



**MBA-FT (2020-2022)**

**SUMMER INTERNSHIP: FINAL REPORT**

**ORGANISATION – PHILLIP CAPITAL**



**Project Title: Stock Market Analysis & Relationship  
Management**

**SUBMITTED TO:**

**Company Mentor: Shubhangi Srivastava**

**Faculty Guide: Prof. Mahesh K.C**

**SUBMITTED BY:**

**Gaurav Jain**

**201312**

**DATE OF SUBMISSION: 12/07/2021**

## DECLARATION

I, Gaurav Jain hereby declare that this internship report titled as the Summer Internship Final Report is an authentic work prepared by me after 8 weeks of internship with Phillip Capital as a Summer Intern. It is to the best of my knowledge and belief. This is to declare that all my work indulged in the completion of this Summer Internship Report such as researches and analysis is purely my work.

I also confirm that the report is solely prepared for my academic requirement not for any other purpose and with a view of partial completion of my first year of MBA.

## ACKNOWLEDGEMENT

This assignment has provided me an opportunity to learn about capital markets and relationship management. Hence, I would like to thank everyone who guided me in preparation of the report. It gives me an immense pleasure to present this report, which is an outcome of the project work I completed during my internship. I completed my project on **Stock Market Analysis and Relationship Management** while working with Phillip Capital India.

I would like to thank Mr. Sridhar Sahu, Vice President, Phillip Capital India for providing me this opportunity to learn while working on my internship project and in guiding me throughout the project. In the tough times of Covid Crisis, the internship opportunity provided by Phillip Capital helped me in gaining insights into Finance domain.

I would also like to thank my mentors Ms Shubhangi Srivastava and Mr Jigar Shah for providing me the guidance required throughout my internship period.

I extend my heartiest gratitude to the faculty and administration of Institute of Management, Nirma University for providing me this summer internship opportunity. Special thanks to my faculty mentor - Prof. Mahesh K.C for his valuable guidance throughout the internship tenure.

Last but not the least, I would also like to thank employees and interns at Phillip Capital for their cooperation during the internship period.

# TABLE OF CONTENTS

## CONTENTS

<b>EXECUTIVE SUMMARY</b> .....	6
<b>PART A</b>	
Industry overview.....	7
Market Overview.....	8
<b>INDIAN ECONOMY</b> .....	9
<b>ECONOMY OUTLOOK</b> .....	10
<b>FINANCIAL BROKING SERVICES</b> .....	10
Overview of Stock Broking.....	10
Demat Accounts.....	11
Industry Performance .....	11
Outlook .....	12
<b>ABOUT PHILLIP CAPITAL</b> .....	13
<b>VISION</b> .....	13
<b>MISSION STATEMENT</b> .....	13
<b>GOALS</b> .....	14
<b>CORE VALUES</b> .....	14
<b>MILESTONES OF PHILLIP CAPITAL</b> .....	15
<b>PRODUCTS OF PHILLIP CAPITAL</b> .....	16
<b>EQUITY AND EQUITY ADVISORY</b> .....	16
<b>CURRENCY &amp; COMMODITY DERIVATIVES</b> .....	16
<b>FIXED INCOME</b> .....	16
<b>SECURITY LENDING AND BORROWING</b> .....	17
<b>PHILLIP CAPITAL EQUITY ADVISORY</b> .....	18
<b>SIMPLE EQUITY PLAN</b> .....	18
<b>MUTUAL FUNDS</b> .....	18
<b>INSURANCE</b> .....	18

RENEWABLES ENERGY CERTIFICATES .....	19
GOLD TRADING .....	19
<b>SERVICES OF PHILLIP CAPITAL .....</b>	<b>20</b>
PORTFOLIO MANAGEMENT SERVICES .....	20
INVESTMENT ADVISORY .....	20
DEPOSITORY SERVICES.....	21
<b>Project Title – STOCK MARKET ANALYSIS AND RELATIONSHIP MANAGEMENT .....</b>	<b>22</b>
<b>Project Tasks.....</b>	<b>23</b>
UNDERSTANDING THE PRODUCTS AND SERVICES OF PHILLIP CAPITAL .....	23
RELATIONSHIP MANAGEMENT .....	23
FUNDAMENTAL ANALYSIS OF FOOTWEAR SECTOR.....	24
TECHNICAL ANALYSIS OF FOOTWEAR SECTOR .....	24
<b>RELATIONSHIP MANAGEMENT .....</b>	<b>25</b>
INTRODUCTION.....	25
EXPLORATORY DATA ANALYSIS OF POTENTIAL CLIENTS ACQUISITION .....	25
RISK PROFILING .....	26
<b>FUNDAMENTAL ANALYSIS OF FOOTWEAR SECTOR .....</b>	<b>28</b>
OVERVIEW AND MARKET PERFORMANCE.....	28
IMPACT OF COVID-19.....	29
MAJOR MARKET PLAYERS .....	29
<b>LEARNINGS .....</b>	<b>36</b>

# EXECUTIVE SUMMARY

I worked with Phillip Capital during my summer internship. I worked on the project stock market analysis and Relationship Management. In this report, I have provided the overview of industry of Phillip Capital. Phillip Capital India comes under financial service industry. I have also given detailed work done by me under my project.

