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Evaluation of the impact of Trump's policies on the Indian IT Sector

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Abstract

This study examines the impact of the policies made during the Trump era on the Indian IT sector by considering a sample of five Indian companies, that is, TCS, Wipro, HCL Technologies, Infosys, and Tech Mahindra. For evaluating the stocks, seven parameters have been used, that is, inflation adjusted average price, average rate of return, standard deviation, variance, covariance, beta and expected return as per CAPM. In order to get accurate results, the closing price of the stock of each day in the considered time frames (1/2/2022 to 1/2/2023 and 1/2/2025 to 1/2/2026) have been taken into account. For this purpose, python codes have been deployed and through those codes we have got a representative statistic for each of the parameter considered, so that it would be easy to compare the results from different time frames. For the purpose of this study secondary data has been used mainly from a website- 'https://finance.yahoo.com/'. On an overall basis, four parameters, namely, average rate of return, expected rate of return as per CAPM, variance and standard deviation, indicate that the Indian IT Sector has not been impacted during the Trump era as all the four parameters have improved. The average price parameter fails to give a conclusive result, hence that cannot be used to infer if the IT Sector has performed well or otherwise. The other two parameters, that is, covariance and beta show that the IT Sector has its market sensitivity has lessened.

Keywords: Standard deviation, Python codes, Variance, Consumer Price Index (CPI), Capital Asset Pricing Model (CAPM), Beta

Introduction

Indian stock markets have seen a wave of changes during the geopolitical tariff era, initiated by Donald Trump in 2025. Macro-economic wave has spurred the micro-economic impact that

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was seen in many sectors in India. Globally, China, Canada, U.K are few among the many that have faced such tariffs. Since Trump came to power, he has enacted scores of tariffs on particular countries and commodities, a move that he claims would protect American's interests. Looking back into the pre-World Trade Organisation (WTO) era, even though the tax regimes of the developing and developed nations were present, one can look deeper and infer that certain aspects of the international macro-economic tax regimes were inefficient. But post WTO, one can see there was better accountability owing to information-sharing between nations, thereby resulting in faster and efficient tariff imposition that benefitted considerable balance in economies that were involved in international trade. But shifting our perspective into the Trumpian era, we can observe that there is a significant upsurge in the imposition of tariffs that is taking a heavy toll upon the economies of the developing nations, especially India. Before joining the WTO in 1995, India followed a highly protectionist trade regime marked by high tariff rates, along with widespread use of quantitative restrictions, import licensing, and quotas under an import-substitution strategy aimed at protecting domestic industries. This resulted in limited export competitiveness. India's membership in WTO led to a significant reduction in tariffs.

Literature Review

The Market Reaction to Trump's Trade War

Drawing on prior studies by Wind (2017), Athukorala et al. (2017), Wagner et al. (2017, 2018), and Huang et al. (2018), this paper notes that markets react strongly to unexpected trade policy shocks, especially for firms with high foreign exposure and supply-chain dependence. The literature suggests that exemptions and targeted tariffs can distort competition and that US–China economic interdependence magnifies market effects. Building on this work, the paper finds that market reactions to Trump's trade war were most severe in early 2018, with a clear spread between winners and losers. As tariffs broadened and persisted, market responses weakened, indicating that much of the trade war's impact was gradually priced into stock values.

The Global Economic Effects of Trump's 2025 Tariffs

McKibbin, Noland, and Shuetrim (2025) build on their earlier work on tariff shocks and macroeconomic adjustment using the G-Cubed model to analyze large, country- and sector-specific tariffs. The paper situates itself within the literature on trade wars, retaliation, and macroeconomic spillovers, emphasizing deviations from uniform tariff assumptions used in prior studies. It incorporates recent findings on exchange rate responses and country risk premia observed during tariff announcements. The authors highlight that exemptions, trade agreements such as USMCA, and sectoral carve-outs substantially alter economic outcomes. Unlike earlier uniform-tariff analyses, this paper shows heterogeneous effects across countries and sectors. It concludes that retaliation and rising US country risk significantly amplify GDP losses and inflation, while mitigating claims of industrial revival.

