

કાર્યક્રમ અને માનવસતી એવી એવી Sums :-

Latest year - 2019

Enterprise value \rightarrow M. Cap + Debt - Cash & cash Equivalents.

EBITDA \rightarrow Earnings before Interest Tax Depreciation & Amortization

EV / EBITDA	$\frac{EV}{EBITDA}$	0	4	6 to 10	15	20
		Avoid	Neutral	good to buy	Fair	over valued.

Growth in EBITDA \rightarrow $\frac{\text{Latest year EBITDA} - \text{Past year EBITDA}}{\text{Past year EBITDA}} \times [100]$

Avg. 3 year growth in EBITDA CAGR \rightarrow $\frac{\text{Past year 1 EBITDA} + \text{Past year 2 EBITDA} + \text{Past year 3 EBITDA}}{3}$

Expected EBITDA \rightarrow $\frac{\text{Latest year EBITDA}_{2019}}{\text{EBITDA}} \times [\frac{3 \text{ year CAGR} + 100}{100}] \times 100$

Forecasted EV \rightarrow $\frac{\text{Expected EBITDA} \times \text{EV/EBITDA}_{(2019)}}{\text{Latest year}} - \text{Total Debt.}$

Target price \rightarrow $\frac{\text{Forecasted Enterprise value}}{\text{Total outstanding shares}}$

Entry price \rightarrow Target price $\div 0.67$ or 0.63 .

Free cash flow \rightarrow Cash flow from operations - [Purchase of fixed Assets + Sales of fixed Assets]

Cash flow \rightarrow Cash flow from operation - Net investment in Fixed assets.

Debt to Equity \rightarrow $\frac{\text{Long term Loans}}{\text{Share holder's funds}} = \text{Liquidity ratio.}$

Current ratio \rightarrow $\frac{\text{Total current Assets}}{\text{Total current Liabilities}} = \text{Solvency Ratio}$

P/E Ratio \rightarrow $\frac{\text{Price to Earnings Ratio.}}{\text{Market Price per Share}} = \text{Valuation ratio}$

EPS



Earning per share = $\frac{\text{Profit After Tax [PAT/EA]}}{\text{No. of outstanding shares}}$

ROCE



Return on Capital Employed

Profitability Ratio

$\text{EBIT} \div [\text{Capital Employed}] \times 100$

Capital Employed

Share holder's fund + Non. Current Liabilities

Dividend Yield



$\frac{\text{Dividend}}{\text{Market Price per Share}}$

Notes :-

All other Ratio good & P/E Down	= Buy
" " " Bad & " "	= Avoid
" " " Good & " Up	= Buy
" " " Bad & " "	= Avoid

Dangerous → Negative cash flow from operating activities.

Good or Neutral



Negative cash flow from investing activities means that Company sold less & invest more.

Good or Neutral



Negative cash flow from financing activities means that the Company repaid the money they borrowed OR they paid Dividend or interests.

Activity Ratio
Inventory Ratio

$\frac{\text{Cost of goods sold}}{\text{Average inventory}} = \text{Higher} = \text{better}$

Reserves to Share Capital

Increasing reserves than share capital is good. Higher = better chance of bonus or dividend.

Price to Book Value

$\frac{\text{Price per share}}{\text{Book value per share}}$

ROE = Return on Equity

TTM = Trailing Twelve months

Share Capital

$\frac{\text{Face value} \times \text{No. of shares}}{5 \text{ year}} = 5 \text{ year Avg.}$

Book Value

$\frac{\text{Fangible assets - Liabilities}}{\text{No. of outstanding shares}} \text{ MRP} = \text{most recent quarter}$

* Indicators *

There are so many indicators to indicate the market or stock prices for future.

* But we will not describe all indicators here, some are lagging indicators and some are leading indicators.

* Main indicators which are helpful most :-

- 1) Moving Averages (SMA | EMA)
- 2) MACD (Moving Avg. Convergence Divergence)
- 3) RSI (Relative Strength Index)
- 4) Volume
- 5) Bollinger Bands
- 6) Fibonacci Retracement.

1) A) Simple moving Avg. \Rightarrow It is calculated as avg of closing price of selected time period.

SMA = simple weightage.

Ex. Day Closing Price Weightage

M	80	1	$SMA = \frac{445}{5}$
T	90	1	
W	85	1	$\downarrow = 89$
T	90	1	
F	100	1	
	<u>445</u>	<u>5</u>	

(B) Exponential moving Avg. \Rightarrow It is calculated as same of SMA, But weightages are higher in recent.

Ex.

Day Closing Price Weightage

M	80	1	$EMA = \frac{(80 \times 1) + (90 \times 2) + (85 \times 3) + (90 \times 4) + (100 \times 5)}{15}$
T	90	2	
W	85	3	$= 80 + 180 + 255 + 360 + 500$
T	90	4	
F	100	5	$= 1935$
	<u>445</u>	<u>15</u>	$\downarrow = 91.66$

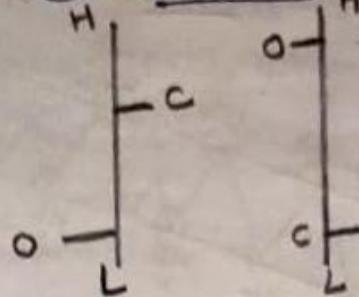
there are three types of **CHARTS :-**

① Line chart



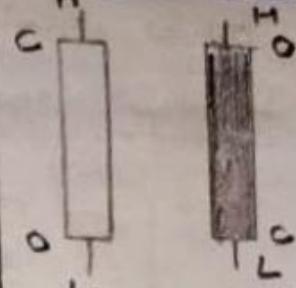
Line chart shows closing price of the time period. It is helpful to check the trend only.

② Bar chart



Easy to study.
But feel Awkward to study and in look like.

