

REGION 2 - 36267 - LIGHTHOUSE FINANCES

AMITY INTERNATIONAL SCHOOL , SAKET



Team Leader - Sukriti Gupta

Team members-

- 1. Aviral Agarwal**
- 2. Keshav Gupta**
- 3. Kunaal Gautam**
- 4. Kusharg Gulati**
- 5. Sapriya Sharma**
- 6. Suhani Malik**

1. INVESTMENT STRATEGY

On the basis of our analysis we concluded that our client, Reshma Sohoni has a high-risk appetite and looks for both long and short term investments, to fulfill her goals. Considering this, we have invested more than 70% of her portfolio in the most suitable sectors. This was done by applying appropriate strategies and modes of analysis to different economies and sectors. To suit the special conditions presented by the Brazilian economy, we followed a **Top-Down** approach, while buying IRBR3. On the contrary, a **Bottom-Up** approach was used for purchasing stocks like Atul Ltd.

After comparing a company's fundamental ratios to that of the industry average, and understanding them in the ad hoc context (For instance: studying the company's debt on the basis of whether it's a growth or value stock; evaluating **ROE in relation to D/E ratio**), we used quantitative factors like-

- **Earnings per share(EPS)**
- **Price/Earnings to Growth (PEG)**
- **Operating Cash Flow**
- **Compounded Annual Growth Rate (CAGR)**

To provide us an insight into the valuation of a specific company, following which, our **position sizing** was calculated. Furthermore, the company's **compounded profit** and revenue growth over the last 10 years and the past few quarters helped us to analyse its performance, and predict its future growth. While we focused on **fundamental analysis**, in conjunction with the **quantitative approach** to ascertain the true intrinsic value of the stock; **technical analysis** was employed to identify the right entry and exit points.

Under this approach, we took into account the following-**Candle Charts**- Candles are just one weapon, albeit a powerful one, to use in trading battles. We used Western technical techniques along with them to derive fruitful conclusions.,**Trend indicators** (oscillators) such as **Moving Average Convergence Divergence** (MACD) were used to determine the direction in which the market was headed.

- **Momentum Indicators** were used to able to identify **momentum stocks**. These indicators show the rate of change in price movement over a period of time to help us determine the strength of a trend.

INDIAN ECONOMY	US ECONOMY	BRAZILIAN ECONOMY
Although one of the fastest growing economies, we found that investing in only a selective number of sectors would be beneficial, keeping in mind the current economic slowdown.	We found that the US economic strength supports the bull market in equities. Additionally, the leading Economic Index confirms that expansion is still underway. This is why we carefully shortlisted the most beneficial sectors and industries.	This market continues to remain one of the top emerging markets. Brazilian Economy is recovering fast and banks are anticipating this. Big private sector banks will also get more involved in long-term infrastructure financing as a reduction of the benchmark interest rate which could help boost banks' long-term profitability in

2. TEAM DECISION MAKING- Originally, work was divided amongst the team members who took up sectors according to their personal interests and inclinations. For the purpose of organised and rational communication, we developed a system, and called it DEFCON(Defense Condition Readiness System). The system is divided into 3 levels depending on the urgency of the situation.

LEVEL	TEAM MEMBERS REQUIRED	DESCRIPTION
Defcon 1	Team Leader, Available member(s)	Immediate action required towards a specific trade (suitable entry/ exit points)
Defcon 2	Team Leader, Sector head, Voluntary member(s)	Special case scenarios: Reactions to certain anomalies observed
Defcon 3	All members	Complete analysis required during initial selection process

3.TOP STOCK HOLDINGS

1.IRB Brasil Resseguros SA 2. Atul ltd. 3. Alphabet Inc. 4.Infosys 5.Mastercard