

INVESTMENT ADVISORY RELATED WITH STOCKS, MUTUAL FUNDS AND OTHER TRADING METHODOLOGY

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CENTRAL INDIA REGIONAL COUNCIL OF ICAI

Women on Wednesday Series (WOW)



ABOUT THE SPEAKER



CA Ajita Singh

Introduction

Currently, Indulge in Practice related with detailed Fundamental & Technical Research on Stock , Mutual Fund, other Financial Instruments and Providing the Portfolio Management Consultancy to HNI and Retail Investor. Previously engaged with NAV Computation and Investment Audit of Financial Institution. Overall experience in Capital Market is nearly around 4.5 years.

WEBINAR HIGHLIGHTS

- 1. Investment Opportunities in Capital Market.**
- 2. Why you should choose to invest in Stock market.**
- 3. Facts about the Stock Market, various ways to earn the Profit, Trading Technique.**
- 4. Detailing about Mutual Fund and how it works?**
- 5. Direct Equity investment & Historical performance of Stock.**

WEBINAR HIGHLIGHTS

- 6. Mutual Fund Selection and Style of investing to extract the maximum Benefit out of it.**
- 7. How to pick Stock and Evaluate whether it's a worth investing or not.**
- 8. Source: for Financial & Technical Information.**
- 9. Certification Courses offered by NSE & NISM (SEBI affiliated).**
- 10. How to deal with Fear of losing money in Stock Market.**

Investment Opportunities in Capital Market:-

Direct Equity Mutual Fund

Equity Mutual Fund
Debt Mutual Fund

Alternative Investment Fund (AIF)

Gold

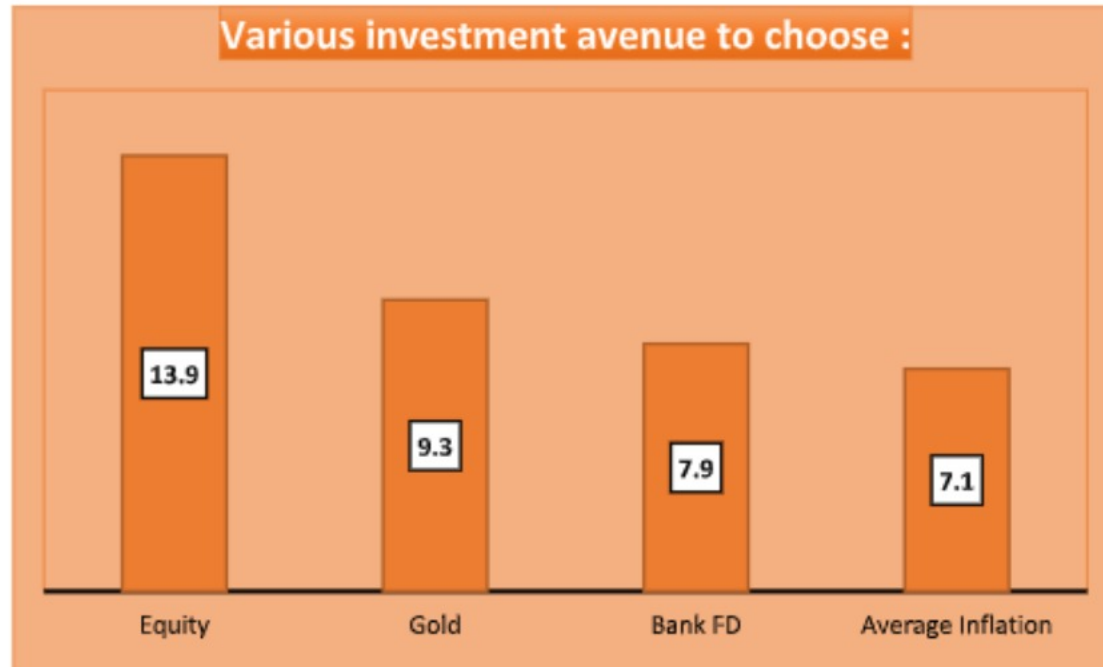
RBI taxable Bond

Other Investment

National Pension Scheme (NPS)
Provident Pension Fund (PPF)
Bank Fixed Deposit (FD)
Real Estate Investment Trust (REIT)
Other Special Saving Scheme

Why you should choose to invest in Direct Equity or capital market ?

GDP (Real) Growth rate in India is about 7% p.a.
Stock Market Growth rate on an average 10% p.a.



CAGR return from 01.04.1979 to 31.03.2022
Equity performance represented by performance on the S&P BSE Sensex. Gold rate for this illustration refer to the dollar rate per ounce converted to India rupee as on each financial year end date. Bank FD rate & inflation are average yearly rates.