③ Candle stick chart



Black = Red
white = green.

Easy to study and good to look like with no Disadvantages.

Technical analysis is the method which provides future price by evaluating past price & volume and stock performance with chart patterns & indicators.

* What are volume?

⇒ Volume are No. of shares which change the hands during the day. If volume increasing day by day then it's a good signal.

* Intraday ⇒ close a trade in a same day.

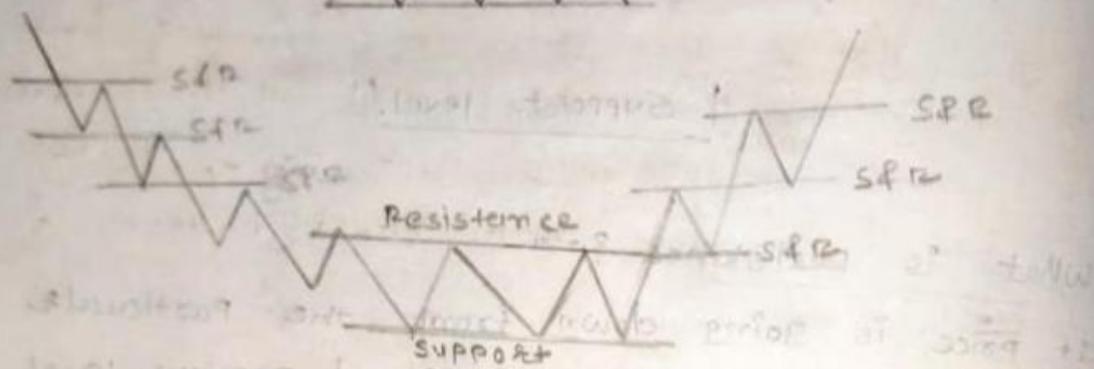
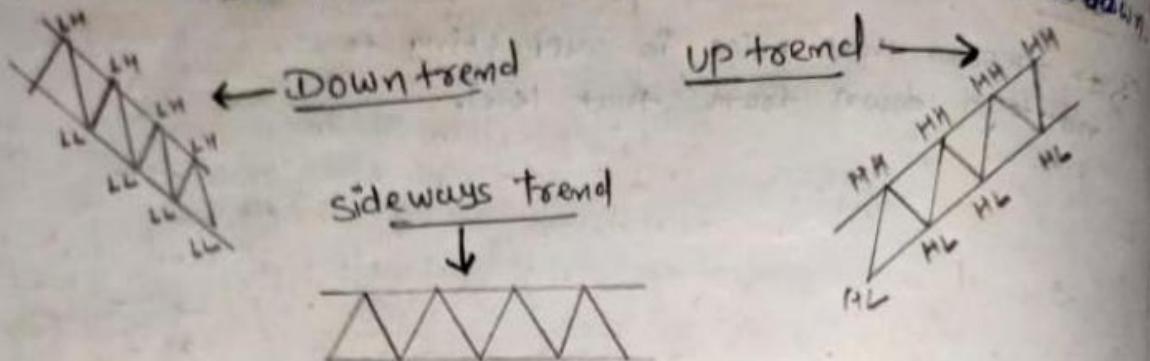
Short term ⇒ Holding 1 to 3 months.

Mid term ⇒ Holding 3 months to 1 year.

Long term ⇒ Holding more than 1 year.

* Trend change & Breakout or Breakdown :-

- ⇒ Trend changing is that the current trend is over and new trend is started.
- ⇒ Trend change possible with breakout and breakdown



Hence, showing Sideways trend, Up trend, Down trend with different Support & Resistance level.

In second drawing, showing the price & level become a support level Act like resistance and Resistance Act like support.

- * There are so many types of candle sticks
But use only main which are help more.

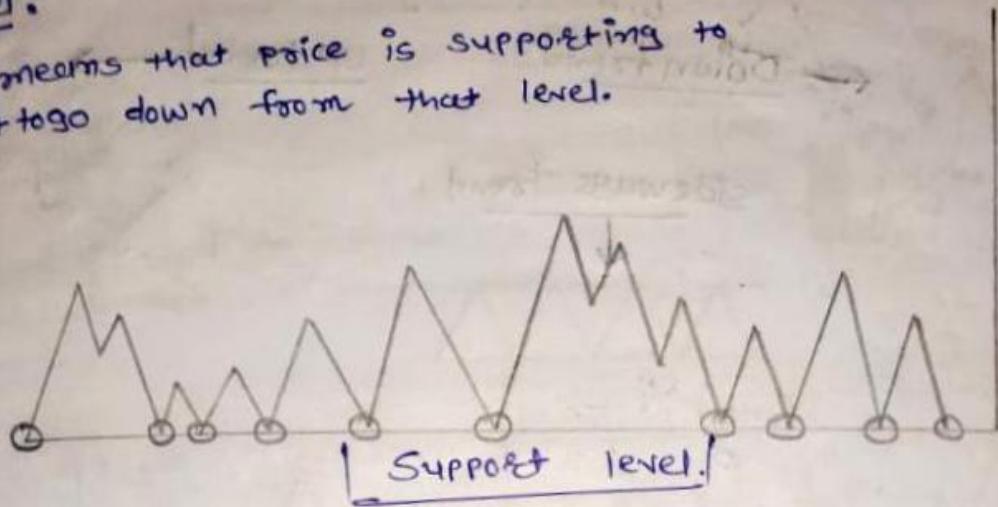
- | | |
|------------------------------|----------------------------------|
| (A) Bullish Engulfing | (B) Bearish Engulfing |
| (C) Bullish Harami | (D) Bearish Harami |
| (E) Morning Star | (F) Evening Star |
| (G) Hammer & Inverted Hammer | (H) Hanging man & shooting star. |
- (I) DOJI

SUPPORT AND Resistance

* What is support level?