Financial Service industry is a growing industry and increasing at a good rate. The reason behind is that the savings of Indian are started to channel into the capital markets. India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships. In June 2021, the Reserve Bank of India projected India's growth projections at 9.5% in the year 2021 and quarterly likely to grow at the rate of 18.5 per cent in the first quarter, 7.9 per cent in the second quarter, 7.2 per cent in the third quarter and 6.6 per cent in the fourth quarter. **PHILLIP CAPITAL** India and its associates companies are one of the leading Brokers in India. Phillip Capital group offers broking services in equities, derivatives, commodities, currencies, etc.

During my internship my tasks were divided into two categories. One being pertaining to client acquisition and business development role which was not only restricted to that but also required risk profiling of the clients and needed better understanding about the products and services of Phillip Capital. Second Task was pertaining to understanding about the capital markets, how they work and how to analyses them. It requires strong knowledge of fundamental analysis and technical analysis to analyses the capital markets.

The detailed analysis has been mentioned in the report. I have undertaken the study of footwear sectors in India and then studied 6 companies share and analyse them by correlating their quarterly earnings with their share prices. I have also used different technical patterns to predict the signals which were generated in their candlesticks.

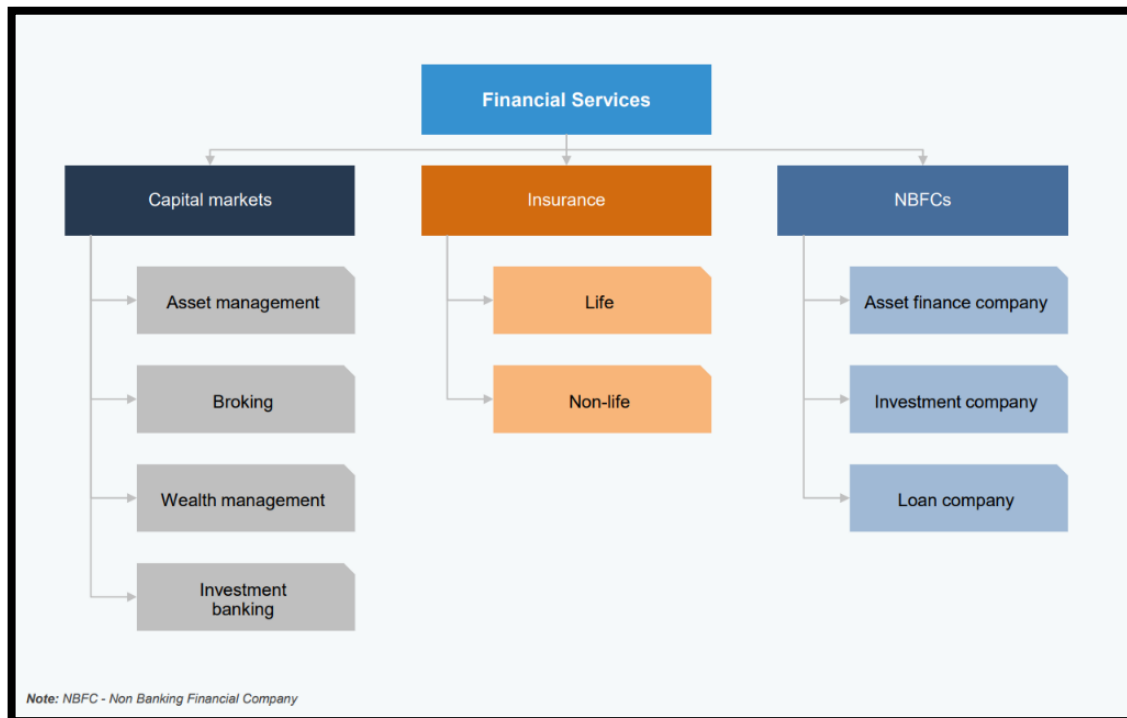
Finally, this report includes the learnings which I derived from working with Phillip Capital during my summer internship. This was a wholesome journey which provided me with ample of learning opportunities.

