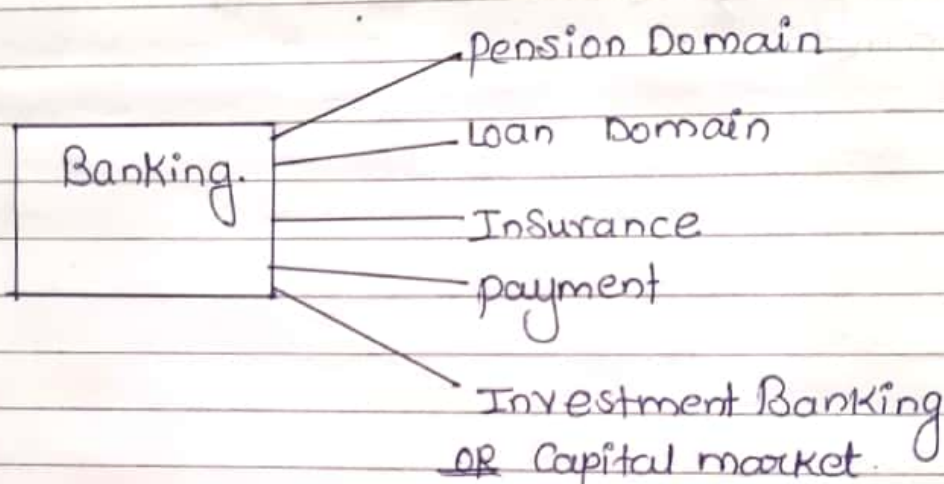


* Investment Banking :-

An Investment Banking is a special segment of Banking operation that helps individuals or organisation to raise their capital and provide financial consultancy services to them.

They Act as intermediators between security issuers and investors.



NORMAL BANK	INVESTMENT BANK
① All transaction Based on cash	All transaction Based on shares.
② Here we first Deposit then withdraw	Here we first Buy share then sell it
③ Here transaction charges get to Bank	Here Brokerage get to IB
④ Here Saving or current Account is Required	Here DEMAT Account is Required.
⑤ Here RBI Keep Look on Bank	Here NSE Keep look on All IB's
⑥ Here Loan is Provided	Here margin is provided.

* Business Flow :-

Project Domain:- Investment Banking.