⇒ If price is going up and then reverse, again price up from the same level, when past level pushed the price to go up is called as support level.

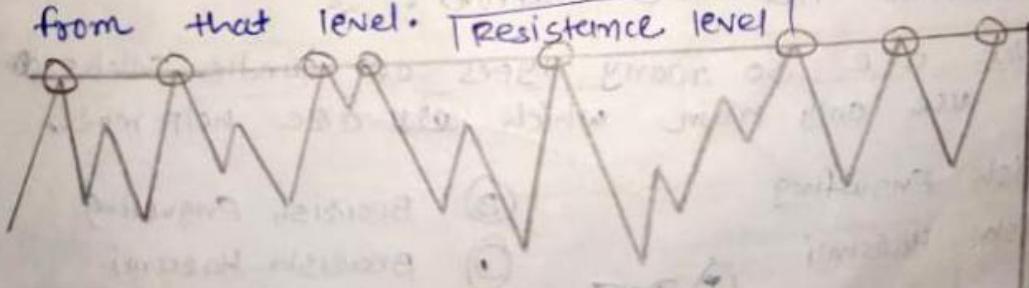
⇒ It means that price is supporting to not go down from that level.



* What is resistance?

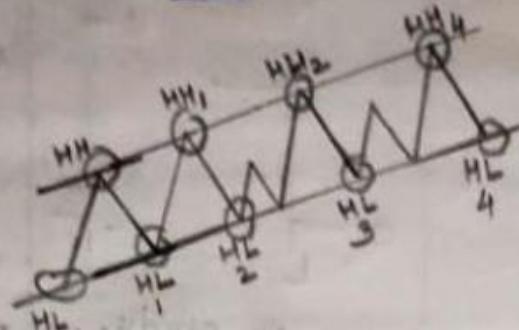
⇒ If price is going down from the particular almost from the same range and previous level rejection, the price is called as resistance level.

⇒ It means that price is continuously rejected for not to push it up side from that level. [Resistance level]

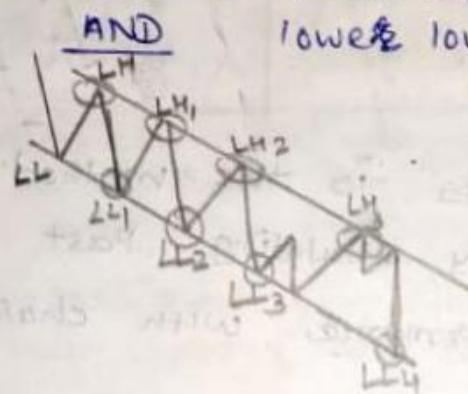


* These are three types of Trend :-

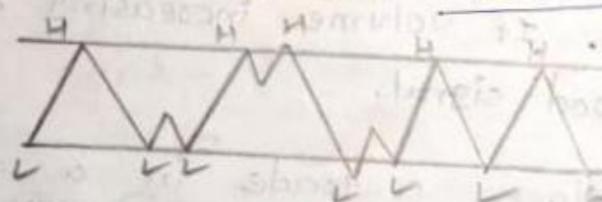
(A) Up Trend :- It's have higher highs.
AND higher lows.



(B) Down Trend :- It's have lower highs
AND lower lows.



(C) sideways Trend :- Highs and lows are almost in the same range.