Tariffs What Trump's China Tariffs Have Cost U.S. Companies?

Selmi, Errami, and Wohar (2020) build on the literature linking trade policy uncertainty to financial market volatility and stock price reactions. Earlier studies show that political and trade-related uncertainty negatively affects investor sentiment and market quality (Pasquariello, 2014; Pasquariello and Zafeiridou, 2014). Research on trade policy shocks highlights that unexpected tariff announcements generate significant abnormal returns, particularly in sectors exposed to international trade (Brown and Warner, 1985; MacKinlay, 1997). Recent work on Trump-era policies documents heightened uncertainty and adverse market responses following protectionist measures (Baker et al., 2019; Pham et al., 2018). Drawing on this literature, the paper applies an event study framework to examine sectoral stock market reactions to China's tariff announcements, emphasizing heterogeneous effects across industries.

Share Price Reactions to Tariff Imposition Announcements During the First Trump Administration

Recent literature examines the impact of protectionist trade policies on firm performance and financial markets, particularly during the U.S.–China trade war. While some theoretical studies argue that tariffs can protect domestic industries and improve terms of trade, empirical evidence largely points to adverse effects through higher input costs, supply-chain disruptions, and retaliation. Event-study analyses consistently show that tariff announcement shocks generate negative abnormal stock returns, reflecting heightened uncertainty and reduced expected cash flows. Studies such as Egger and Zhu (2020) and Huang et al. (2023) document

stronger negative reactions for firms exposed to China, given deep trade and production linkages. Overall, the literature suggests that financial markets perceive tariffs more as a source of risk than as value-enhancing policy instruments.

Trump Liberation Day Tariffs and Stock Market Reactions: New Insights from Global Analysis

Smith & colleagues (2026) investigate global equity market reactions to the U.S. "Liberation Day" tariffs announced on April 2, 2025 — a sweeping set of reciprocal tariffs imposed on imports from many countries. Using an event-study framework on daily stock index data from 77 countries, they find statistically significant negative abnormal returns (CARs) across most markets following the tariff announcement, including a drop exceeding 10% in the U.S. market. Although expected that higher tariffs might affect markets differently, results show that baseline and elevated tariff groups reacted similarly, suggesting that trade exposure and financial integration explain variation in market responses more than the tariff level itself. The authors conclude that global financial markets responded negatively to the policy shock, with broad market declines reflecting heightened uncertainty and risk aversion rather than any immediate valuation gains from protectionist measures.

The Effect of the Trump Tariffs on Major US Trade Partners

Smith (2020) reviews existing research on U.S. tariffs and their effects on trade partners, highlighting mixed impacts: Robert Scott's analysis finds positive employment and investment effects in the U.S. aluminum sector, suggesting some protective benefits, while Fajgelbaum (2019) documents large declines in U.S. imports and exports due to tariff pressure, showing that trade wars reduce trade volumes. The Congressional Budget Office projects short-run negative GDP growth from tariff actions but possible long-run trade balance improvements due to reduced import reliance. Overall, the literature concludes that while tariffs can support certain domestic industries, they often disrupt international trade, raise costs, and cause broader economic harm for both the U.S. and its major trading partners.

The Short-Term Impact of Donald Trump's 2025 Tariff Announcements on Major Global Stock Indices

Existing literature shows that tariff announcements consistently generate negative stock market reactions due to heightened policy uncertainty. Egger and Zhu (2020) find significant negative

abnormal returns during the 2018–2019 US–China trade war, indicating rapid market responses to protectionist shocks. Suleman (2012) concludes that unexpected political announcements trigger short-term overreactions and increased volatility in equity markets. Bloom (2009) and Baker, Bloom, and Davis (2016) show that policy uncertainty raises risk premia, reduces investment, and depresses stock prices. More recently, Kaczmarek et al. (2025) document widespread negative abnormal returns across global markets following the 2025 "Liberation Day" tariff announcements, concluding that markets perceive tariffs primarily as uncertainty-enhancing rather than growth-supporting policy tools.