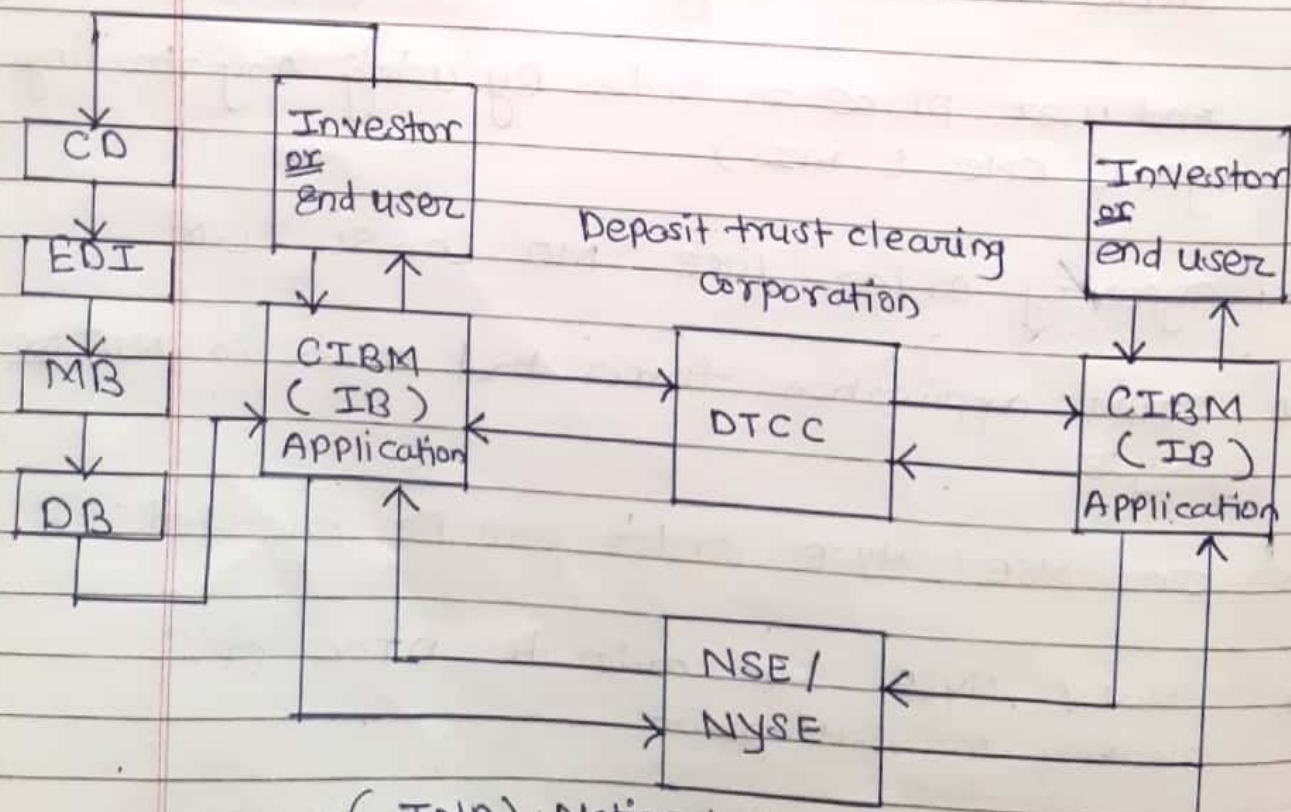
Project Names:- Canadian Imperial Bank of Commerce management (CIBM)

Client Name :- CIBM

Client Business :- CIBM Bank has various functions like Equity, Intraday Derivative (Future & options), Currency commodity.

CIBM act as consultant for an Two company merge/acquisition consultant

* ~~Technical~~ Technical Flow :-



(IND) National stock exchange
(U S) New York stock exchange

NSE :- National stock Exchange is an Indian stock market which is located at Mumbai. Trading time :- 9am to 3:30 pm

NYSE :- New York Stock Exchange is an American stock market which is located at New York.

Trading Time → 9:30 AM to 4 PM

* Investor / End user / Buyer want to Invest into Share market, then these Investor Comes to your Broker firm (Particular IB)
In our case it is CIBM.

* CIBM provide UN, PW, client ID to Particular Registered client

* Broker firm provide 2 types of account

1) DMAT account : Share / stock / equities

2) Trading account : Money handling.

* End user Search for Particular share and After that they place an order

* CIBM application is always connected with the share market through Service & API

* End user place an order By using Any trading type (CNC & MIS)

* Types of order like MO LO SL SL-M

* CIBM application throw that order in NSE or NYSE

* In NSE / NYSE order will be executed.

* NSE / NYSE send order to DTCC or clearing & settlement

* DTCC works for cash & security handling.

* Method of Investing in Share market

① Equity

~~Future~~
Option

② Derivatives

Future

Option

*** Equity :-

Equity is nothing but the total capital market of company is divided by equal unit.

$$1 \text{ Equity} = \frac{\text{total market of company}}{\text{equal unit}}$$

OR

A stock market, Equity market or share market is the aggregation of buyers and sellers of stocks, which represent ownership of claims on Businesses.

Investment in stock market is most often done via stockbrokerages and electronic trading platforms.

In Equity two types of stocks are available

① Common Stock (CS)

② Preferred Stock (PS)

Equity

↓
Preferred Stock

[MIS]

Margin ~~and~~ Intraday Square off

↓
Common Stock

[CNC]

Cash & carry

* Common Stock :-

The shares that are regularly traded in the stock markets every day are common stock.

owning shares of a company gives investors the rights to the profits of the company in the form of dividends.