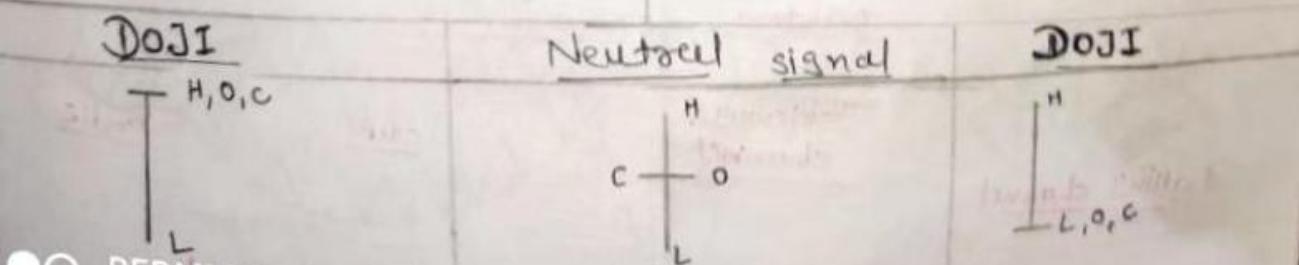
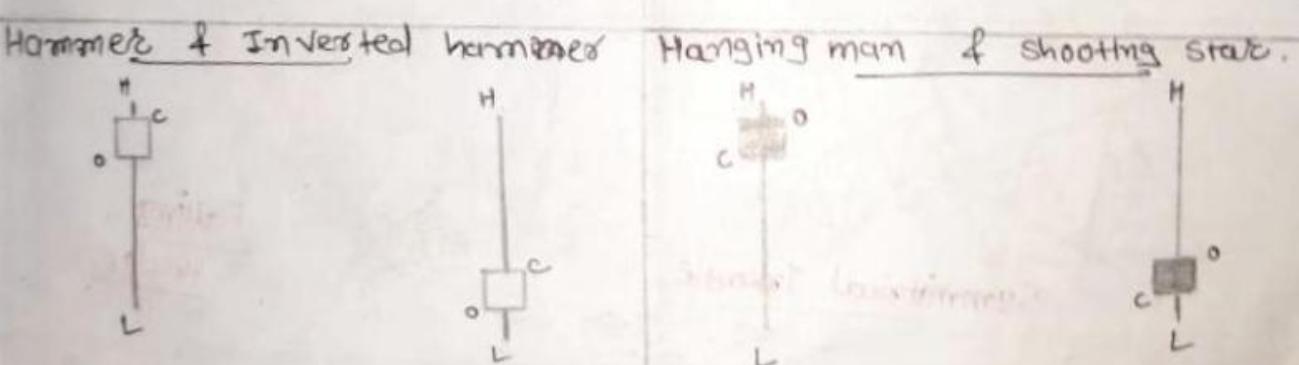
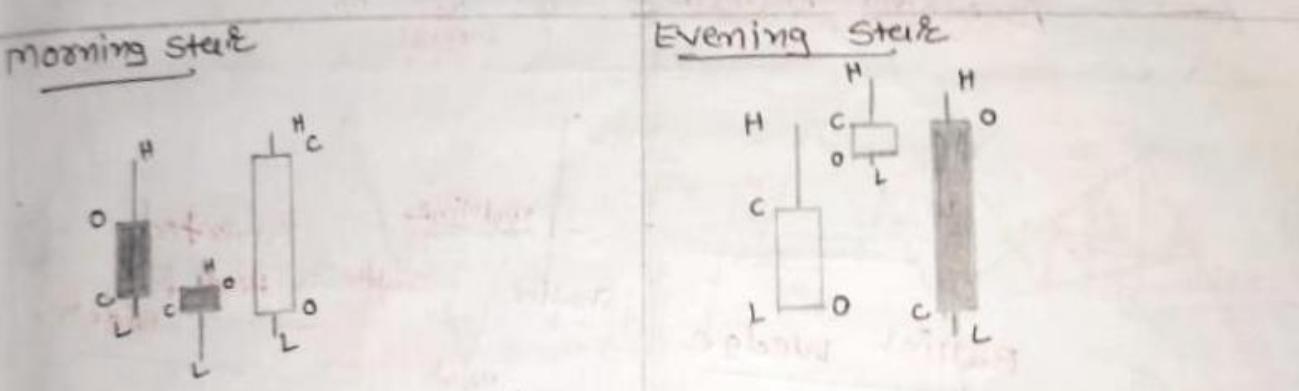
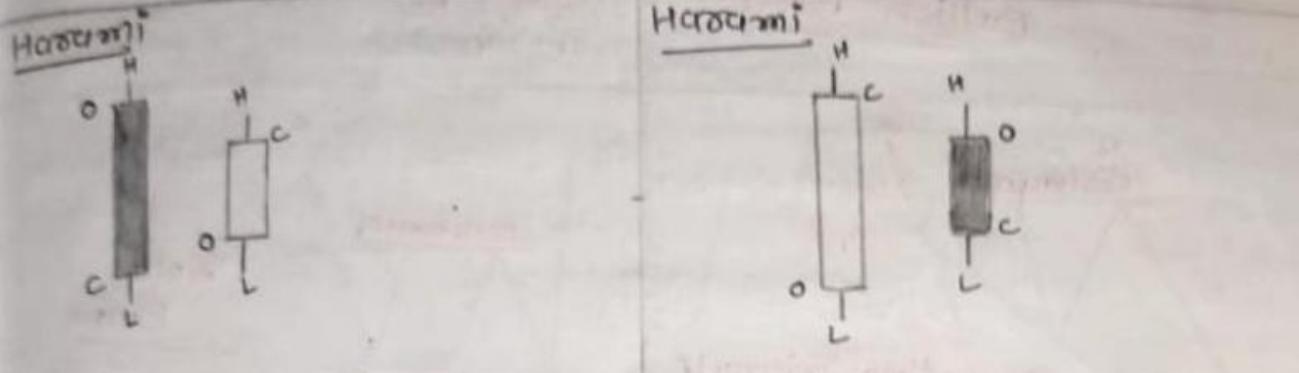
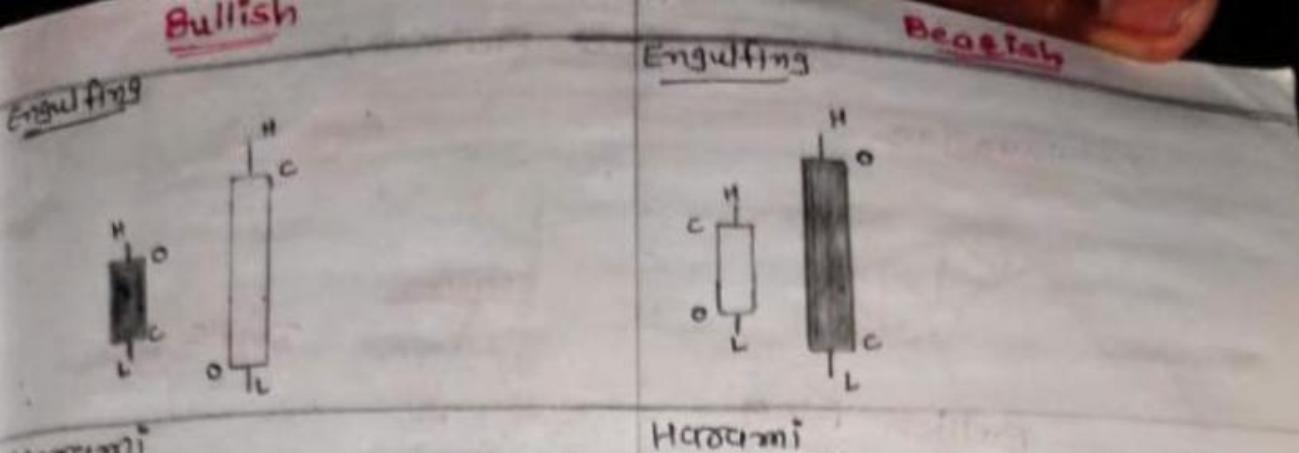


NOTES :- FOR INVESTOR

Never sell in up trend.

Never Buy in down trend.

Never Trade in sideways trend.