# PART-A

## INDUSTRY OVERVIEW

• **i** Overview of Financial services Industry in India and its future trends

Financial Services are the economic services which are provided by the finance industry. It encompasses broad range of business that manage money, investments, lending and borrowing, real estates, financial broking, insurance etc. Phillip Capital is one of the major players in India's Financial Services Industry.



From the above figure, Financial Services include broad range of services which can be provided by the companies. Phillip Capital provides various services like Asset Management, Broking, Wealth Management and insurance. This makes Phillip Capital a big player in this industry.

Recently, there's been a revolution going in the finance industry and many factors influencing towards the growth of the financial services. India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

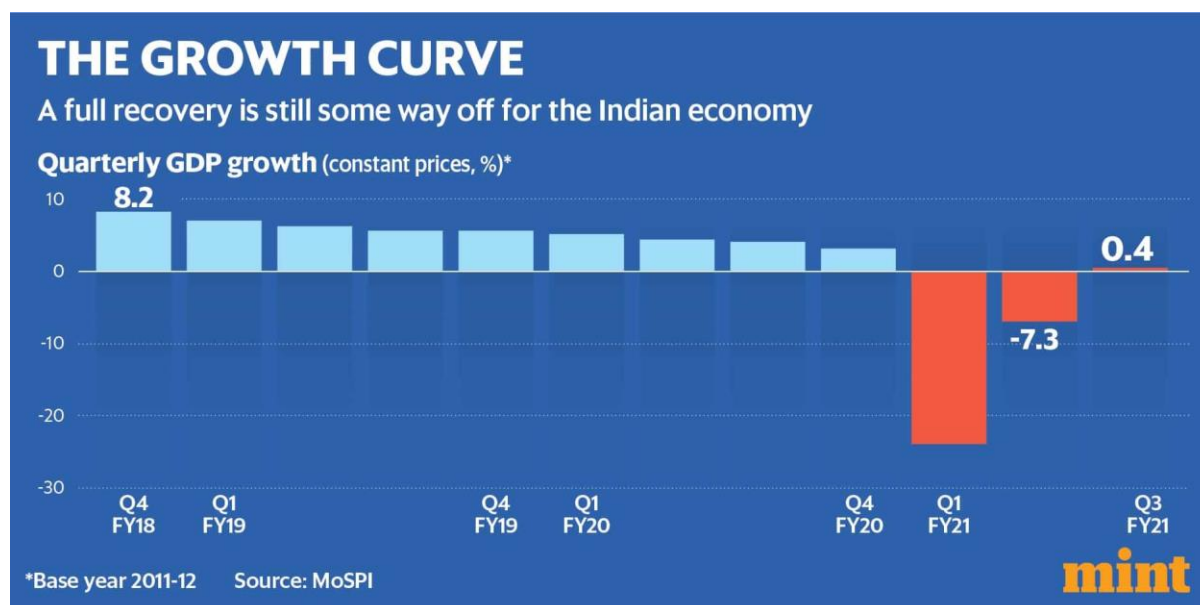
## MARKET OVERVIEW

1. As per an IBEF report on Financial Services, the number of ultra-High net worth individuals (UHNWI) is estimated to increase from 5986 in 2019 to 10,354 in 2024. India's UHNWIs is likely to expand by 73% in the next five years.
2. During FY19, India's Gross National Savings (GNS) was estimated at Rs. 57.13 lakh crore (US\$ 817.43 billion) at 29.7%. India is fairly known for its high saving rate. However, recently most of the Indian household savings are being channelled to Capital Markets which has resulted into higher returns of the index.
3. The mutual fund (MF) industry's assets under management (AUM) amounted to Rs. 3,229,580 crore (US\$ 438.27 billion) in February 2021. Mutual fund industry AUM recorded a CAGR of 9.5% during FY07-20. India is considered one of the preferred investment destinations globally. The Association of Mutual Funds in India (AMFI) is targeting nearly five-fold growth in AUM to Rs. 95 lakh crore (US\$ 1.47 trillion) and more than three times growth in investor accounts to 130 million by 2025.
4. Fund raising from the equity market grew by 116% to Rs. 1.78 lakh crore in Initial public offering (IPOs), Offer for Sale (OFS) and other market issuances in 2020.
5. Rising income is driving the demand for financial services across income brackets. Financial inclusion drive from the Reserve Bank of India (RBI) has expanded the target market to semi-urban and rural areas. Investment corpus in Indian insurance sector might rise to US\$ 1 trillion by 2025.
6. India benefits from a large cross-utilisation of channels to expand reach of financial services. Emerging digital gold investment options. Platform for infra debt financing – the government plans to make a Rs. 6,000 crore (US\$ 814.54 million) equity investment in the debt platform of the National Investment and Infrastructure Fund (NIIF).
7. Credit, insurance and investment penetration is rising in rural areas. HNWI participation is growing in the wealth management segment. Lower mutual fund penetration of 5-6% reflects latent growth opportunities.