The risk-reward ratio is high for common stock.

common stock investors also get voting rights depending on how many stocks they own in proportion to the total number of shares that the company has issued.

The voting rights enables shareholders to elect members of the board of directors.

common stock holders are last in line when the company is going in for liquidation

Preference ~~stocks~~ shareholders are given priority ahead ~~is~~ of common stockholders and this is important difference between common stock Vs preferred stock.

point's to remember :

- * In common stock the ammount required to buy particular no of stock are completely required.

$$\text{eg:- } 100 \times 100 = 10,000$$

↑
Stock No

↑
~~Stock~~ Price
of each stock

↑
Total
Price

- * In common stock IB will not be provide margin to the buyres
- * They are not going to involve where Intraday , Future & Options
- * Here we do first buy and then sell (FBTS)

eg:- common stock

ORTIN LAB - Common stock

JAMNA AUTO - Common stock

- * Common stock we can buy and sell at any time.
- * Duration of common stock in 1-Month.

Common stock

↓
C N E

cash & carry

↓
F.B.T.S

① MO (Market order)

%- A market order is an order to buy or sell a stock at market's current price.

It's bit like buying a product without negotiating.

② Limit order (LO)

%- A limit order is an order to buy or sell a stock with a restriction on the maximum price to be paid or the minimum price to be received.

A limit order may be appropriate when you think you can buy at a price lower than or sell at a price higher than the current price.

③ Stop Loss (SL)

%- A stop-loss order is an order placed with a broker to buy or sell a specific stock once the stock reaches a certain price.

④ Stop-Loss Market (SL-M)

%- In a stop-loss market order, we have to buy share at market price but we can set trigger price (selling price) for that particular stock.

order Type \ display	Quantity	Price	Trigger price
MO	✓	x	x
LO	✓	✓	x
SL	✓	✓	✓
SL-M	✓	x	✓

No. of shares To Buy.	Price of single share to Buy set by user	Price set by user To sell out share
10	100	100
20	100	100
30	100	100
40	100	100
50	100	100
60	100	100
70	100	100
80	100	100
90	100	100
100	100	100