WEEKLY

CHART PATTERNS :-

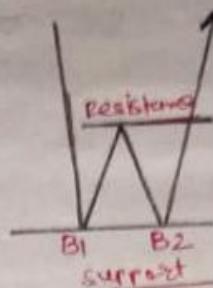
Bullish chart Patterns :-

Continuation

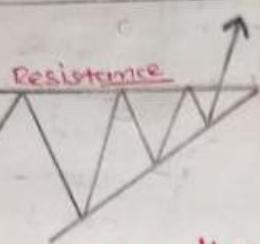


Bullish Flag

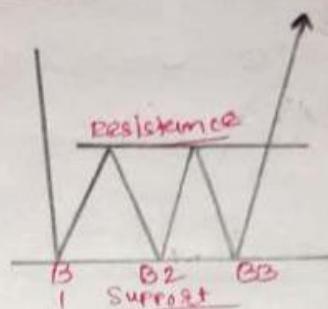
Reversal



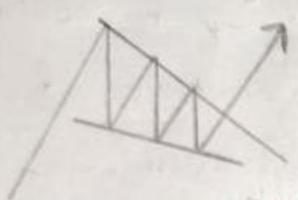
Double
Bottom



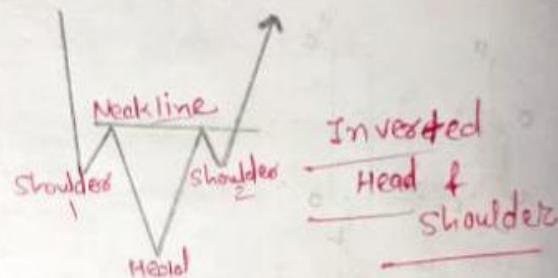
Ascending Triangle



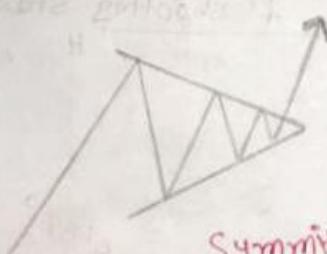
Triple
Bottom



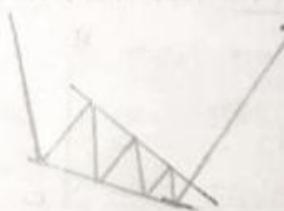
Bullish wedge



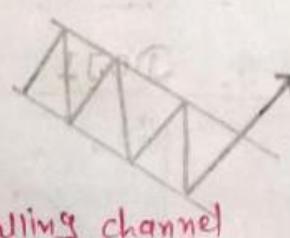
Inverted
Head &
Shoulders



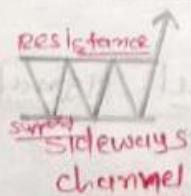
Symmetrical Triangle



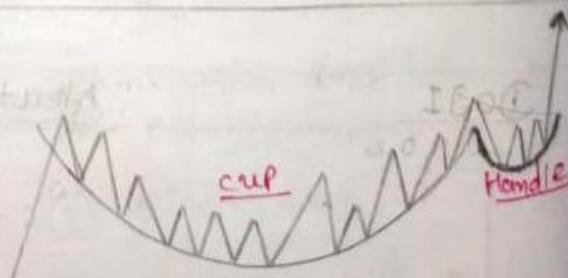
Falling
wedge



Falling channel



Sideways
channel



Cup And Handle
2022/4/4 19:55

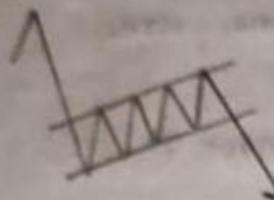


REDMI NOTE 9 PRO MAX
SAIYAM LALAN

CHART PATTERNS :-

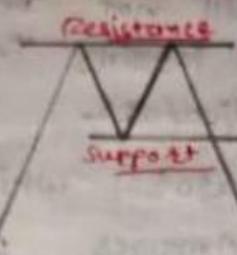
Bearish chart patterns :-

Continuation

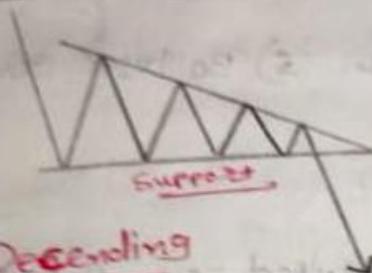


Bearish Flag

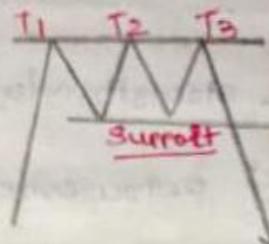
Reversal



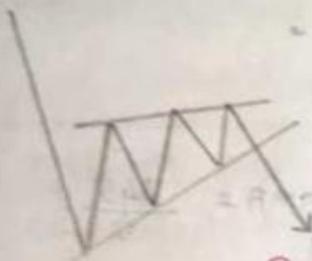
Double Top



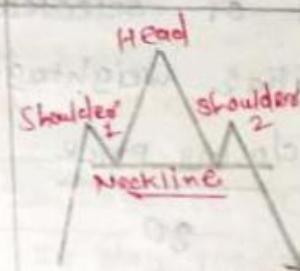
Descending Triangle



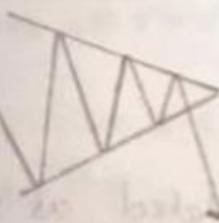
Triple Top



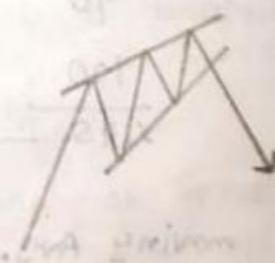
Bearish wedge



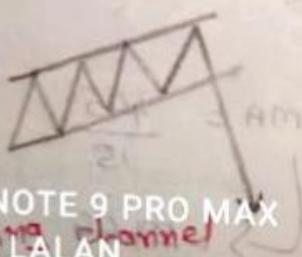
Head & Shoulder



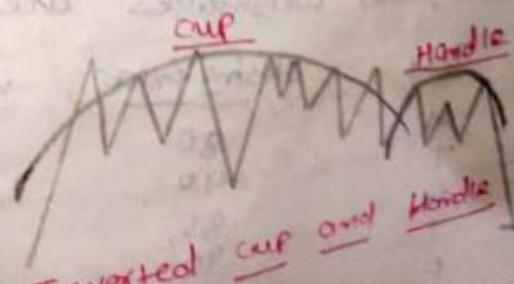
Symmetrical Triangle



Rising wedge



Sideways channel



* Normally, I used some given EMAs :-

5D, 8D, 13D, 26D, 50D, 100D, 200D.