Data and Empirical Methodology

Parameters identified for the evaluation of the stocks of 5 IT companies in two separate time periods

a) **Average Price** – We will be comparing the mean from two time periods, each consisting of a time frame of 1 year for all five companies. The average will be taken by using the following formula:

   Average Price = [(Sum of closing price of each day of a given time period)/ (Number of trading days in the given period)]

b) **Average Rate of Return –** Firstly, daily return will be calculated for each day in the given two time periods using the following formula:

   Daily return = [(Current day's closing price – Previous day's closing price)/ (Previous day's closing price)] * 100

   Average Return = [(Sum of daily return in a given time period)/ (Number of trading days in the given period)]

c) **Standard Deviation** – Actual rate of return is calculated for each day in the given period. After which, standard deviation is found.

   Standard deviation of a given stock = √ [Sum of (Rate of return of a stock on a given day- Average rate of return)^2/ (Number of trading days in the given period)]

d) **Variance -** Actual rate of return is calculated for each day in the given period. After which, variance for each day is found. Then, the average of all the variances is to be taken.

Variance of a given stock per day = [Sum of (Rate of return of a stock on a given day- Average rate of return)^2/ (Number of trading days in the given period)]

e) **Covariance between return of stock and return of market –** Covariance can be positive, negative or close to zero. Covariance shows how the stock and the market move together. The formula used to calculate covariance is:

$Cov(R_i,R_m) = [\{\sum(R_i\text{-mean of Ri})(R_m\text{- mean of } R_m)\}/ \{N-1\}]$

Where R_i = Return of stock on a given day

R_m = Return of market on a given day

N = Number of trading days

f) **Beta** – Beta reveals the systematic risk of a stock relative to the market in the Capital Asset Pricing Model.

$Beta = [Cov(R_i,R_m)/Var(R_m)]$

g) **CAPM expected return-**

Rate of Return= [R_f + Beta of a given stock(mean of R_m-Rf)]

Where R_i = Return of stock on a given day

R_m = Return of market on a given day

R_f = Risk free rate of return

Assumptions made for the purpose of this research

a. To understand the performance of stocks before Trump came to power we will evaluate the data from 1st Feb 2022 to 1st Feb 2023.
b. To understand the performance of stocks during Trump's era we evaluate the data from 1st Feb 2025 to 1st Feb 2026 as Donald Trump came to power in January 2026.
c. The sample space comprises five IT companies, namely, TCS, Infosys, Wipro, Tech Mahindra, and HCL Technologies. Based on market capitalisation these companies are the largest revenue generating Indian companies (in 2022) having a presence in India as well as USA.

d. For the conversion of prices from 1/2/2022 to 1/2/2023, CPI has been calculated by considering the year 2022 as the period considered has more months falling in the year 2022.
e. For the conversion of prices from 1/2/2025 to 1/2/2026, CPI has been calculated by considering the year 2025, as the period considered has more months falling in the year 2025.
f. To calculate the return of the market, variance of the return of the market and mean of the return of the market, NIFTY 500 has been taken.
g. Risk free rate of return is assumed to be 7% for both the time periods and is assumed to be the normalised long-term average of 10-year Government security.

Comparison of various stocks before and during Trump's era

Calculation of Average Price of stocks

Name of the stock	**Period Before Trump (1/2/2022 to 1/2/2023) ***	**$P_{2025} = (P_{2022} \times CPI_{2022})/CPI_{2025}$ ****	**Period during Trump (1/2/2025 to 1/2/2026) ***
Infosys	1566.98	1775.1	1574.14
Wipro	226.5	256.6	257.55
Tech Mahindra	1149.67	1302.2	1534.13
TCS	3357.25	3802.7	3302.02
HCL Technologies	1043.53	1182.1	1584.25

Table 1: Table showing the average price of the five companies considered, calculated using python.

* The Python codes deployed in this study were developed by the author and are available in a GitHub repository (see References)

** Prices of 2022 have been converted to 2025 prices using the Consumer Price Index with base year 2024, applying the formula:

$P_{2025} = P_{2022} \times \frac{CPI_{2025}}{CPI_{2022}}$.