## INDIAN ECONOMY

In June 2021, the Reserve Bank of India projected India's growth projections at 9.5% in the year 2021 and quarterly likely to grow at the rate of 18.5 per cent in the first quarter, 7.9 per cent in the second quarter, 7.2 per cent in the third quarter and 6.6 per cent in the fourth quarter. India becomes the fastest vaccinating country in the world; administers over 100 million doses of COVID-19 vaccine in 85 days. The gross value added (GVA) gives a picture of supply side, Index of industrial production (IIP) shows the growth rates in different industry groups whereas gross domestic product (GDP) represents consumption. With increase in private expenditure and capital expenditure by government, the real gross value added turned positive at 0.4% in Q3 FY 2021. Indian industrial production is contracted by 3.6% in the month of February 2021 for the 2nd consecutive month despite near normal economic activities during the month. India's GDP turned positive after two consecutive quarters of contraction. Decline in factory output was led by contraction of manufacturing production and continued weakening in the mining activities. Manufacturing sector, which comprises 77.6% of index, contracted by -3.7% in Feb 2021 and 17 industries out of 23 industrial groups posted contraction in activity during February 2021. India's GDP grew at 0.4% in 3Q21 as compared to -7.3% in 2Q21 as festival spending's, pentup demand and pick-up in government capex supported economic activities. Though growth remained modest and below market estimation, returning of economic activity into expansion phase ended pandemic led technical recession in India. Agricultural sector grew at 3.9% while industry activity picked to 2.7% driven by improving manufacturing scenario. Service sector also revived significantly to -1.0% in 3Q21 from -11.3% 2Q21.



## ECONOMY OUTLOOK

The Reserve Bank of India (RBI) estimated India's GDP growth rate at 9.5% for the financial year 2022. India's growth outlook has improved significantly and the covid-19 vaccination drive will help the economic rebound. The Reserve Bank of India's (RBI) Monetary Policy Committee (MPC) kept the repo rate unchanged at 4 per cent while maintaining an accommodative stance as long as necessary to mitigate the impact of the COVID-19 pandemic. The Indian central bank was widely expected to keep key interest steady amid a surge in COVID-19 cases in the country. The recent surge in covid-19 cases has caused lockdown and curfew in many states resulting in a dip in consumer confidence and reignited uncertainty regarding the near-term outlook. Second wave of Covid-19 infections and subsequent lockdowns are derailing economic momentum, RBI interventions will help maintain adequate liquidity as well as prevent hardening of yields in bond market. These measures will ensure economic stability as well as keep real estate sector stay afloat during such precarious times. Government has declared that vaccine will be given to every adult citizen (above 18 years) which may help to reduce the transmission of covid-19 in the near future.