Bullish :- If 5 day crosses 13D & 26D from below, then it is bullish.

Support :- Most of 50D support the price & go up from it. If price trades below then it will touch 100DEMA or 200 DEMA and then go up.

Trend :- 8 DEMA generally tells the recent trend of stock or the market.

Bearish :- If 5 DEMA cuts 13DEMA & 26DEMA from Above then it is bearish.

NOTE :- Moving Avg. indicates after trend is going to over, so it is somewhere risky. That's why moving avg. called as lagging indicator.

2) Moving Avg. Conversion Divergence (MACD) \Rightarrow It is calculated by subtracting 26 day moving Avg. from 12 Day moving Avg.

$$\begin{array}{r} 12 \text{ DEMA} \\ - 26 \text{ DEMA} \\ \hline \text{Positive or Negative} \end{array}$$

Positive = Bullish strength
Negative = Bearish strength.

MACD Line = Fast line

signal ~~line~~ line = Slow line (Dema of MACD)

Histogram = Indicates strength between MACD line And ~~signal~~ line.

Bullish = If MACD line cut signal line from below.

Bearish = If MACD line cut signal line from above.

NOTE :- MACD indicates the trend before it starts. so, it is called as leading indicator.

3) Relative Strength Index (RSI) \rightarrow its calculation is tough to describe but in simple language it is calculated as avg gain of particular time period divided by avg loss of the same period.

- \Rightarrow RSI is a leading indicator.
- \Rightarrow RSI is momentum indicator that measures magnitude of recent price changes. It evaluate overbought or oversold condition of the stocks & showing some hidden diversions.
- \Rightarrow It calculated as $RSI = 100 \frac{100}{1+RS} = 0.46160$

$$RS = \frac{\text{Avg. gain of specific time period}}{\text{Avg. loss of specific time period}}$$

Default setting = RSI (30 oversold) (30 overbought)

Other traders = RSI (50-50)

Some traders = RSI (40 oversold) (60 overbought)

Some traders = RSI (40 oversold) (60 overbought)

4) Fibonacci Retracement \rightarrow Fibonacci calculated as binary no '0' and '1' then added (most recent) (+) previous number and then divided.

$$1, 2, 3, 5, 8, 13, 21, 34, 55, 89, 144, 233$$

Ex. $0 + 1 = 1$

$1 + 1 = 2$

$2 + 1 = 3$

$3 + 2 = 5$

$5 + 3 = 8$

$8 + 5 = 13$

$13 + 8 = 21$

$21 + 13 = 34$

$34 + 21 = 55$

$55 + 34 = 89$

$89 + 55 = 144$

$144 + 89 = 233$

$$\frac{144}{233} = 0.6180 = 61.80\%$$

$$\frac{89}{233} = 0.3820 = 38.20\%$$

$$\frac{55}{233} = 0.2360 = 23.60\%$$

$$\left[\frac{34}{233} = 0.1460 = 14.60\% \right]$$

We don't use this

- * This percentages is showing you in the Fibonacci indicator.
- * It helps us to buy a stock in dip and majority used for longer term. It indicates the stock price when it will retracement.
- ⇒ Always mark body of the candle, not wicks.
- Up trend = mark low of last one year to high.
- Down trend = mark high of last one year to low.

s) Bollinger Bands

$$\text{Days} = n$$

$$\text{Stock Price} = Sx$$

$$\bar{x} = \text{Avg of stock price}$$

$$x - \bar{x} = \text{Deviation from Avg}$$

Days n	Stock Price Sx	$(x - \bar{x})$	$(x - \bar{x})^2$
1	10	-4	16
2	15	1	1
3	20	6	36
4	25	11	121
5	20	6	36
6	15	1	1
7	10	-4	16
8	5	-9	81
9	10	-4	16
10	10	-4	16
	$140 = Sx$	0	$\sum = 340$

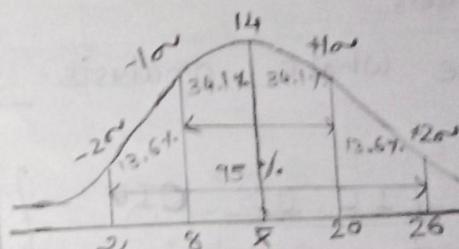
$$\bar{x} = \text{Avg} = \frac{Sx}{n} = \frac{140}{10} = 14$$

$$\sigma = \text{Sigma} = \sqrt{\frac{(x - \bar{x})^2}{n}}$$

$$= \sqrt{\frac{340}{10}}$$

$$= \sqrt{34}$$

⇒ It is founded by John Bollinger. Its calculation is simple.



$$\sigma = 5.8 \text{ (Round off to 6)}$$

In Bollinger Band there is 20 day EMA or SMA as default. We just take 10 day Avg to learn.

Statistics gives $68\% \text{ at } 34.1\%$
 $95\% \text{ at } 13.6\%$

* Fundamental *

There are two types of analysis in fundamental analysis?