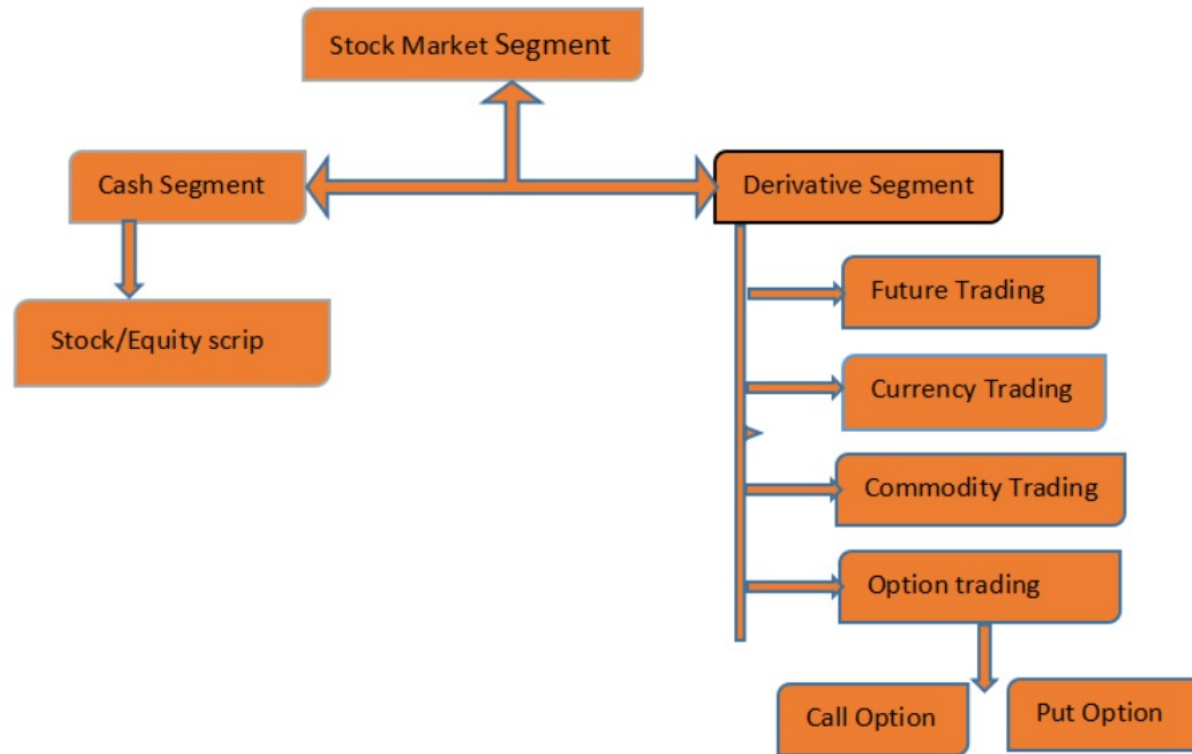
Facts about the Stock Market, various ways to earn the Profit, Trading Technique

1. Do you know that around 5000 plus Companies are listed at the stock exchange.
2. Every state have its own stock exchange but maximum trading done through NSE and BSE.
3. SEBI is the Prime Regulatory for all the financial Market.
4. **Madhabi Puri Buch** is current SEBI Chairman. She started her tenure in Mar 2022, belong to IIM.
5. **Ashish Kumar Chauhan** is current NSE chairman. He took his chair in July 2022, belong to IIT and IIM.