CPI data are taken from the Ministry of Statistics and Programme Implementation, Government of India.

Calculation of Average Return of stocks

Name of the stock	Period Before Trump (1/2/2022 to 1/2/2023) *	Period during Trump (1/2/2025 to 1/2/2026) *
Infosys	-0.0351%	-0.0256%
Wipro	-0.1314%	-0.0717%
Tech Mahindra	-0.1233%	0.0465%
TCS	-0.0254%	-0.0868%
HCL Technologies	0.0266%	0.0251%

Table 2: Table showing the average rate of return of the five companies considered, calculated using python

* The Python codes deployed in this study were developed by the author and are available in a GitHub repository (see References)

Calculation of Standard deviation of stocks

Name of the stock	Period Before Trump (1/2/2022 to 1/2/2023) * (rounded off to 4 decimal places)	Period during Trump (1/2/2025 to 1/2/2026) * (rounded off to 4 decimal places)
Infosys	0.0170	0.0153
Wipro	0.0159	0.0157
Tech Mahindra	0.0184	0.0153
TCS	0.0145	0.0120
HCL Technologies	0.0152	0.0147

Table 3: Table showing the standard deviation of the stocks of five companies considered, calculated using python

* The Python codes deployed in this study were developed by the author and are available in a GitHub repository (see References)

Calculation of Variance of stocks

Name of the stock	Period Before Trump (1/2/2022 to 1/2/2023) *	Period during Trump (1/2/2025 to 1/2/2026) *

	(rounded off to 4 decimal places)	(rounded off to 4 decimal places)
Infosys	0.000288	0.000233
Wipro	0.000254	0.000247
Tech Mahindra	0.000338	0.000234
TCS	0.000211	0.000144
HCL Technologies	0.00023	0.000215

Table 4: Table showing the variance of the stocks of five companies considered, calculated using python

* The Python codes deployed in this study were developed by the author and are available in a GitHub repository (see References)

Calculation of Covariance of return of a given stock and return of the market

Name of the stock	**Period Before Trump (1/2/2022 to 1/2/2023) *** (rounded off to 4 decimal places)	**Period during Trump (1/2/2025 to 1/2/2026) *** (rounded off to 4 decimal places)
Infosys	1.1608	0.6170
Wipro	1.2197	0.6302
Tech Mahindra	1.2824	0.6069
TCS	0.9953	0.4860
HCL Technologies	0.9901	0.6349

Table 5: Table showing the covariance of the stocks of five companies considered, calculated using python.

* The Python codes deployed in this study were developed by the author and are available in a GitHub repository (see References)

Calculation of Beta of a given stock

Name of the stock	**Period Before Trump (1/2/2022 to 1/2/2023) *** (rounded off to 4 decimal places)	**Period during Trump (1/2/2025 to 1/2/2026) *** (rounded off to 4 decimal places)
Infosys	0.9987	0.9712

Wipro	1.0494	0.9919
Tech Mahindra	1.1033	0.9554
TCS	0.8563	0.7650
HCL Technologies	0.8518	0.9994

Table 6: Table showing the beta of the stocks of five companies considered, calculated using python.

* The Python codes deployed in this study were developed by the author and are available in a GitHub repository (see References)

Calculation of Expected Return (as per CAPM)

Name of the stock	**Period Before Trump (1/2/2022 to 1/2/2023) *** (rounded off to 4 decimal places)	**Period during Trump (1/2/2025 to 1/2/2026) *** (rounded off to 4 decimal places)
Infosys	0.0103 %	0.2351%
Wipro	-0.3445%	0.0904%
Tech Mahindra	-0.7218%	0.3450%
TCS	1.0069%	1.6709%
HCL Technologies	1.0380%	0.0386%

Table 7: Table showing the expected return (as per CAPM) of the stocks of five companies considered, calculated using python.