## FINANCIAL BROKING SERVICES

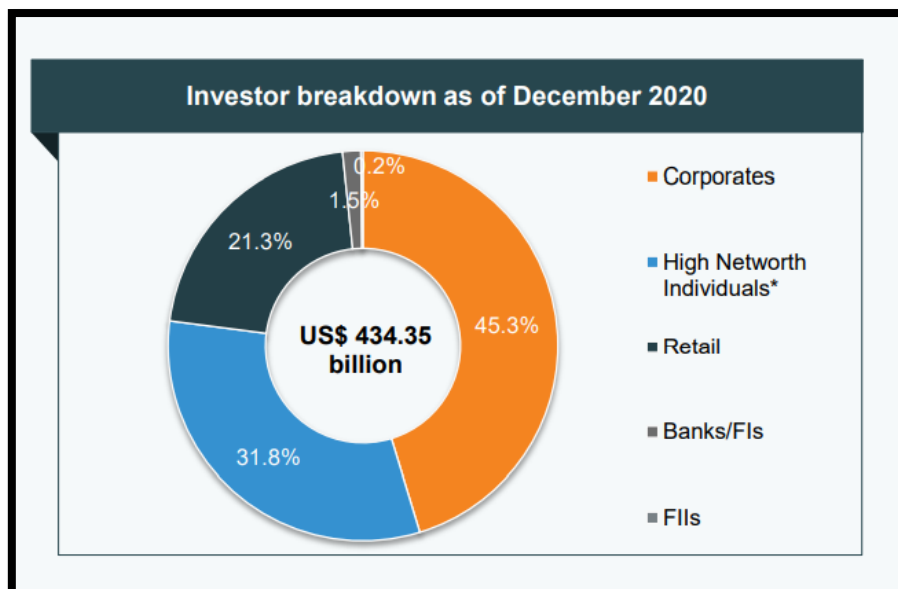
### OVERVIEW OF STOCK BROKING

Indian stock broking industry is the oldest trading industry that has been around even before the establishment of Bombay Stock Exchange (BSE) in 1875. Despite passing through a number of changes in post liberalization period, the industry has found its way towards sustainable growth. It has undergone developments over several years in terms of yields, products and customer services. In the initial phase, Indian brokerages were to be divided in two categories – bank led brokers and nonbank led brokers. Majority of these brokerages were full-service brokers with services spanning from providing platform for trading, settlement services, investment advisory (research), investment banking and wealth management. The aggregate Indian broking industry size stood at INR 210 billion in FY2020, registering a growth of 8% over INR 195 billion in FY 2019. The industry is expected to hit INR 230 billion in FY2021 at a YoY growth rate of 9.5%. During the lockdown, more and more people turned to trading on online brokerage platforms. To cater to this unprecedented trading volume and deliver enhanced trading experiences, brokers adopted innovative technologies such as cloud-based systems and IT enabled applications that form the broking industry's backbone. Brokers are

increasingly migrating to cloud-based systems to meet the spike in trading volumes and new account openings. Unlike legacy infrastructure, cloud computing offers easy scalability, cost-effective and time-saving services, and a level of flexibility never seen before in the sector.

## DEMAT ACCOUNTS

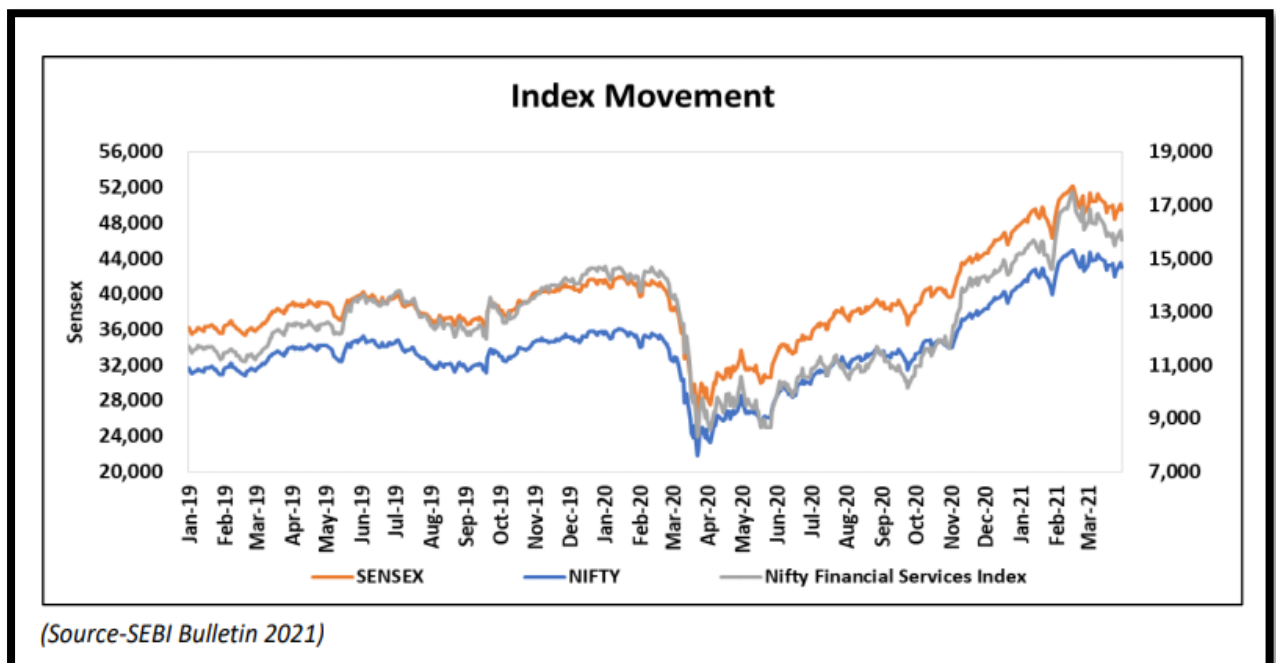
According to Securities and Exchange Board of India (SEBI) data, new dematerialized or demat account additions rose to an all-time high of 10.7 million between April 2020 and January 2021. The increase seen has been more than double the new accounts opened in the financial year 2019-20 at 4.7 million. In January 2021 alone, 1.7 million new demat accounts were added, the highest monthly increase since September 2019 when 1.9 million accounts were opened. As of January 2021, India's total demat accounts stood at 51.5 million, compared to 40.8 million at the end of FY20 and 35.9 million in FY19. The top-5 stock brokers in India are, Zerodha, upstox, Angel broking, ICICI securities and HDFC securities.



