16-2026	-6	-0.014706827	0.001559948	-0.007455513	-0.004021658
01-14-2026	-7	-0.014156255	0.000687872	0.003645961	-0.002967199
01-13-2026	-8	-0.000570907	0.0060346	-0.008070501	-0.030543767
01-12-2026	-9	0.012674294	-0.002810549	-0.000153155	-0.006557353
01-09-2026	-10	0.004732486	-0.001928748	-0.01146295	0.007297352

Note(s): The table presents AAR under consideration during the event window of all retail, Banking & Financial services, Logistics and Infrastructure & capital goods of all companies that fall under NIFTY50.

Source(s): Author's computation

Table 1: AAR of different sectors before and after the event.

Window Period	Day -t	Telecom	FMCG	Automobiles	Power & Utilities
02-09-2026	10	-0.006906666	-0.0071878	-0.001647968	-0.015072377
02-06-2026	9	0.020621386	0.01651401	-0.008937717	0.002032218
02-05-2026	8	-0.012444705	-0.000819291	-0.000166475	0.005054047
02-04-2026	7	0.011895526	-0.004170241	0.008687732	0.021987044
02-03-2026	6	-0.007612739	-0.007474582	-0.004907217	0.012288164
02-02-2026	5	-0.00188429	0.013243258	0.009521134	0.036807981
02-01-2026	4	0.007130761	-0.01817837	0.001297864	-0.00694575
01-30-2026	3	0.003263959	0.022409533	0.007404528	-0.006412256
01-29-2026	2	0.001815774	-0.011677481	-0.002916863	0.013719627
01-28-2026	1	-0.014665026	-0.020070706	-0.008546572	0.010040557
01-27-2026	0	-0.010958381	0.002287689	-0.011927365	0.008220647
01-23-2026	-1	-0.000719377	-0.003016051	-0.00095224	-0.008675564
01-22-2026	-2	-0.002393319	0.008711094	-0.001937547	0.008037654
01-21-2026	-3	0.002095001	-0.00879305	-0.000551934	0.006804945
01-20-2026	-4	0.004930231	-0.003696474	-0.009983713	-0.000160482
01-19-2026	-5	0.000021174	0.009065239	0.004689609	0.000962004
01-16-2026	-6	-0.004695446	0.000447965	-0.006314564	-0.006351074
01-14-2026	-7	-0.000471967	-0.006972114	-0.003835432	0.018783619
01-13-2026	-8	-0.006981161	-0.002969202	-0.00087902	0.003908618
01-12-2026	-9	0.003887555	0.004626154	-0.010291646	0.000005959
01-09-2026	-10	-0.012824483	-0.006064028	-0.005766463	-0.007065921

Note(s): The table presents AAR under consideration during the event window of all telecom, FMCG, Automobiles, and Power & Utilities of all companies that fall under NIFTY50.

Source(s): Author's computation

Table 2: AAR of different sectors before and after the event.

Sectors	T-stat
Retail	-2.511423994**
Banking & Financial Services	1.240343092
Logistics	1.54618143
Infrastructure & Capital goods	0.386326328
Telecom	-0.573345863
FMCG	-0.723384031
Automobiles	-1.293086774*
Power & Utilities	2.494898209**
Oil, Gas & Energy	12.41909245***
Pharmaceuticals	-0.80968694
Cement & Construction Material	1.769509315*
Information Technology (IT)	1.833226507*
Metal & Mining	1.895983867*

Explanation:	***	>2.576 or <-2.576	significant at 1 %
	**	>1.96 or <-1.96	significant at 5 %
	*	>1.645 or <-1.645	significant at 10 %

Note(s): The table presents t-stat of different sectors.

Source(s): Author's computation

Table 4: t-statistics of different sectors

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