

A Project report on Equity Research on different sectors
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I. INTRODUCTION

Equity researchers analyze stocks to help portfolio managers make better-informed investment decisions. Equity researchers employ problem-solving skills, data interpretation, and various other tools to understand and predict a given security's behavioral outlook. Many investment research analysts frequently turn into portfolio managers over time. After all, the goal of virtually all investment analysis is to make an investment decision or advise someone to make one. Analyzing equities and managing equity portfolios are closely linked: That's why most analysts have a good educational background in both equity analysis and subjects like modern portfolio theory (MPT).

The Indian Stock Markets are very complicated. Though there are thousands of Companies that are listed only a few hundred which have the necessary liquidity. Even among these, only some have the growth prospects which are conducive for investment. It is impossible for any individual wishing to invest and sit down and analyze all these intricacies of the market unless he does nothing else.

II. REVIEW OF LITERATURE

Authors: Banhi Guha, Avijan Dutta, and Gautam Bandyopadhyay The risk appetite of investors governs their investment in financial instruments. Persons who are minimum risk takers with return generally park their money in secure instruments but people with a higher risk appetite generally invest in a stock market financial instrument to achieve their financial goal.

Dr.G. Shanmugasundram, D. John Benedict The Sector-based index is designed to provide a single value for the aggregate performance of several companies representing a sector of the economy. This study is an attempt to provide an empirical support to identify the risk factors in sectorial indices and CNX Nifty index and also to see the risk relationship in different time intervals.

Muhammed K. K. Safwan Stock exchanges are major news breakers nowadays its importance is being increased day-by-day. Any economic crisis will have direct impact on performance of stock exchanges. The recent pandemic covid 19 has affected the performance of stock markets worldwide. The Indian stock exchanged ere in a drastic development in recent past. And Indian stock exchange have very bright future perspective as a fast-developing country.

R. Rajesh Ramkumar, M. Selvam The Sectoral Index Analysis of Stock Exchange is also one way of measuring the economic growth. It quantifies the key parameters of economy growth of a country. Further, the analysis of different indices facilitates the Government and Investors to use it as the reference guide. This Paper proposes to test the sectoral indices of BSE and to examine the market efficiency by using the Runs Test and Autocorrelation Test. The study found that the returns of BSE Automobile Index, BSE Bankex, BSE Capital Goods Index, An Analysis of Market Efficiency in Sectoral Indices: A Study with a Special Reference to Bombay Stock Exchange in India.

III. RESEARCH METHODOLOGY

This report is based on secondary data, however secondary data collection was given more importance since it is overbearing factor in attitude studies.

Research is an academic activity and as such the term should be used in technical issue. Research is an original contribution to the existing stock of knowledge made for its advertisement. It is the pursuit of truth with the help of study observation comparison and experiment. In short, the search for knowledge through objective and systematic method of finding solution to a problem is research.

Sample size

The sample size 4 companies are taken for analysis.

- 1) Banking sector
- 2) FMCG sector
- 3) Finance sector
- 4) Automobile sector

IV. DATA ANALYSIS

BANKING SECTOR

HDFC

INTRODUCTION

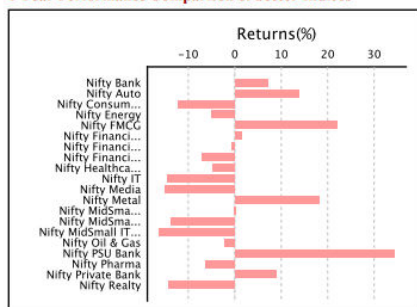
HDFC bank limited is an Indian banking and financial services company headquartered in Mumbai, Maharashtra.