## INDUSTRY PERFORMANCE

High interest shown by both foreign portfolio investors and retail investors in the markets will lead the domestic broking industry's revenue to clock a 30-35 per cent growth to Rs 27,500-28,500 crore in 2020-21. It is expected to moderate to 7-8 per cent growth in 2021- 22 to Rs 29,500-30,500 crore. The equity markets reported an aggregate turnover of Rs 4,222 lakh crore in the April-December 2020 period, registering a year-on-year (y-o-y) growth of 66 per cent. The average daily turnover (ADTO)

increased to Rs 22.46 lakh crore in the year 2020-21, from Rs 13.89 lakh crore in the comparable period last year, and Rs 14.39 lakh crore in 2019-20. The industry showed an uptick in the current fiscal with the sample pool registering an annualised growth of 34 per cent in broking income and 21 per cent in total revenues in the first half of 2020-21. In FY21, as competing asset classes, such as fixed deposits, bonds and real estate, yielded lower returns compared to stocks, retail investors flocked to trading for a quick buck. In FY21, Sensex and Nifty are poised for best returns in 11 years. Both benchmark indices have risen 72-75% in FY21 so far, while BSE Midcap and BSE Small cap have surged 96% and 120%, respectively.



## OUTLOOK

Brokerage firms in India have seen the opportunity for hassle-free trading using design and technology to reduce costs for their customers. Low-cost trading, deeper penetration of smartphones, faster internet, and simplification of trading applications will make it possible for an increasing percentage of people across age groups to trade with ease. Technology based firms in the financial services space have empowered customers with tools and insights for savvier investment decisions. Indian stock broking industry is expected to clock a healthy growth on an aggregate basis, small-and-mid-sized brokerage companies are expected to face greater operational and funding challenges, which could have a bearing on their performance in terms of growth and profitability.

## ABOUT PHILLIP CAPITAL

•  Information about Phillip Capital and its product and services

PhillipCapital since its origin in 1975 has grown as an integrated Asian financial house with a global presence that offers a full range of quality and innovative services to retail, corporate and institutional customers. Phillip Capital (with headquarters in Singapore) operates in the financial hubs of 15 countries, with offices in Singapore, Malaysia, Cambodia, Indonesia, Vietnam, Thailand, China, Hong Kong, Japan, India, UAE, UK, France, Turkey, Australia and USA.

**PHILLIP CAPITAL** India and its associates companies are one of the leading Brokers in India. Phillip Capital group offers broking services in equities, derivatives, commodities, currencies, etc. They are Members of NSE, BSE, MSEI, MCX, NCDEX, IEX. They are also registered as Depository Participants with NSDL and CDSL respectively. Their experience and expertise in providing world-class financial services to the clients constantly attempt to work towards customer advantages. The Global experience has helped them in creating compliance-driven operating procedures. This ensures consistent and unbiased customer service.

PhillipCapital India team has experience across market and product segments and with the lineage of PhillipCapital Group, aims to provide efficient solutions to Institution and Retail Clients. Our experience and expertise in providing world-class financial services to our clients constantly attempt to work towards customer advantages. PhillipCapital India understands the unique business requirement of each of its clients and tailors its products and services to meet those requirements. Our Global experience has helped us in creating compliance-driven operating procedures.

### VISION

To be a part of integrated Asian Financial House with a global presence using Information Technology and Distribution as our core competencies in the provision of financial services.

### MISSION STATEMENT

To provide a comprehensive suite of quality and innovative financial services for the individual, corporate and institutional investors. We aim to be your partner in finance - a mutual relationship based on trust, transparency and integrity.