* Suppose xyz share has current price 150

LO \rightarrow 145

user wants to buy
it when its price
down to 145

Stop Loss set by
user to sell
that share

SL-M \rightarrow 150 145

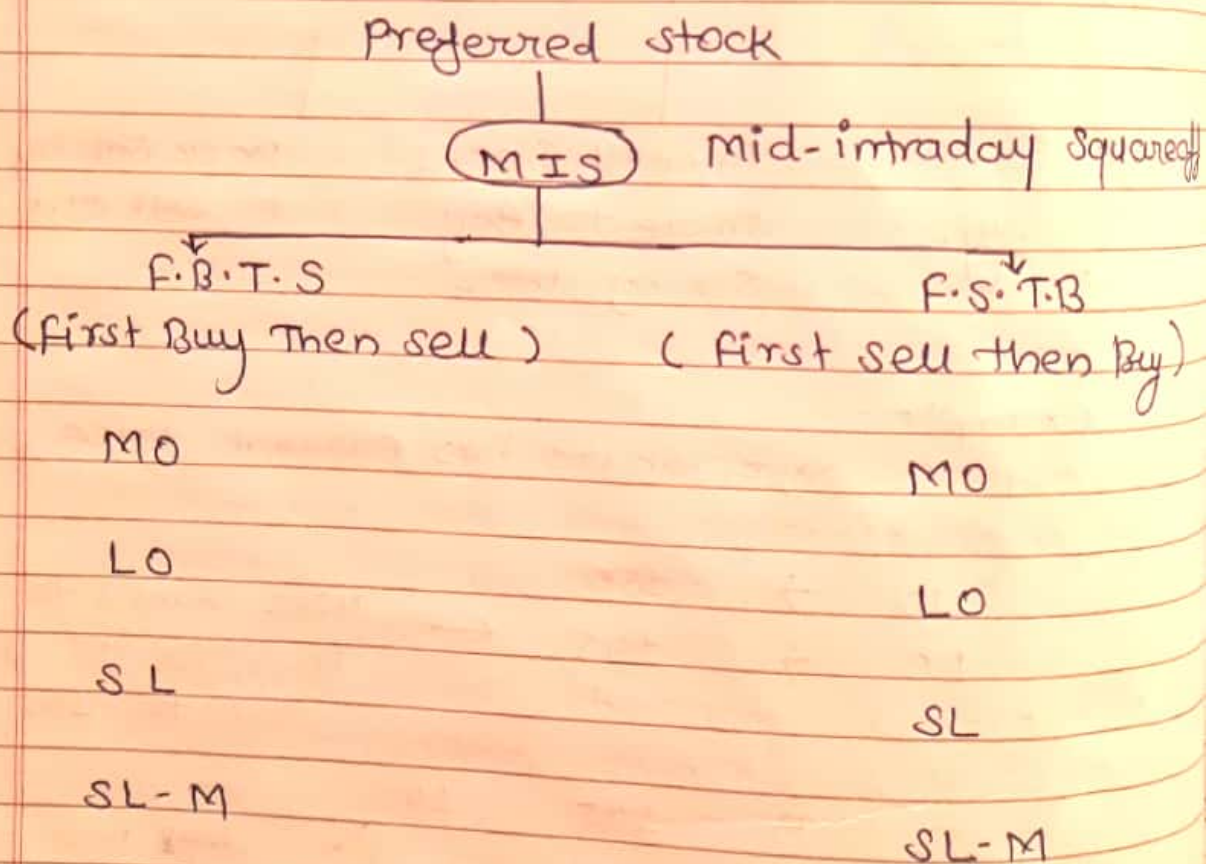
set stop loss for market price.

* Preferred Stock :-

In preferred stock IB will provide you margin and also they are going to be involved in Intraday, Future, options

Preferred stock gives no voting rights to shareholders

The risk-reward ratio is low for preferred stock



* In Preferred stock margin is provided By Investment Bank.

* Based on IB Bank ratio margin is provided to Buyer/seller

** Bid price :- The price at which Buyer want to Buy that particular share.

* Offer price :- Seller want to sell at a particular price

eg:- of Preferred stock:

SBIN

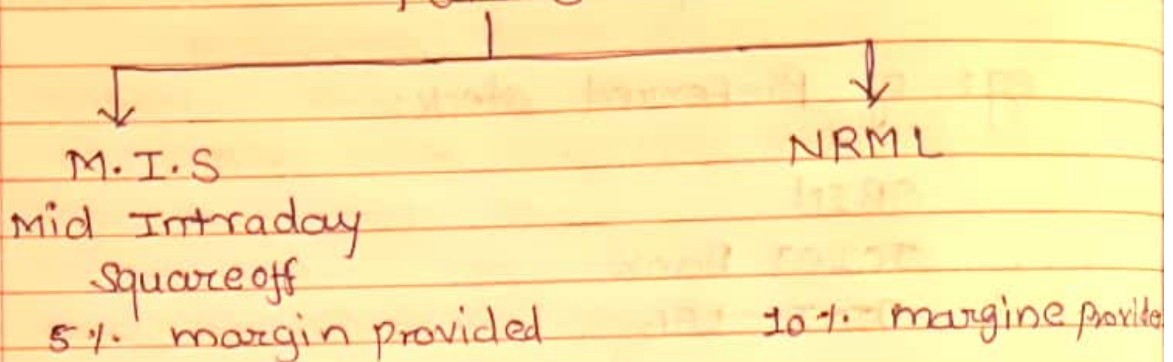
ICICI Bank

DIYIS LAB

Example:- FSTB

MO	150	
LO	151	
SL	152	155
MSL	150	152

*** Derivative :- A derivative is a contract between two parties which derives its value from underlying asset. The most common types of derivatives are future and option



* ** Future :- it is financial contract between Buyer and Seller.