* The Python codes deployed in this study were developed by the author and are available in a GitHub repository (see References)

Data interpretation and analysis of the above findings

a) On the basis of the average price calculation in table 1, we can say that the response of the stock market is heterogeneous. Not all stocks have reacted uniformly, indicating that the firm-specific factors have dominated the macro effects.

- Stocks of Tech Mahindra and HCL Technologies show a strong real growth, suggesting a favourable market response.

- There is a decline in average stock price in case of Infosys and TCS indicating a real and nominal decline, reflecting the possible market correction or firm-specific challenges.
- In case of Wipro, the post-Trump period price is almost equal to the inflation-adjusted price, indicating a neutral performance.
- The absence of a common trend across IT stocks implies that the sector did not respond uniformly in the post Trump period, highlighting differentiated firm-level resilience rather than a broad-based sectoral expansion or contraction.

b) In case of the second parameter, average rate of return, we observe that the dominant pattern across the sample indicates a relative improvement in performance in the Trump era.
   - HCL Technologies remains consistently positive, reinforcing sectoral stability.
   - 3 out of 5 stocks (Infosys, Wipro, Tech Mahindra) show improvement in average rate of returns. Among them, Tech Mahindra moves from negative to positive returns, which strengthens the direction of change.
   - Only one major stock (TCS) exhibits deterioration.
   - While firm-specific differences persist, the overall direction of change—driven by improvements in most constituent stocks—indicates a relative strengthening of the IT sector.

c) The parameter of standard deviation shows a uniform decline in standard deviation across all the stocks considered, indicating that the sector became relatively less risky and more stable during the Trump period, pointing towards improved market certainty and reduced fluctuations in returns.
   - The reduction is consistent across the entire sample, with no stock exhibiting higher volatility after Trump.
   - The largest decline in volatility is observed for Tech Mahindra and TCS, indicating a notable improvement in return stability.
   - Infosys and HCL Technologies also show moderate reductions, while Wipro's volatility remains almost unchanged, though still marginally lower.

d) In case of variance, there is a consistent decline across all selected IT stocks indicates a sector-wide reduction in risk in the Trump period, reinforcing the evidence of improved stability and lower return dispersion.

- All five IT stocks show a decline in variance in the post-Trump period compared to the pre-Trump period.
- The fall in variance is uniform across the sample, with no stock exhibiting increased risk.
- TCS and Tech Mahindra record the largest reductions, indicating a substantial decline in return fluctuations.
- Infosys and HCL Technologies also display noticeable moderation in variance.
- Wipro shows only a marginal decline, but the direction of change is still consistent with the rest of the sector.

e) Covariance tells us how strongly a stock moves with the market. In case of higher covariance, the stock moves strongly with the market. While, lower covariance shows that the stock has a weaker relationship with the market.
   - Based on the table, all the selected IT companies, that is, Infosys, Wipro, Tech Mahindra, Tata Consultancy Services, and HCL Technologies show a similar pattern where the covariance between the stock returns and market returns is lower in the later period compared to the earlier period.
   - This indicates that, across the IT sector, the co-movement between individual stock returns and market returns has weakened.
   - In general, the sector appears to have become less sensitive to market movements in the later period compared to the earlier one.

f) Beta measures the sensitivity of a stock's return to the movements in the market. A beta value close to 1 indicates that the stock moves almost in line with the market, greater than 1 means the stock is more volatile than the market, and less than 1 indicates lower volatility compared to the market.
   - In case of four companies—Infosys, Wipro, Tech Mahindra, and TCS—the beta values have decreased in the later period. This decline indicates that these companies have become less sensitive to market fluctuations over time, suggesting a reduction in systematic risk associated with these stocks.
   - In the case of TCS, the beta value was already below 1 in the earlier period and declined further in the later period, reinforcing its position as one of the more stable and less risky stocks within the sample representing the IT sector.