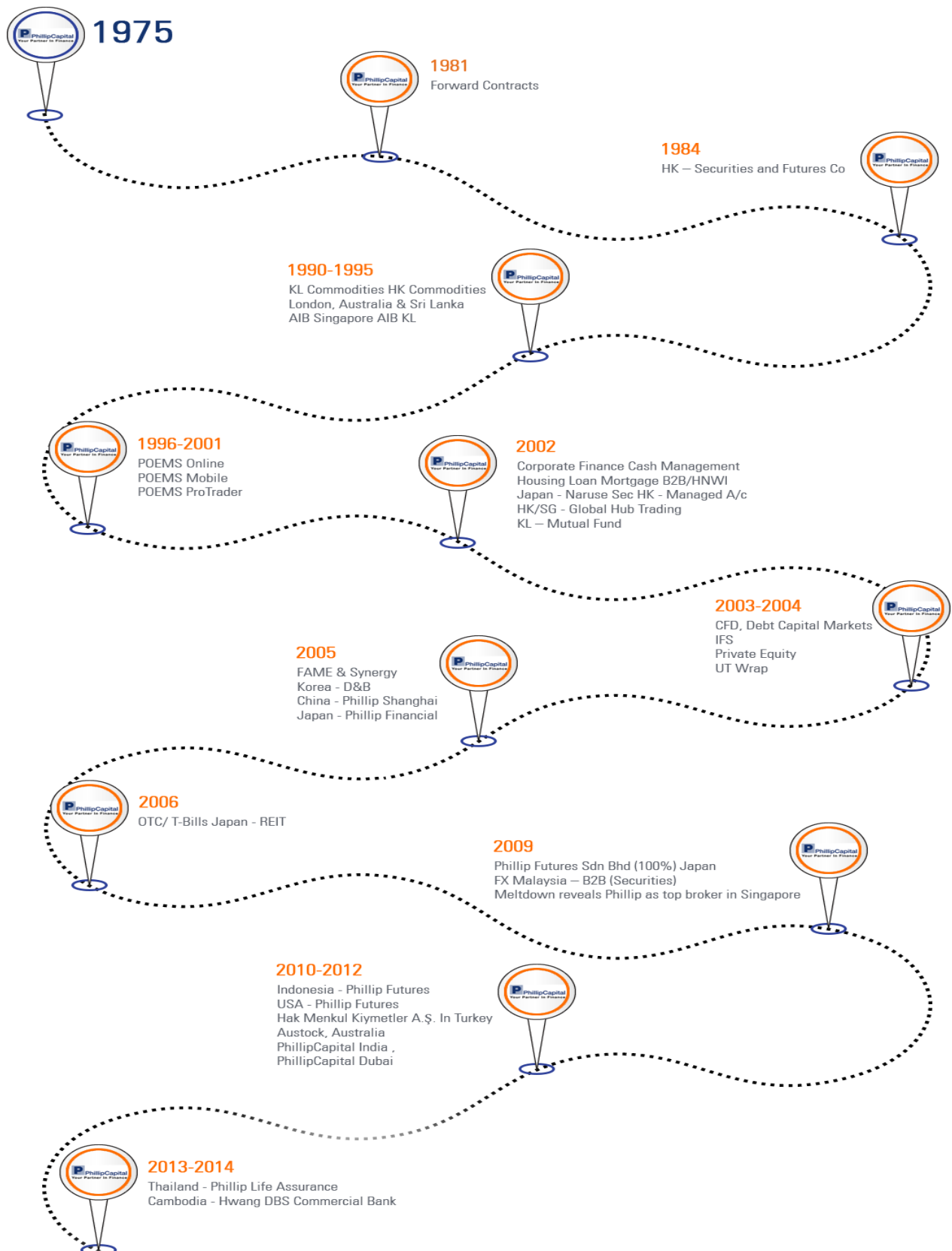
## GOALS

To grip openings and relentlessly conform personally to the necessities of our clients. To increase the value of our administration and deliver high gauge involvement to our customers. To be one of the favoured broking houses in India transversely all client sections.

## CORE VALUES

- We follow Customer Driven Approach. In our organization, Teamwork prevails over Individualism.
- We follow ethical practices in our dealings.
- We want to capture opportunities and constantly adjust ourselves to the needs of our customers.
- To add meaningful value to our service and deliver superior experience to our clients.
- To be one of the preferred broking houses in India across all customer segment

# MILESTONES OF PHILLIP CAPITAL



## PRODUCTS OF PHILLIP CAPITAL

### EQUITY AND EQUITY ADVISORY

This includes the broking service provided by Phillip Capital to its client where their team of Research Analysts in tandem with Relationship Managers guides clients with the most apt solutions but also back it up with hard-learned expertise, knowledge and in-depth research. Their trading platform offers a single screen online equity trading facility to the customers. Providing traders with the ease and convenience of a hassle-free trading experience is our ultimate objective. Customers can trade directly on the NSE and BSE without any intermediaries from the comfort of their house or at their work place. **Equity derivative** is a class of derivatives whose value is at least partly derived from one or more underlying equity securities. Options and futures are by far the most common equity derivatives. A futures contract gives the right to buy or sell a given amount of underlying at specified price and on or before specified date. An option is a contract between two parties to buy or sell a given amount of underlying assets at pre-specified price on or before a given date. There are two types of Option – Call option and Put Option.

### CURRENCY & COMMODITY DERIVATIVES

Currency derivatives are financial contracts between the buyer and seller involving the exchange of two currencies at a future date, and at a stipulated rate. Currency Derivatives Trading is suitable for those interested in reducing their foreign exchange rate risk. In recent years, commodities have emerged as part of the wider class of alternative assets. Increased inflationary pressures have also boosted the commodity appeal as an inflation hedge, with funds pouring money into the range of commodity spectrum led by oil and gold. As demand for goods and services increases, so does the price of the commodities/raw materials used to produce those goods and services.