Portfolio Characteristics

Methodology	Periodic Capped Free Float
No. of Constituents	12
Launch Date	September 15, 2003
Base Date	January 01, 2000
Base Value	1000
Calculation Frequency	Real-Time
Index Rebalancing	Semi-Annually

Index Returns (%)	QTD	YTD	1 Year	5 Years	Since Inception
Price Return	-5.42	-5.42	7.06	8.23	17.40
Total Return	-5.42	-5.42	7.93	8.67	18.97

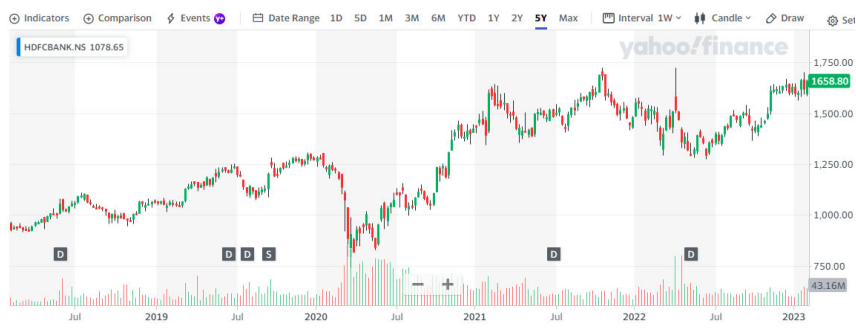
Statistics ##	1 Year	5 Years	Since Inception
Std. Deviation *	21.00	26.44	29.44
Beta (NIFTY 50)	1.11	1.22	1.09
Correlation (NIFTY 50)	0.90	0.90	0.84

1 Year Performance Comparison of Sector Indices**Fundamentals**

P/E	P/B	Dividend Yield
16.21	2.68	0.7

Top constituents by weightage

Company's Name	Weight(%)
HDFC Bank Ltd.	28.66
ICICI Bank Ltd.	23.54
Kotak Mahindra Bank Ltd.	10.18
Axis Bank Ltd.	10.01
State Bank of India	9.85
IndusInd Bank Ltd.	5.91
Bank of Baroda	2.62
AU Small Finance Bank Ltd.	2.49
Federal Bank Ltd.	2.38
Bandhan Bank Ltd.	1.55

**Interpretation**

According to the graph, we can see that there is a huge downfall in the year 2020 because of covid-19 in January. Pre-covid, the price was Rs 1278 but there was a drastic fall in March, 2020. It went down to Rs 813. Throughout the year it had many ups and downs and after that it raised to Rs 1680 in 2021, Post-covid. The current price is Rs 1615.

As per recent survey, more than 60% people recommend buying it.

We can see in above diagram that weightage of HDFC is more as comparison to other banks. The return is also more.

TATA STEEL LIMITED.

INTRODUCTION

Tata Steel Limited is an Indian multinational steel-making company, based in Jamshedpur, Jharkhand and headquartered in Mumbai, Maharashtra. It is a part of the Tata Group.

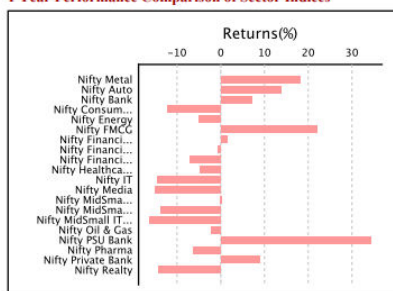
Portfolio Characteristics

Methodology	Periodic Capped Free Float
No. of Constituents	15
Launch Date	July 12, 2011
Base Date	January 01, 2004
Base Value	1000
Calculation Frequency	Real-Time
Index Rebalancing	Semi-Annually

Index Returns (%)	QTD	YTD	1 Year	5 Years	Since Inception
Price Return	-3.79	-3.79	18.18	9.73	10.27
Total Return	-3.77	-3.77	21.66	12.47	12.58

Statistics ##	1 Year	5 Years	Since Inception
Std. Deviation *	31.18	31.53	34.95
Beta (NIFTY 50)	1.20	1.15	1.24
Correlation (NIFTY 50)	0.65	0.71	0.79