- Unlike the other companies, HCL Technologies' beta value increased in the later period, suggesting that the stock has become more responsive to the market movements, indicating a rise in its systematic risk relative to the market.
- When considering the sector as a whole, most companies show a reduction in beta, indicating that the IT sector has generally become less volatile relative to the market during the later period. This indicates a tendency toward greater stability and maturity within the sector, as leading firms demonstrate reduced sensitivity to overall market changes.
- At the same time, the fact that most beta values remain close to 1 indicates that IT companies still maintain a strong relationship with broader market movements.

g) The Capital Asset Pricing Model (CAPM) is used to estimate the expected return of a stock based on its systematic risk (beta). It explains the relationship between risk and return, where investors expect higher returns for taking higher market risk

- Four companies (Infosys, Wipro, Tech Mahindra, and TCS) experienced an increase in expected return in the Trump period.
- Only one company (HCL Technologies) experienced a decline in expected return.
- This pattern indicates that most IT sector stocks improved in terms of risk-adjusted expected returns in the later period.
- Overall, the analysis suggests that the IT sector demonstrated stronger expected returns in the Trump period, with most companies showing improvement in the CAPM-based returns.

Results and Discussion

On combining the four parameters—average price, average rate of return, standard deviation, and variance—a clearer picture emerges regarding the performance and the stability of the IT sector before and during the Trump period. Firstly, the analysis of average stock prices suggests that the sector's response was heterogeneous. Some firms such as Tech Mahindra and HCL Technologies recorded strong real price growth, indicating favourable investor response. In contrast, Infosys and TCS experienced a decline in average stock prices, suggesting either firm-specific challenges or market

corrections. Wipro displayed a largely neutral movement, with its price during Trump era closely matching the inflation-adjusted benchmark. This mixed price behaviour implies that firm-level dynamics played a stronger role than broad macroeconomic influences, and therefore the IT sector did not exhibit a single unified price trend. However, when average rate of return is considered, the pattern becomes somewhat more favourable. A majority of the stocks—Infosys, Wipro, and Tech Mahindra—show an improvement in returns during the Trump period. Tech Mahindra's movement from negative to positive returns is particularly notable, indicating a clear shift in performance. HCL Technologies remained consistently positive across both the periods, suggesting sustained strength. Only TCS shows deterioration in returns. Thus, despite the heterogeneous price movements, the overall direction of returns points toward a relative strengthening of the IT sector.

Further insight is obtained from the risk indicators, namely standard deviation and variance. Both parameters demonstrate a consistent decline across all five IT stocks in the Trump period, indicating reduced volatility and improved stability in stock returns. The decline in standard deviation suggests that fluctuations in daily returns became smaller, reflecting greater predictability in market behaviour. Similarly, the fall in variance confirms a reduction in the dispersion of returns, reinforcing the evidence of lower risk. Notably, TCS and Tech Mahindra exhibit the most substantial reductions in volatility, while Infosys and HCL Technologies show moderate improvements. Wipro's reduction is relatively marginal but still consistent with the broader trend. The uniformity of decline across both standard deviation and variance suggests that the entire IT sector experienced improved stability and reduced risk during the Trump period.

From the covariance results, it can be observed that all companies experienced a decline in covariance in the later period. This indicates that the co-movement between individual stock returns and overall market returns has weakened over time. In other words, the stock returns of these IT companies have become less strongly linked to general market fluctuations in the later period. A similar trend is visible in the beta values. In four companies—Infosys, Wipro, Tech Mahindra, and Tata Consultancy Services—the beta values declined in the later period, suggesting that these stocks have become less sensitive to market movements and therefore carry relatively lower systematic risk. This indicates improved stability and reduced volatility compared to

the earlier period. However, HCL Technologies shows a different trend, where beta increased, indicating that its stock has become more responsive to market fluctuations and carries relatively higher systematic risk in the later period.

When examining CAPM-based expected returns, most companies show an improvement in the later period. Infosys, Wipro, Tech Mahindra, and TCS experienced higher expected returns, with Wipro and Tech Mahindra moving from negative to positive expected returns. This suggests a significant improvement in investor expectations and perceived risk-return prospects. TCS maintained the highest expected returns across both periods, reflecting strong investor confidence and consistent performance. In contrast, HCL Technologies experienced a sharp decline in expected return, indicating weaker risk-adjusted expectations despite the sector's overall improvement.