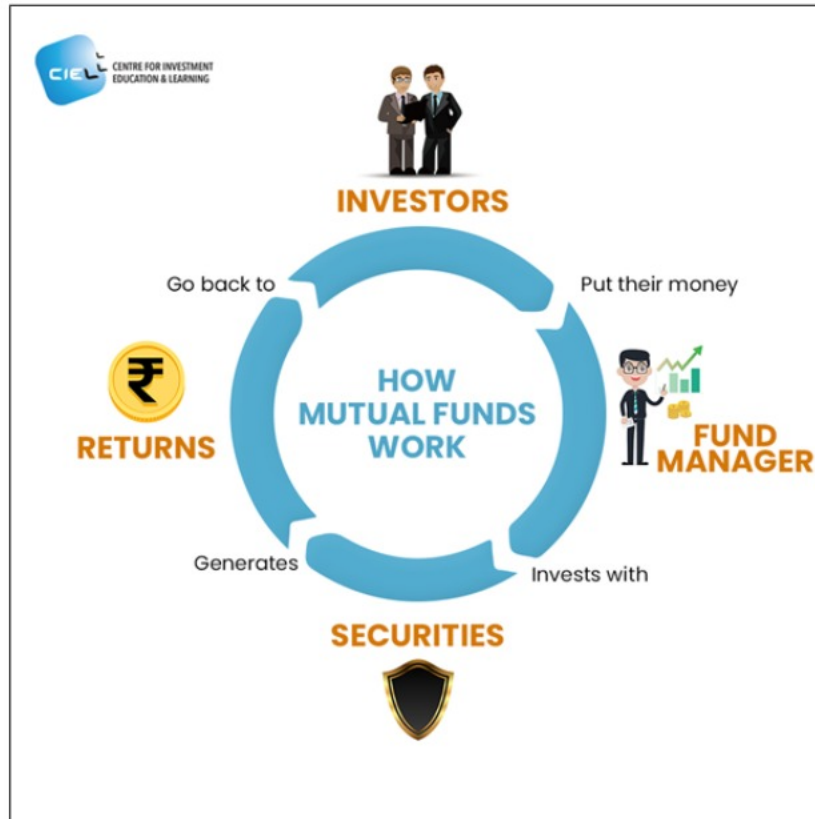
Different Ways to earn the Profit:-

- Long term Investing
- Short Term Investing
- Positional investing
- Swing Investing
- Intraday Trading

Trading Techniques:



Detailing about Mutual Fund and how it works?



Detailing about Mutual Fund and how it works?

- Mutual funds give small or individual investors access to professionally managed portfolios of equities, bonds, and other Securities.
- Mutual Fund Holder participates proportionally in the gains or losses of the fund.
- Check for fund manager performance, expense ratios, valuation etc.

Detailing about Mutual Fund and how it works?

- Mutual funds are divided into several kinds of categories:
 - Stock fund
 - Bond Fund
 - Balance fund
 - Money Market Fund
 - Income Fund
 - International Fund
 - Sectorial Fund/Thematic Fund
 - ELSS Fund

Detailing about Mutual Fund and how it works?

Exchange Traded Fund

- An ETF is a basket of stocks that reflects the composition of an Index, are passively managed.
- Mutual funds aim to generate alpha by outperforming a market benchmark, whereas ETFs aim to track the relevant index and replicate its returns.

Alternative Investment fund (AIF)

- There are 3 classes in AIF:

Category I

Category II

Category III

- AIF is basically require Huge Investment and that is why this not considered as very lucrative option for Investment.
- Investment in AIF are trendy affairs among HNIs because they may get High returns once the venture get successful.
- Recently a trend have developoed that special AIF are offered by VC,s who take the money from retail client then invest in venture.

EQUITY

- Equity is considered as one of the best investment options for a long-term period.
- Considering the Risk Appetite, the returns generated by equity are higher than any other investment options available in the market.
- it is prudent to consider certain aspects such as picking the right stock, time your entry and exit in the market.
- Direct Investment in Stock require very extensive working before finalizing any Scrip.

EQUITY

- Corporate Events like Dividend, Bonus and split can work effectively. Dividend can give you regular income. E.g. If you Invest in Indian Oil, coal India, REC. It will give around 8-10% return.
- You can also choose dividend yield mutual fund . Now dividend is also taxable.
- Diversification of portfolio helps in risk management and protects you from volatile fluctuations in the stock price.

The list of large cap stocks with inflation beating return:-

If 10 year ago, You have invested 1lakh, then current value will be					
Stock Name	current Value	CAGR	Stock Name	current Value	CAGR
Bajaj Finance Ltd.	6,890,203	53%	Adani Ports & Special	644,932	20%
Bajaj Finserv Ltd.	1,869,361	34%	Infosys Ltd.	567,315	19%
Adani Enterprises Ltd.	1,542,060	31%	Hindustan Unilever L	555,454	19%
Pidilite Industries	1,466,971	31%	Tata Consultancy Serv	540,258	18%
Titan Company Ltd.	1,089,228	27%	HDFC Bank Ltd.	488,245	17%
JSW Steel Ltd.	926,870	25%	ICICI Bank Ltd.	480,371	17%
Asian Paints Ltd.	926,851	25%	Nestle India Ltd.	445,706	16%
Maruti Suzuki India	782,559	23%	UltraTech Cement Ltd	406,801	15%
Adani Power Ltd.	769,555	23%	Mahindra & Mahindra	353,314	13%
HCL Technologies Ltd.	719,108	22%	Axis Bank Ltd.	339,906	13%
Divi's Laboratories	706,195	22%	HDFC	331,721	13%
Kotak Mahindra Bank	653,036	21%	Wipro Ltd.	331,546	13%
Reliance Industries	649,254	21%	Larsen & Toubro Ltd.	292,978	11%

Mutual Fund Selection and Style of investing to extract the maximum Benefit out of it.