1 Year Performance Comparison of Sector Indices



Fundamentals

P/E	P/B	Dividend Yield
10.51	2.11	4.15

Top constituents by weightage

Company's Name	Weight(%)
Tata Steel Ltd.	21.98
Adani Enterprises Ltd.	18.52
Hindalco Industries Ltd.	15.57
JSW Steel Ltd.	15.37
Vedanta Ltd.	8.44
Jindal Steel & Power Ltd.	5.01
APL Apollo Tubes Ltd.	4.48
Steel Authority of India Ltd.	2.98
Hindustan Zinc Ltd.	1.92
National Aluminium Co. Ltd.	1.71



Interpretation

According to the graph, we can see that there is a huge downfall in the year 2020 because of covid-19 in January. Pre-covid, the price was Rs 53 but there was a drastic fall in March,2020. It went down to Rs 26. After covid the prices started increasing in a fast pace but in 2021 it has increased a lot to Rs 154. The current price is Rs 120. It has again decreased.

MAHENDRA & MAHENDRA

INTRODUCTION

Mahindra & Mahindra Limited (M&M) is an Indian multinational automotive manufacturing corporation headquartered in Mumbai. It was established in 1945 as Mahindra & Mohammed and later renamed as Mahindra & Mahindra.

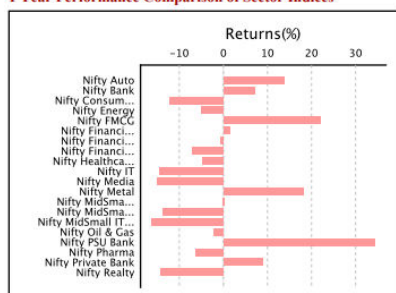
Portfolio Characteristics

Methodology	Periodic Capped Free Float
No. of Constituents	15
Launch Date	July 12, 2011
Base Date	January 01, 2004
Base Value	1000
Calculation Frequency	Real-Time
Index Rebalancing	Semi-Annually

Index Returns (%)	QTD	YTD	1 Year	5 Years	Since Inception
Price Return	5.65	5.65	13.85	2.79	14.52
Total Return	5.65	5.65	15.11	4.06	16.07

Statistics ##	1 Year	5 Years	Since Inception
Std. Deviation *	21.74	25.44	24.09
Beta (NIFTY 50)	0.99	1.05	0.88
Correlation (NIFTY 50)	0.77	0.80	0.81

1 Year Performance Comparison of Sector Indices



Fundamentals

P/E	P/B	Dividend Yield
34.36	5.17	0.96

Top constituents by weightage

Company's Name	Weight(%)
Mahindra & Mahindra Ltd.	20.98
Maruti Suzuki India Ltd.	18.79
Tata Motors Ltd.	12.89
Eicher Motors Ltd.	7.24
Bajaj Auto Ltd.	6.87
Hero MotoCorp Ltd.	5.71
Tube Investments of India Ltd.	4.33
TVS Motor Company Ltd.	3.84
Bharat Forge Ltd.	3.56
Ashok Leyland Ltd.	3.42



Interpretation

According to the graph, we can see that there is a huge downfall in the year 2020 because of covid-19. Pre-covid, the price was Rs 603 but there was a drastic fall in March,2020. It went down to Rs 254. Throughout the year it had many ups and downs and after that it raised to Rs 951 in 2021, post-covid. The current price is Rs 1388.

As per survey, many people still recommend buying it i.e., more than 67%people.

ITC INTRODUCTION

ITC Limited is an Indian conglomerate company headquartered in Kolkata. ITC has a diversified presence across industries such as FMCG, hotels, software, packaging, paperboards, specialty papers and agribusiness.^[9] The company has 13 businesses in 5 segments. It exports its products in 90 countries. Its products are available in 6 million retail outlets.

As of 2019–20, ITC had an annual turnover of US\$10.74 billion and a market capitalization of US\$35 billion. In December 2022, their market cap stood at ₹4,22,447.30 crore. It employs 36,500 people at more than 60 locations across India.