(1) Quantitative

Balance sheet

Income statement

Share holding pattern

Cashflow statement

First we should done quantitative because if quantitative is bad then we can avoid the company. If we do all first but qualitative bad then time was wasted on whole analysis which you done.

(2) Qualitative

→ Company management

→ Business module

→ Service

→ Future plan

→ Product research

→ Brand value

→ Promoter's value

→ Promoter's hard work

→ Vision & mission

The whole analysis start with three method :-

EIC OR CIE

E = Economic

I = Industry

C = Company.

We can Analyse it by descending order or Ascending order. most of CIE order we done. ← Top to Bottom or Bottom to top.

(a) Quantitative Analysis :-

(A) Share holding pattern :- Share holding patterns shows that how many stock company's promoter holds, how many mutual fund holds, how many Foreign institutional investors (FIIs) or Foreign portfolio investors (FPIs) or Foreign direct investors (FDIs) holds the shares. It just indicates only this information.

NOTE :- If promoters pledge their holdings that means it is some bad done with company. Do not invest if this happen.

There are two types of Balance Sheet and Income Statement which we called as standalone & consolidated.

* What is standalone?

⇒ The statement between all branches which we put together in India or outside of the India.

* What is consolidated?

⇒ Money with which company started is equity of the company. In business, the equity company Acquire some small companies, then it is called as its subsidiary. Or the equity company associate with some other company is called as associates. Or the company works with another company for specific time period is called as Joint Ventures.

⇒ All result's put in one company and it's called as consolidated result.

* How much holding the main company have in its subsidiary, associates & joint ventures?

⇒ Subsidiary ⇒ 50% + holding.

⇒ Associates ⇒ 20% to 50% holding.

⇒ Joint ventures does not need to hold. they connect each other only for some projects.

* Indian Balance sheet ⇒ Ind AS ⇒ Indian Accounting standard.

* US Balance sheet ⇒ US GAAP ⇒ US generally accepted Accounting Principles.

* European Balance sheet ⇒ It's an International Based
⇒ IFRS ⇒ International Financial Reporting standards.

Note :- writing only main concepts which are most useful for analysis.

(B) * Balance Sheet *

I) Assets :-

- A) Current assets \Rightarrow It is the asset which can be convertible within a year.
- B) Inventories \Rightarrow It is the sum of finished goods waiting to be sold, work in progress items and raw materials that will be used to manufacture finished goods.
- C) Trade receivables \Rightarrow A customers from whom money is receivable.
- D) Cash & cash equivalents \Rightarrow The money which company have by Hard cash, Bank Balance or other wallets like PAYTM | PHONE PAY. Also, company have other bank balance showed separately in current assets.
- E) Loans & current financial Assets \Rightarrow Loans are that which company has given to other like their employes. Current financial assets called as current investment also which intention to invest and withdraw within one year.
[Ex. 6 months FD, shares, gold.]

B) Non-current Assets \Rightarrow It is the assets which can be convertible after one year.

- A) Property | plant | Equipment \Rightarrow It is the assets which are fixed by the business. It can not be converted easily to cash. The assets are expected to generate benefits.
- B) Investment property \Rightarrow It is the property held by the owner to earn rents and capital appreciation or both, rather than use.

(c) capital work in progress \Rightarrow CWIP is an asset, used to record current costs of related projects. Once project over, it will be moved to property / plant / equipment.

(d) All are tangible assets which we can use.

(d) other intangible assets \Rightarrow It is the assets which is most useful to earn profits.

Ex. Company's patents, trademarks, franchises or licensing agreements, goodwill, copyrights, brands.

(e) Investments / Loans & other financial assets \Rightarrow Investment is that company has invested for long term or over the 1 year. Loans is that company has given for over the 1 year. Company has invested in assets like gold, or else.

(f) Deferred Tax Assets \Rightarrow It is the tax company has paid early.

(g) other non-current assets \Rightarrow It is the assets like others. Ex. cash for life insurance, long term investments, other tangible fixed assets or intangible assets like patents.

2) Equity & Liabilities :-

(A) Equity Share Capital \Rightarrow It is the capital with which company is started. It's also called as share holder's funds.

* Promoter's stake decrease when fresh share issued if share capital increased.

\Rightarrow IPO = Initial public offer (fresh share issue)

\Rightarrow FPO = Follow on public offer
Further public offer.

\Rightarrow Private placement = It cannot show in bulk deals. It is not transact by BSE or NSE. It is transacted by off market deal which is transferred direct to Demat. maximum 200 people can take part.

* Bulk or Block deals \Rightarrow Huge quantity via Exchange.

- b) Reserves & surplus \Rightarrow Other equity \Rightarrow Profit generated from the business which are retained with the company is called as reserves & surplus.
It is good sign if reserves & surplus continuously gone up year by year.
 \Rightarrow Must look at reserves & surplus in annual reports.
- General reserves { All these actual reserves
Retained earnings } Should minimum 80% +
or security's premium
- \Rightarrow Lower capital higher reserves is good sign. It is called as 'Return on Investments.'

B) Liabilities \Rightarrow

- a) Current Liabilities \Rightarrow It's company's short term obligations that are due within a year.
- * 1) Borrowings \Rightarrow The money which company borrowed for the less than one year time period.
 - * 2) Trade Payables \Rightarrow It is the money that company owes from its creditors for material and services on credit. It is mostly short time period debt.
- b) Non-current Liabilities \Rightarrow It's company's long term obligations that are payable after one year.
- * 1) Borrowings \Rightarrow The money which company borrowed for more than one year.
 - * 2) other financial liabilities \Rightarrow It is company's interest payable on debt or it can be anything related to financial debt is called as other financial liabilities.

Debt is loan funds.
Equity is own funds.

If non-current liabilities excessively higher as compare to own funds (equity) then its very risky to invest in those companies.