In Future you can Buy in only lots you have to Buy whole lot.

Ex:- Suppose 1 lot contain 3000 share then you can Buy Multiple of it means 6000, 12000, 9000

Month's Last Thursday is exp date of it (particular month's Last Thursday)

Lot size depend upon market price

eg: PNB

Rate = 200

1 LOT = 50

Total amount = 200×50
= 10,000 ₹

- if profit is get in whole transection then IB gives that profit to customer.
- if it gets Loss then it removed money from our 10% money provide at the time of buying shares.

MIS : FBTS & FSTB Total 8 Senario
NRML : FBTS & FSTB — 11 —

egs -

MIS	NRML
PNB: Rate = 200/Share	PNB: Rate = 200/Share
Lot size = 50	Lot size = 50
Total cost = 10,000	Total cost = 10,000
Buyer = 500	Buyer = 1000
IB = 9500	IB = 9000

* Realised profit & unrealised profit

Price	quantity				
300	3000				
Rate ↘					
301	302	303	308	300.05	
+3000	+6000	+9000	+12000	+150	
unrealised profit					Realised profit
299	298	297	295	298	
-3000	-6000	-9000	-12000	-6000	
unrealised Loss					Realised Loss

* Options :- it is the financial contract between Buyer and Seller.

Here we can Buy and sell the shares in the form of Call & Put

CE Call :- When the price is Increasing then we have to buy the call

PE Put :- when the price is Decreasing then we have to buy the put

eg:- current share price = 300
lot size = 3000

If we take Call At

310 call 30000

320 call 60000

PUT

290 -30000

280 -60000

$$\text{call} \propto \frac{1}{\text{PUT}}$$

PUT

Stock

call

Decrease

Increase

Increase

Increase

Decrease

Decrease

*** Trading Life cycle:-

order	Front Office	Middle Office	Back Office	D-mat Account
	order capture	validation Booking	clearing settlement against cash	
Execution	order indication	Treasury management	Securities mail	

1) order capture / order indication

Here order has been placed like Buy/Sell Trading Type like CNC & MIS
CIBM application does order capturing & indication

2) In Middle office order validation, order management, Booking, Treasury management is done.

3) Back office is use for clearing and settlement against cash

*** Trading Account & DMAT account

A Trading account is used to place Buy or sell orders in the stock market.

A DMAT account is used to as a Bank where shares bought are deposited in and where shares sold are taken from trading account

* IPO (Initial public offering)

Company who want money from market then this company will sell their stock. These sell for first to public this is called IPO.

We have to buy IPO in lot size and Amount is fixed by (NSE/BSE)

* Mutual Fund (MF)

A mutual fund is company that pools money from many investors and invests the money in securities such as stocks, bonds and short-term debt.

Investors buy mutual funds. Each share represents an investor's part ownership in the fund and income it generates.

→ Mutual Fund Brokerage company are

ICICI Funds Name ICICI Mid-cap

SBI Funds Name SBI Blue chip fund

SBI magnum midcap

→ Mutual Funds are two types

OR we can invest in mutual funds by two way

1) One time Investment

2) SIP (Systematic Investment plan)

One Time Investment means in the form of Bulk amount

SIP means monthly Investment.

Page No.			
Date			

SIP Means Systematic Investment, Here monthly we can Invest In MF

* AMO (After market order)

AMO is used for placing orders for Next day's trading. These orders can be placed post the market hours.

This is ~~esse~~ especially helpful for people who can't actively track the markets during the live session 9.15 to 3.30 pm