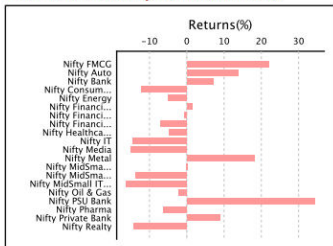
Portfolio Characteristics

Methodology	Periodic Capped Free Float
No. of Constituents	15
Launch Date	September 22, 1999
Base Date	January 01, 1996
Base Value	1000
Calculation Frequency	Real-Time
Index Rebalancing	Semi-Annually

Index Returns (%)	QTD	YTD	1 Year	5 Years	Since Inception
Price Return	0.65	0.65	21.91	10.38	15.03
Total Return	0.65	0.65	24.54	12.22	16.95

Statistics #	1 Year	5 Years	Since Inception
Std. Deviation *	16.01	17.51	22.07
Beta (NIFTY 50)	0.66	0.65	0.69
Correlation (NIFTY 50)	0.70	0.72	0.73

1 Year Performance Comparison of Sector Indices



Fundamentals

P/E	P/B	Dividend Yield
40.74	10.79	1.79

Top constituents by weightage

Company's Name	Weight(%)
ITC Ltd.	32.39
Hindustan Unilever Ltd.	24.00
Nestle India Ltd.	7.08
Britannia Industries Ltd.	6.23
Tata Consumer Products Ltd.	5.39
Godrej Consumer Products Ltd.	4.23
Dabur India Ltd.	3.87
Varun Beverages Ltd.	3.28
Marico Ltd.	3.15
United Spirits Ltd.	2.80



Interpretation

According to the graph, we can see that the price at the beginning of covid in March,2020 was Rs 168. During covid the price was around Rs 202.

So, we can say that FMCG was the least affected because people were following the rules of lockdown and they also needed all the necessary products for their daily use. The current price is Rs 380.

As per survey, many people still recommend buying it i.e., more than 85% people.

V. FINDINGS AND SUGGESTIONS

Investors would be able to achieve when the returns of shares and debentures Resultant would be known as diversified portfolio. Thus, portfolio construction would address itself to three major via, selectivity, timing and diversification. In case of portfolio management, negatively correlated assets are most profitable. A rational investor would constantly examine his chosen portfolio both for average return and risk. The total Gross profit table is showing the gradual increase from 2022 but a down fall is recorded in 2019.2018 gross profit is remarkable good and now at present the company is regarded as good company now on wards. The equity share capital table is showing the graph which is equal in all the years. The total equity share capital is recommendable good and more profitable for the company.

VI. CONCLUSIONS

Fundamental approach is valid and can produce superior returns to investors who are committing funds in equity shares in Indian stock market on a long-term perspective. Investors should assess the relative performance of the economy. The linkage of the Indian stock market system with the external world, real economic activities in the country, capital intensity in the industry, earnings growth of individual firms, all are worth to consider for assessing the actual worth of a stock. Size effect is visible and investment in medium/small segments delivers better returns than the returns by large cap stocks.

We can conclude by seeing all the graph and table in which company we can invest money or hold the share and buy the shares.

Books referred:

Investment Analysis and Portfolio Management, written by Ranganathan, R. Madhumathi published by Dorling Kindersley (India) Pvt.Ltd., 3rd Edition.

Investment Analysis and Portfolio Management, written by Prasanna Chandra Published by Tata McGraw-Hill, 3rd Edition.

Security Analysis and Portfolio Management, written by V.A.Avadhani, Published by Himalaya Publishing house Pvt.Ltd.9th Revised Edition.

Security Analysis and Portfolio Management, published by McGraw-Hill, Written by Punithavathi Pandian, 8th Edition.

Website:

1. http://www.answers.com/topics/national_stock_exchange_of_india.
2. http://www.answers.com/topics/bombay_stock_exchange_of_india.
3. <http://www.moneycontrol.com/nifty/nse>
4. <http://www.moneycontrol.com/sensex/bse>
5. <http://www.iifl.com>