(C) * Profit - Loss Statement *

① Revenue :-

A) Revenue \Rightarrow It is the total amount of the income which is generated by the sales of goods or service which company is providing to customers. Is called as primary revenue also known as 'gross sales' or also known as 'Top line'.

B) Other Income \Rightarrow It is the income which is not come from company's main business. It is the income which comes outside the main business like interest on given money, Rent on given property, or sales of fixed assets.

② Expenses :-

A) Cost of material consumed \Rightarrow It is the sum of all the cost spent to procure a raw material, store it and till it consumed.

B) Purchase of stock-in-trade \Rightarrow It is the goods that bought and sold without any processing.

C) changes in inventories of finished goods, work in progress
 \Rightarrow A negative changes in these means the closing inventories are less than the opening inventories. this negative amount is deducted from the Revenue because it is the part of the cost of goods sold.

D) Employee benefits expenses \Rightarrow It includes expenses incurred in terms of the salary paid, contribution towards provident funds and other employee welfare expenses.

E) Finance cost / charges / Borrowings \Rightarrow It is the cost that company pays to their lenders as interest or other.

F) Other Expenses \Rightarrow It is the expenses that does not related to company's main business. It can be unexpected losses unrelated to the main business.

Depreciation & Amortization \Rightarrow It is the expenses which does not related to cash expenses.

* Depreciation :- Deduction in valuable Assets decreases over time due to use, wear & tear or technological obsolescence.

Ex: Machines, PCs, laptops etc..

* Amortization :- Reduction in value of intangible assets. Ex: Patents, copyrights, trademarks, software, etc..

* EBITDA | PBITDA \Rightarrow Earnings before Interest Tax Profit - Depreciation And Amortization

* EBIT | PBIT \Rightarrow Earnings before Interest & Tax

* LICG \Rightarrow Long term capital gains non-taxable up to ₹ 1,00,000 [10% or After]

* STCG \Rightarrow Short term capital gains [Interest on FD and Debentures are taxable]

* EBT \Rightarrow Earnings before Tax [Debentures are taxable]

* Dividends is not taxable upto ₹ 10,00,000 [10% or After]

* EAT | PAT \Rightarrow Earnings After Tax.

Profit

* Salary Income \Rightarrow Taxable.

* Cogs \Rightarrow Cost of goods sold (Labour | Raw material)

Brokerage

GST = Goods & Services Tax

SGST = State Goods Service Tax

CGST = Central Goods Service Tax

* OpEx \Rightarrow Operating Expenditure.

* CapEx \Rightarrow Capital Expenditure

* Exceptional items \Rightarrow Tsunami, earthquake

* SEBI \Rightarrow Security Exchange Board of India.

* BSE \Rightarrow BOMBAY Stock Exchange

* NSE \Rightarrow National Stock Exchange

* Demat \Rightarrow Dematerialised shares (Digital)

* Demat \Rightarrow Dematerialised shares (Physical share certificates)

① * Cash Flow Statement *

① Cash flow from operating activities :- It refers to the amount of money that a company has earned from its regular business by selling goods or services.

⇒ It excludes any money brought into the business via borrowings or sale of assets.

Calculation = PBIT + D&A + gain or loss from financing or investment activities + changes in working capital

⇒ Negative figure is bad sign because it means that company can't generate sufficient cash.

② Cash flow from investing activities :- It refers to the amount of money that a company has earned from purchase & sale of plant, property and equipment, or purchase and sale of subsidiaries or investment.

⇒ Negative figure is not necessarily bad. It may be it means that the company invested more and sold less.

③ Cash flow from financing activities :- It refers to the amount of money that a company has raised by issuing bonds and stocks or the amount of borrowed money has been repaid.

⇒ Negative figure could be also Dividend & interest pay off.

④ Capital Expenditure (Capex) :- It refers to the amount of money that a company has spent on purchasing property, plant, equipment that will be utilised in business operations. The assets purchased are expected to generate economic benefits for the business over the long term.

* Industry Analysis *

1) Cyclical industry \Rightarrow It is the type of industry which performs well when the countries GDP growth is high.
Ex. Automobiles, (generally luxury)

2) Subset of industry \Rightarrow Company mfg. batteries for EV.

3) Lifecycle of industry \Rightarrow Birthphase company. It is the company that can gives a very good return in future, also it can gives loss too. But the companies are outstanding. (Invest some of capital.)
Ex. food delivery

4) Gov. Policies Effect

(B) Infrastructure (L&T)
cement
mining

(C) Insurance:

- 1) general \rightarrow Bajaj, ITCI Lom.
- 2) Life \rightarrow HDFC Life.

5) Banks & Non Banking (CNBFC)

NPA (Non performing Assets) increased is bad for the company.

6) Demographic factors

$0 - 14$ years \rightarrow 27.34% } Education
 $15 - 24$ years \rightarrow 17.90% }
 $25 - 54$ years \rightarrow 41.08% } working.

* Sector wise Key Points *

- 1) NBFCs & Bank \Rightarrow Don't check Debt to equity ratio.
operating cash flow can be negative. their main business with money to money. Don't check inventory turnover ratio.
 \Rightarrow check growth in CASA = current account saving account
- Loan given vs saving account interest to give
8.5% P.A. 4% P.A. = Net interest margin
- \Rightarrow NPA's = Non performing Assets
= Lower the better.
- 2) FMCG \Rightarrow Fast moving consumer Goods. = Inventory turn over Ratio. most important.
- 3) Telecom \Rightarrow ARPU = Avg. Revenue per User.
- 4) Infrastructure \Rightarrow check order book in Annual Report.
 \Rightarrow This book includes information on number of order received which are yet to be executed. Higher order have future sustainability.
- 5) Automobiles \Rightarrow This sector companies published their Everymonth selling, so that it can be easy to analys.
- 6) Oil & Gas \Rightarrow check global market. crude oil prices and govt. policies affect profitability of the sector.