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A STUDY ON EQUITY ANALYSIS AND RISK MANAGEMENT IN NSE STOCK ANGEL BROKING

[1]Y.SRAVANI, [2]CHERUKUPALLY.NARENDRA KUMAR, [3]RACHAPUDI HARISH CHANDRA
[1]MBA Student, [2]Associate professor: [3]Associate Professor & HOD
DEPARTMENT OF MBA
ELLENKI INSTITUTE OF ENGINEERING AND TECHNOLOGY Patelguda (V), Near BHEL, Patancheru (M), Medak (D).

ABSTRACT

All investment decisions revolve around the trade-off between risk and return. All rational investors want a substantial return from their investment. An ability to understand, measure and properly manage investment risk is fundamental to any intelligent investor or a speculator. Frequently, the risk associated with security investment is ignored and only the rewards are emphasized. An investor who does not fully appreciate the risks in security investments will find it difficult to obtain continuing positive results.

1. INTRODUCTION

There is a positive relationship between the amount of risk and the amount of expected return i.e., the greater the risk, the larger the expected return and larger the chances of substantial loss. One of the most difficult problems for an investor is to estimate the highest level of risk he is able to assume. To find the right choice of a security or portfolio to a theorist, it depends upon the level of risk that the stock passes on. An estimation of the peril return profile of a security or portfolio is a noteworthy point of view in hypothesis the officials. The protections trade research will empower one to overview the possible peril of a stock against the potential rewards the stock may offer. The present examination in this setting is noteworthy in explaining the balance among danger and return in the Indian worth promote. It will help the accomplices with taking appropriate decision concerning the period of theory, horizon of endeavor, quantum of endeavor and even portfolio decision.

2. NEED OF THE STUDY

Protections trade research is major to incredible cash related and hypothesis fundamental authority. It will likely choose the market cost and trading volume for the stock, high and ease for the stock over different periods and the pay for the association.

3. OBJECTIVES OF THE STUDY

(1) To find whether distributional risk variables, namely, the variance of the return, standard deviation of the return ,have any significant relationship with average rate of return on equity shares

(2) To ascertain whether security-market return have any significant relation with average rate of return on equities.

(3)To know the correlation between the averages and also standard deviation of the sample company returns in the mean time,

(4) To identify whether market related risk, Beta.

(5) To ascertain the informational efficiency of the Indian stock market in explaining the return behavior in monthly form.

4. SCOPE OF THE STUDY

• The analysis is focused on 5 companies.
• The study is merely for academic purpose.
• Study restricted to a smaller sample size because of lack of time and resources.
• The recommendations made may not be a perfect prediction of the future as technical analysis is not an absolutely accurate practice.
• The all portfolio consists of risky assets there no risk-free assets.
• Risky assets consist of equity shares and whereas risk-free assets consist of investments in the saving bank account, deposits, treasury bills, bonds equity etc., • The holding period for risky assets was for one month period i.e. shares were assumed to be purchased at the first day and sold at the second consecutive day and average return for one month is considered.
• An equal no of shares i.e. I (one) share of each script is assumed to be purchased from the secondary market.

5. LIMITATIONS OF THE STUDY

- The study is constrained to limited sectors only
- Technical analysis only is used.
- This study is based on secondary data only and not on primary data.
- Time is the another limitation.

6. RESEARCH METHODOLOGY

This report is based on primary as well secondary data, however primary data collection was given more

7. DATA ANALYSIS

correlation between the standard deviation of different companies

	ONGC	BHEL	HLL	RELI	TCS
2014-15	8.484911	14.79735	7.541474	6.196386	6.134322
2015-16	8.122775	15.25713	4.128843	7.282636	5.790189
2016-17	5.375703	8.197576	3.380619	6.258473	4.852466
2017-18	7.253044	10.01695	5.79027	7.657503	8.945742
2018-19	7.595569	9.079945	4.737534	9.022838	5.962597

	ONGC	BHEL	HLL	RELI	TCS
ONGC	1				
BHEL	0.811288	1			
HLL	0.758118	0.465483	1		
RELI	0.084593	-0.32248	-0.16808	1	
TCS	0.216181	-0.05834	0.454032	0.288804	1

INTERPRETATION:

Here after the correlation BHEL with ONGC, HLL with ONGC and BHEL, RELI with ONGC, TCS with ONGC, HLL and RELI have the positive correlation.

Importance since it is overhearing factor in attitude studies. One of the most important users of methodology is that it helps in identifying the problem, collecting, analyzing the required information data and providing an alternative solution to the problem .it also helps in collecting the vital information that is required by the top management to assist them for the better decision making both day to day decision and critical ones.

Data source:

The data source utilized to undertake the project is based on secondary data.

Secondary Source of Data:

The data collection method from books, journals, companies reports, newspapers, magazines, various web sites.

Tools and Techniques:

The kinds of tools and techniques which are used in portfolio management are Average Return, Standard Deviations, mean, median

8. FINDINGS

CONSOLIDATED RATE OF RETURNS

- From the above calculation of correlation of the averages only ONGC and BHEL, HLL and TCS have the positive correlation and the remaining has the negative correlation.

CONSOLIDATED RECORDED RISK

- Here after the correlation BHEL with ONGC, HLL with ONGC and BHEL, RELI with ONGC, TCS with ONGC, HLL and RELI have the positive correlation.

MARKET RISK

- In 2018-19 only reliance shares was in falling stage and remaining 4 companies are in good stage and among them BHEL stands with the high beta value of 1.467.
- In 2017-18 also reliance shares is in the falling stage and remaining 4 companies are in the good stage.
- In 2016-17 only ONGC shares is in the falling stage and remaining 4 companies stood at good stage.
- In 2015-16 no company is in the falling stage.
- In 2014-15 no company is in falling stage and BHEL stands in the high market risk of 2.6415.

9. SUGGESTIONS

- A range bound market isn't an opportunity to frenzy sell. However, it might be a perfect time
- to reduce, particularly in case you're a file speculator. Genuine, the market may deliver yearly returns of around 10%, however that is just a normal. It doesn't occur each year, and there have been various years when the business sectors turned around.
- There are two essential purposes behind raising money during a period of market vulnerability:

To shield at any rate some portion of your portfolio from potential market decays, and

- To raise money to purchase stock when the market plunges.
- By holding the greater part of your present stock positions, you'll profit by a market upswing. Be that as it may, by structure up your money position, you'll be in a great position to build your stock possessions if the market decays.

10.CONCLUSIONS

A standout amongst the best places to hide in an unpredictable financial exchange is in high profit stocks. The profits themselves give something of a pad. Despite the fact that the cost of the basic stock may fall, regardless you're procuring consistent profit pay. In any case, the pay likewise balances out the cost. All things considered, in a market where capital gratefulness is less sure, pay turns out to be increasingly significant. Speculators are normally attracted to the unwavering quality of profit salary,

which can serve to limit stock value decreases. One gathering of stocks worth examining are alluded to as "Profit Aristocrats". As indicated by the site Sure Dividend, Dividend Aristocrats are drawn from the S&P 500, must meet certain size and liquidity prerequisites, and have in any event 25 successive long periods of profit increments. There are right now 57 stocks on the rundown.

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