→ Considering the Return given by Different Class of Mutual fund are:

If 10 year ago,you invested 1 Lakh in Mutual fund then,current Value:		
Large Cap	Current Value	CAGR
Mirae Asset Large Cap	3,31,670	15.9
SBI Bluchip Reg Growth	3,01,290	14.6
Nippon India Largecap fund	2,99,500	14.5
Mid Cap	Current Value	CAGR
Axis MidCap Reg	4,01,720	18.77
Kotak emerging equity	4,69,000	21.07
SBI Magnum Midcap Reg	3,86,030	18.2
Small Cap	Current Value	CAGR
SBI Small Cap Reg	6,25,650	25.46
Nippon India Small cap Reg	5,80,000	24.3
HDFC small Cap Reg Growth	3,69,600	17.55

Mutual Fund Selection and Style of investing to extract the maximum Benefit out of it.

Evaluation:

- Clear objective before Investing. It is very important in achieving you goal.
- Asset Allocation work out best way in parking your money
 - Equity based Mutual fund
 - Debt Based Mutual fund
 - Liquid Mutual fund
 - Arbitrage Mutual Fund
- Rebalancing can be done from time to time to switch your fund from one category to another.

Mutual Fund Selection and Style of investing to extract the maximum Benefit out of it.

→ Example:

Equity	60%
Debt	30%
Liquid	10%

when Market take steep Correction or your allocation go above the level you decided due to valuation then resuffle your investment as per decided Allocation

Mutual Fund Selection and Style of investing to extract the maximum Benefit out of it

- If you want to do SIP /STP/SWP then make sure you planned your Portfolio in advance to avoid ambiguity.
- Let's say, for SIP make clear that your allocation should be:
 - Large cap – 50%
 - Mid Cap -- 30%
 - Small Cap -- 20%
- If you do not want to go for only Stock based Mutual fund and want to earn the capital appreciation from index then Index Fund Is a great Option.

Mutual Fund Selection and Style of investing to extract the maximum Benefit out of it

- Remember this, Return wise Stock Mutual fund always given the better return as compared with index Fund.
- For those who don't have great Conviction in equity Market then, Debt Fund are the Option.
- Tip for debt fund:
 - Low interest rate trend: Long Duration Fund
 - High Interest rate Trend: Short Duration Fund

BOND

Thing to know:

1. Bond Issued by Public sector unit or Corporate
2. Guaranteed by Central Government ,State Government or RBI.
3. Rating given by Agency like Crisil , fitch, ICRA,CARE etc.
4. Whether they are tradable or not.
5. Lock in Period & Coupon Rate
6. Covenant

How to pick Stock and Evaluate whether it's a worth investing or not?

Analyzing any company Before pitching to your clients:

Industry

- Sector play
- Micro Data related with Economy
- Competitive edge

Qualitative Detail

- Board of director
- Business Model
- SWOT analysis

Quantitative Detail

- Performance Ratio
- Return ratio
- Valuation

How to pick Stock and Evaluate whether it's a worth investing or not?

- Read the Brokerage Report, credit Rating report and Investor Presentation.
- To cover all aspect about the company and understanding the Business worth investing.
- Always remember ,entry and exit time is very crucial to extract the gain as the timing in the stock market is everything.
- Lets say if your buying at high valuation then,all the research is of no use.

How to pick Stock and Evaluate whether it's a worth investing or not?

→ Relevance of ratio in different Sector:

Ratio	company type
P/B value	Bank
P/E Ratio	IT
Order Book/ sales	Engineering
Marketcap/ sales	Pharma/ Turnaround
Net Asset based	Sick companies
Price/Megawatt	Power
Replacement Cost	Commodity

FINANCIAL and TECHNICAL SITES LINK

FINANCIAL SITES

- [Screeener](#)
- [Trendlyne](#)
- [Rupeevest](#)
- [Advisorkhoj](#)
- [Marketmojo](#)

TECHNICAL SITES

- [Tradingview](#)
- [Topstockresearch](#)
- [Chartink](#)

COURSE OFFERED

NISM (SEBI AFFILIATED)

- **Economics for Securities Markets**
- **Securities Operations and Risk Management**
- **Mathematics and Statistics for Securities Markets**
- **Mutual Fund Distributors Certification**
- **Research Analyst Certification**
- **Equity Derivatives Certification**

COURSE OFFERED

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- **Algorithmic Trading Module**
- **Financial Markets (Advanced) Module**
- **Securities Market (Advanced) Module and Derivatives (Advanced) Module**
- **Mutual Funds (Advanced) Module and Options Trading (Advanced) Module**
- **Examinations of Financial Planning Standards Board Ltd.**
- **Financial Modeling Course AND Business Analytics Module**

THANK YOU

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