

## **Investor Sentiment, Profitability and Offer Price Band: Evidence from the Indian IPO Market**

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*Offer price band is a crucial component of the book building process in the Initial Public Offering process of a firm. Extant research shows that investor sentiment plays a prominent role in IPO markets. We therefore suggest that investor sentiment plays a significant role in determining the offer price range. The determinants of offer price band have not been studied in the IPO literature. We fill this lacuna by studying the Indian IPO market. We hypothesise that investor sentiment will positively influence offer price band. We also posit that the profitability of a firm will be inversely related to the offer price band. Our empirical tests support these hypotheses.*

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