

Name – Arpit Bansal

Roll No – 170148

A)

## Growth Vs Value

Growth and value are two fundamental approaches, or styles, in stock and stock mutual fund investing. Growth investors seek companies that offer strong earnings growth while value investors seek stocks that appear to be undervalued in the marketplace. Because the two styles complement each other, they can help add diversity to our portfolio when used together.

Growth stocks represent companies that have demonstrated better-than-average gains in earnings in recent years and that are expected to continue delivering high levels of profit growth, although there are no guarantees. "Emerging" growth companies are those that have the potential to achieve high earnings growth, but have not established a history of strong earnings growth.

The key characteristics of growth funds are as follows:

- **Higher priced than broader market.** Investors are willing to pay high price-to-earnings multiples with the expectation of selling them at even higher prices as the companies continue to grow
- **High earnings growth records.** While the earnings of some companies may be depressed during periods of slower economic improvement, growth companies may potentially continue to achieve high earnings growth regardless of economic conditions
- **More volatile than broader market.** The risk in buying a given growth stock is that its lofty price could fall sharply on any negative news about the company, particularly if earnings disappoint Wall Street

Value fund managers look for companies that have fallen out of favor but still have good fundamentals. The value group may also include stocks of new companies that have yet to be recognized by investors.

The key characteristics of value funds include:

- **Lower priced than broader market.** The idea behind value investing is that stocks of good companies will bounce back in time if and when the true value is recognized by other investors
- **Priced below similar companies in industry.** Many value investors believe that a majority of value stocks are created due to investors' overreacting to recent company problems, such as disappointing earnings, negative publicity or legal problems, all of which may raise doubts about the company's long-term prospects.
- **Carry somewhat less risk than broader market.** However, as they take time to turn around, value stocks may be more suited to longer term investors and may carry more risk of price fluctuation than growth stocks

## **Growth or value... or both?**

Some studies show that value investing has outperformed growth over extended periods of time on a value-adjusted basis. Value investors argue that a short-term focus can often push stock prices to low levels, which creates great buying opportunities for value investors.

- Growth stocks, in general, have the potential to perform better when interest rates are falling and company earnings are rising. However, they may also be the first to be punished when the economy is cooling.
- Value stocks, often stocks of cyclical industries, may do well early in an economic recovery but are typically more likely to lag in a sustained bull market.

When investing long term, some individuals combine growth and value stocks or funds for the potential of high returns with less risk. This approach allows investors to, in theory, gain throughout economic cycles in which the general market situations favor either the growth or value investment style, smoothing any returns over time.

## **Technical analysis**

Technical analysis is a means of examining and predicting price movements in the financial markets, by using historical price charts and market statistics. It is based on the idea that if a trader can identify previous market patterns, they can form a fairly accurate prediction of future price trajectories.

### **Pros of technical analysis**

Being able to identify the signals for price trends in a market is a key component of any trading strategy. All traders need to work out a methodology for locating the best entry and exit points in a market, and using technical analysis tools is a very popular way of doing so.

In fact, technical analysis tools are so commonly used, that many believe they have created self-fulfilling trading rules: As more and more traders use the same indicators to find support and resistance levels, there will be more buyers and sellers congregated around the same price points, and the patterns will inevitably be repeated.

### **Cons of technical analysis**

There will always be an element of market behaviour that is unpredictable. There is no definitive guarantee that any form of analysis – technical or fundamental – will be 100% accurate. Although historical price patterns give us an insight into an asset's likely price trajectory, that is no promise of success.

## **Fundamental Analysis**

Fundamental analysis is a method of evaluating the intrinsic value of an asset and analysing the factors that could influence its price in the future. This form of analysis is based on external events and influences, as well as financial statements and industry trends.

### **Pros of fundamental analysis**

Fundamental analysis helps traders and investors to gather the right information to make rational decisions about what position to take. By basing these decisions on financial data, there is limited room for personal biases.

Rather than establishing entry and exit points, fundamental analysis seeks to understand the value of an asset, so that traders can take a much longer-term view of the market. Once the trader has determined a numerical value for the asset, they can compare it to the current market price to assess whether the asset is over- or under-valued. The aim is to then profit from the market correction.

### **Cons of fundamental analysis**

Fundamental analysis can be time consuming, it requires multiple areas of analysis which can make the process extremely complicated.

As fundamental analysis takes a much longer-term view of the market, the results of the findings are not suitable for quick decisions. Traders looking to create a methodology for entering and exiting trades in the short-term might be better suited to technical analysis.

It is also important to consider the best and the worst-case scenario. While fundamental analysis provides a more well-rounded view of the market, it is possible for negative economic, political or legislative changes to surprise markets.