Hence, when the parameters are combined it suggests that while stock prices did not move uniformly across firms, the sector as a whole experienced improved returns and significantly lower risk levels. This indicates that the IT sector during the Trump period became more stable and relatively stronger in terms of return performance, even though individual firms responded differently in terms of price movements. Consequently, the results point toward a period of enhanced stability and moderate performance improvement for the IT sector, driven more by firm-specific dynamics than by a uniform sector-wide trend. Combining the results of covariance, beta, and CAPM expected returns, the IT sector appears to have become less sensitive to overall market movements while still maintaining favourable return expectations for most firms. The reduction in covariance and beta for most companies suggests increased stability and lower systematic risk, while the improvement in CAPM expected returns indicates stronger market sentiment toward several IT stocks.

Limitations, Future Scope, and Conclusion

Limitations

a) The research takes into account only five stocks of the Indian IT sector to understand its current state. If more and more stocks of various IT companies are taken, we would get a better picture of the IT Sector.

b) Yearly consumer price index has been used. But a better picture could be found if monthly consumer price index data was used to convert each price individually and later the average price could have been calculated.

c) More parameters can be added to boost the accuracy of the research.

d) Risk free rate of return has been assumed to be 7%, if it was calculated by taking into account each day's return of any long-term government bond, then it would have been more accurate, and even different for each period of time considered in the research.

Scope of Future Research

a) The same research can be extended to various other sectors to know how a particular sector's stocks are behaving in a particular time period.

b) Comparisons can also be made between different sectors in a particular time period using the parameters used in the research.

Conclusion

Although this study employs only seven analytical parameters, it makes use of an extensive dataset to ensure the robustness and reliability of the results. Rather than relying on selective observations, the analysis incorporates daily closing stock price data of each trading day within the two sets of one-year periods considered, thereby ensuring that no relevant information is omitted. By taking into account the complete set of daily observations, the study minimizes the risk of biased conclusions and enhances the overall accuracy of the findings. To manage and process such a large volume of data efficiently, python-based programs were developed specifically for this research, enabling the systematic collection, computation, and analysis of stock price information across the selected time periods. The use of these computational tools allowed the integration of numerous data points and facilitated precise calculations of the chosen parameters, thereby strengthening the methodological rigor and credibility of the study's conclusions.

Three out of the first four parameters indicate that during the Trump era the IT sector has improved its performance, which means there has been a very less impact of the changing macroeconomic situations on the Indian IT sector. The Trump

administration's tariff policies in 2025 did not directly target IT services, but indirectly effected, through broader trade tariffs, visa restrictions, and potential outsourcing taxes which in turn created economic uncertainty and cost pressures for the Indian IT sector, which relies heavily on the US market. The IT sector was more stable in the Trump era compared to the period-before-Trump as per two parameters, that is, beta and covariance, shown by the decreased sensitivity of the stocks considered. Hence, there is an overall improvement in the rate of returns in the IT sector as calculated by the Capital Asset Pricing Model. These conclusions were reached by selecting a sample of five Indian IT companies' stocks and then comparing its returns, price and volatility. Then, through 'finance.yahoo.com' we got the required data (closing price of stocks). After which, python programmes were deployed to deal with the bulky data and to get accurate results.

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Below mentioned links are the Github links in which the deployed codes are stored in the Github repository "https://github.com/shikhajoseph10-cloud?tab=repositories":

https://en.wikipedia.org/wiki/Information_technology_in_India

https://github.com/shikhajoseph10-cloud/Average-Price-of-5-stocks--Inforsys-TCS-Tech-Mahindra-HCL-Technologies-and-Wipro

https://github.com/shikhajoseph10-cloud/Average-rate-of-return-of-TCS-Wipro-Infosys-Tech-Mahindra-and-HCL-Technologies

https://github.com/shikhajoseph10-cloud/Expected-return-as-per-CAPM-Capital-Asset-Pricing-Model-

https://github.com/shikhajoseph10-cloud/Standard-deviation-of-Infosys-Wipro-TCS-Tech-Mahindra-and-HCL-Technologies

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