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CERTIFICATE

This is to certify that the project work entitled "EQUITY ANALYSIS AND PORTFOLIO RISK MANAGEMENT WITH FINANCIAL STATISTICS APPLIED TO STOCK MARKET DATA - A STUDY CONDUCTED AT MOTILAL OSWAL FINANCIAL SERVICES LTD, BHATKAL", is the original work done by **RESHMA RAMESH NAIK**, Register No:18C011225 of **M.COM IV** Semester of our Centre, during the period of her study and that it has not formed the basis for the award of any Degree, Diploma, Associate ship, Fellowship or Similar other title.

It has not been submitted to any other University or Institution for the award of any Degree or Diploma.

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Date: 22/09/2020

CERTIFICATE

This is to certify that RESHMA RAMESH NAIK a student of M.COM. (18C011225) of ANJUMAN ARTS,SCIENCE,COMMERCE COLLEGE & P.G. CENTRE,BHATKAL has successfully completed her project report on "EQUITY ANALYSIS AND PORTFOLIO RISK MANAGEMENT WITH FINANCIAL STATISTICS APLLIED TO STOCK MARKET DATA- STUDY CONDUCTED at "MOTILAL OSWAL FINANCIAL SERVICES LTD". Bhatkal (U.K, Karnataka) under the external guidance of **Mr. Ravi S. Naik**, Authorised Person. She has showed her extensive interest during his project work which is worth appreciating. We wish him all the best in her future endeavour.

Thanking you


Ravi S. Naik
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Yours faithfully

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Introduction

Now days, people are more attracted towards investing in share market. People prefer to invest in stocks as their other source of income rather going for single source of income. Most of the investors commonly make poor investment decision caused by mental biases and emotions. All the investors make their investment with objectives of increasing their wealth. Among the various investment opportunities equity market is said to be one of the most rewarding investment options even though it involves more risk. Stock exchange operations are peculiar in nature and most of the investors feel insecure in managing their investment on the stock market because it is difficult for an individual to identify companies which have growth prospects for investment. Further due to volatile nature of the market, it requires constant reshuffling of portfolios to capitalize on the growth opportunities. Even after identifying the growth oriented companies and their securities, the trading practices are also complicated, making it difficult task for investors to trade in all the exchange.

Investors choose to hold groups of securities rather than single security that offer the greater expected returns. A combination of securities held together will give a beneficial result if they are grouped in a manner to secure higher return after taking into consideration the risk element. That is why the study Portfolio Management helps the investors to make an intelligent and informed choice between alternative investments opportunities.

This project deals with the different investment decisions made by different people and focuses on element of risk in detail while investing in securities. It also explains how portfolio hedges the risk in investment and giving optimum return to a given amount of risk. It also gives an in depth analysis of portfolio creation, selection, revision and evaluation. The report also shows different ways of analysis of securities, different theories of portfolio management for effective and efficient portfolio construction. It also gives a brief analysis of how to evaluate a portfolio.

At the beginning the investor must make a decision on what particular securities to purchase and hold until the end of the period. Because a portfolio is a collection of

Suggestions:

- ❖ Among the selected company HDFC has highest return. And also it has highest Standard Deviation and variance also, it is suggested investors who want more return and ready to take more risk, then they can select HDFC Bank as their investment alternatives.
- ❖ If the investors don't want to take more risk, then they can select Ambuja cement as it has less risk.
- ❖ According to Alpha Calculation, HDFC Bank are the best stocks to invest.
- ❖ According to Beta calculation, Hindalco Company has highest Beta value which shows highest fluctuation that means highest risk followed by ICIC Bank and Ambuja Cement. So it is recommended to the investors as to invest in IOC because which have minimum fluctuation compared to other.
- ❖ According to Correlation Hindalco and JSW has highest correlation which means it is the best portfolio to invest.
- ❖ Considering all the Efficient Frontier calculation, portfolio with HDFC Bank and HUL has the best portfolio combination because this portfolio is giving better return when compared to the risk associated with it. So investors are suggested to invest in the portfolio consisting of HDFC Bank and HUL followed by Ambuja Cement and Asian paint.

Conclusion:

Equity analysis is one of the widely used techniques to measure return and risk characteristics of equities of different companies. To achieve good return, investors should consider risk and return factors of the company. A company which is providing highest return may be too much risky and the company which has low risk may give less return.

Portfolio risk management will help the investors to take their decisions according to the expected return and its risk factors.

Efficient frontier displays a combination of assets that has the optimal level of expected return for given level of risk. So it is helpful for investors to choose a portfolio option. In this study I have recommended the investors the best portfolio on the basis of data collected during my study period which may have changed now and the portfolio decisions is also changed.