B)

## 1. Tata Communication

TATACOMM	500	long	open	13-04-2020 10:51	305.00	13-04-2020 11:03	Telecommunication is doing well stock price increasing each day
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TATACOMM	700	500	200	288.13	345.75	66585.00	
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## Growth Vs value

Tata communication is a renowned stock and it is basically more of a growth stock as it has a price higher than the market and gives a better return in general. But due to this pandemic thing have not worked as they were supposed to be. We saw a huge down in every stock from 6<sup>th</sup> march 2020 to 14<sup>th</sup> march 2020.

## Technical analysis

We saw a huge down in every stock from 6<sup>th</sup> march 2020 to 14<sup>th</sup> march 2020. So as the price of the stock was at its low, I bought the stocks, in the hope that now it can not fall below this. And this stock stood up to my expectation and performed really well but not only was the trend from which I decided to open a stock but there was also fundamental analysis.

## Fundamental Analysis.

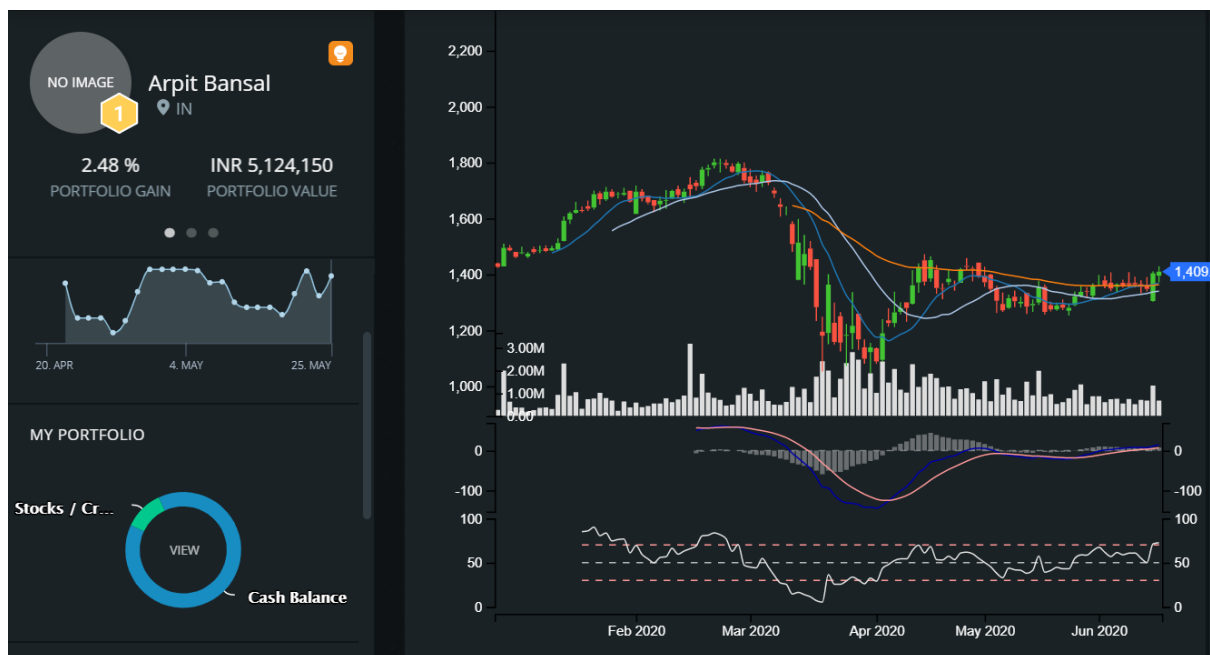
Due to this pandemic every analysis boils down to fundamental analysis. Due to this pandemic there was a lockdown that would result in more use of internet as most people would work from home and many people would watch web series rather than travelling. So, this was my analysis while buying the stock.

I made a pretty good profit out of it of rupees 66585 that if when I sold it for 345 rupees but now the price of the stock is 485 that means huge profit.

## 2. Apollo Hospital

APOLLOHOSP	100	long	open	09-04-2020 13:34	1278.35	09-04-2020 13:52	Up going trend
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APOLLOHOSP	150	150	0	1259.02	1347.40	13257.50	
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## Growth Vs value

Apollo Hospitals Enterprise Limited is a healthcare provider. The Company is engaged in offering healthcare services and operating standalone pharmacies. The Company's segments include Healthcare, Pharmacy and Others. The Healthcare segment consists of hospitals, hospital-based pharmacies, and projects and

consultancy services. But due to this pandemic things have not worked as they were supposed to be. We saw a huge down in every stock from 6<sup>th</sup> march 2020 to 14<sup>th</sup> march 2020. Unfortunately, due to this pandemic the increasing number of patients need more number of beds. Apollo hospitals have started a E- consultancy service and building state of art wards dedicated for only this pandemic.

### Technical analysis

We saw a huge down in every stock from 6<sup>th</sup> march 2020 to 14<sup>th</sup> march 2020. So as the price of the stock was at its low, I bought the stocks, in the hope that now it can not fall below this. And this stock stood up to my expectation and performed really well but not only was the trend from which I decided to open a stock but there was also fundamental analysis.

### Fundamental Analysis.

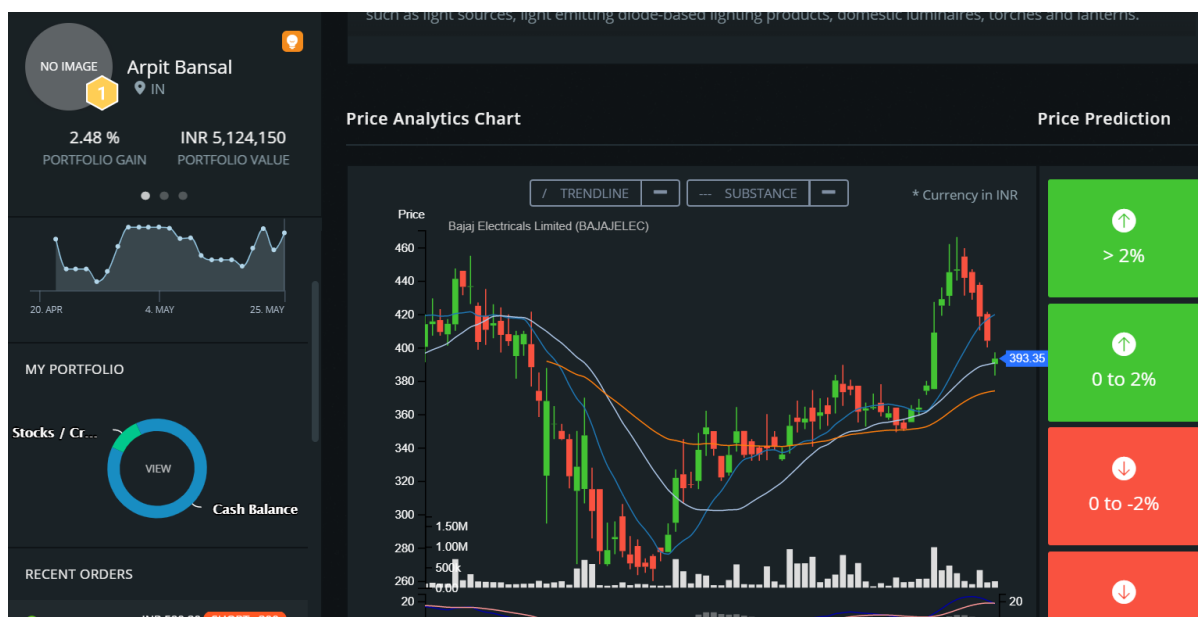
Due to this pandemic every analysis boils down to fundamental analysis. Unfortunately, due to this pandemic the increasing number of patients need more number of beds. And this means more participation of hospitals in this pandemic. Hospitals can give wavers to patients but they also need to sustain and give salary to the corona warriors and need more supplies.

## 3. Bajaj Electrical

Bajaj Electricals Limited is engaged in engineering and projects; power distribution, illumination and consumer durables businesses. The Company's business segments consist of Lighting; Consumer Durables; Engineering & Projects, and Others. The Lighting segment includes lamps, tubes and luminaries. The Consumer Durables segment includes appliances and fans. The Engineering & Projects segment includes transmission line towers, telecommunications towers, highmast, poles and special projects. The Others segment includes diecasting and wind energy. It has a range of domestic and kitchen appliances comprising water heaters, room heaters, coolers, irons, mixers, induction cookers, toasters, kettles, microwave, rice cookers, gas stoves, non-electrical kitchen aids and pressure cookers. It offers ceiling, table, pedestal, wall, fresh air and industrial fans, and lighting solutions, such as light sources, light emitting diode-based lighting products, domestic luminaires, torches and lanterns.

BAJAJELEC	200	200	0	320.35	330.20	1970.00
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BAJAJELEC	200	long	open	09-04-2020 13:41	320.35	09-04-2020 13:50	upcoming summer and increasing trend
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## Growth Vs value

Bajaj Electricals is a renowned stock and it is basically more of a growth stock as it has a price higher than the market and gives a better return in general. But due to this pandemic things have not worked as they were supposed to be. We saw a huge down in every stock from 6<sup>th</sup> march 2020 to 14<sup>th</sup> march 2020.

## Technical analysis

We saw a huge down in every stock from 6<sup>th</sup> march 2020 to 14<sup>th</sup> march 2020. So as the price of the stock was at its low, I bought the stocks, in the hope that now it can not fall below this. And this stock stood up to my expectation and performed really well but not only was the trend from which I decided to open a stock but there was also fundamental analysis.

## Fundamental Analysis.

Due to this pandemic every analysis boils down to fundamental analysis. Due to the summer season there will be more use of power and house hold appliances due to which I thought that stock price will go up and it stood up to my expectations and I gained from this stock.

Part C of this module – excel file ( Markowitz portfolio)