### FIXED INCOME

Fixed Income securities is a debt instrument issued by a government, corporation or other entity to finance and expand their operations. Fixed-income securities provide investors a return in the form of



periodic payments (except few based on product features) and eventual return of principal at maturity. The purchase of a bond, debenture, treasury bill, mortgage or any other fixed-income product represents a loan by the investor to the issuer. Fixed Income securities are one of the most innovative and dynamic instruments evolved in the financial system. Based as they are on the concept of interest and time-value of money, Fixed Income securities personify the essence of innovation and transformation, which have fuelled the explosive growth of the financial markets over the past few centuries.

## SECURITY LENDING AND BORROWING

(SLB) Securities Lending & Borrowing is an opportunity for the lender to earn a lending fee for the stocks lend and borrower to get temporary loan of stocks which they do not own. At Phillip Capital India our team guides you regarding this exchange traded product.

Globally, SLB is a popular mechanism. This mechanism provides liquidity to the equity market and thereby increases the market efficiency. The list of securities which can participate in SLB is given by the exchange on a periodic basis.

NSE									
Trading Date	24-Jun-21								
Settlement Date -	05-Aug-21	Series	X8						
SYMBOL	Cash Close	SLBS Close	Absolute Return	Days*	Total Traded Quantity	Open Position	Total Traded Value**	Monthly High	Monthly Low
TATASTLBSL	90.25	3.15	3.49%	42	18850	1625380	1701213	6.0	2.0
WELSPUNIND	93.1	1	1.07%	42	720	3600	67032	1.0	1.0
AARTIIND	870.75	8.06	0.93%	42	148734	148734	129510131	15.0	2.0
MGL	1138.05	9	0.79%	42	600	4800	682830	9.0	3.0
LALPATHLAB	3194.05	23.74	0.74%	42	11469	12710	36632559	35.0	5.0
INDIANB	147.35	1	0.68%	42	99000	200000	14587650	1.0	0.5
BHEL	64.65	0.4	0.62%	42	2309	2309	149277	0.4	0.2
SAIL	125	0.65	0.52%	42	76000	76000	9500000	0.8	0.5
NTPC	118	0.45	0.38%	42	10130	37866	1195340	0.5	0.2
APOLLOHOSP	3203.25	9.5	0.30%	42	91	91	291496	9.5	5.0
AMARAJABAT	741.3	2	0.27%	42	80	502	59304	2.0	2.0
SHREECEM	28672.3	75	0.26%	42	2	2	57345	75.0	75.0

## PHILLIP CAPITAL EQUITY ADVISORY

**Phillip Capital Equity Advisory** is a mid to long term equity investor-oriented service which believes in disciplined investment approach enabling you to be in control of your stocks & money while you seek professional advice.

## SIMPLE EQUITY PLAN

**Simple Equity Plan** is a convenient and disciplined platform for an investor to build a long-term portfolio of scrips through regular investment of equal monthly amount. SEP as the name suggest is a convenient platform for an investor to build a portfolio with a systematic investment at regular intervals. At Phillip Capital India certain fixed amount decided by you can be invested in a bouquet of stocks. A Simple Equity Plan (SEP) helps you invest a fixed amount regularly at specified frequency; for example, monthly.

## MUTUAL FUNDS

A mutual fund is a Professionally Managed Investment Fund that pools money from investors and invests the money in securities such as stocks, bonds, and short-term debt. Mutual fund invests funds in accordance with objectives as disclosed in offer document. Diversification or access to a wider variety of investments than an individual investor could afford to buy. Economies of scale in investing with a group. Investor gets professional investment management services.

## INSURANCE

Insurance companies provide varied products catering to retirement planning and other wealth creation schemes e.g., regular fixed pension after retirement, children's education, children's marriage, foreign tour etc. For instance, an individual can invest regularly to accumulate a huge sum for buying's his house and at the same time provide the same amount through a life cover in case of

an unfortunate event before the maturity. Based on your age and financial objectives, our dedicated professional will recommend best available insurance products.

## RENEWABLES ENERGY CERTIFICATES

Central Electricity Regulatory Commission introduced REC mechanism to ease the purchase of renewable energy by the state utilities and obligated entities, including the states which are not well endowed with RE sources. REC framework seeks to create a national level market for renewable generators to recover their cost. One REC (Renewable Energy Certificate) represents 1 MWh of energy generated from renewable sources. Under the REC mechanism, a generator can generate electricity through the renewable resources in any part of the country.

## GOLD TRADING

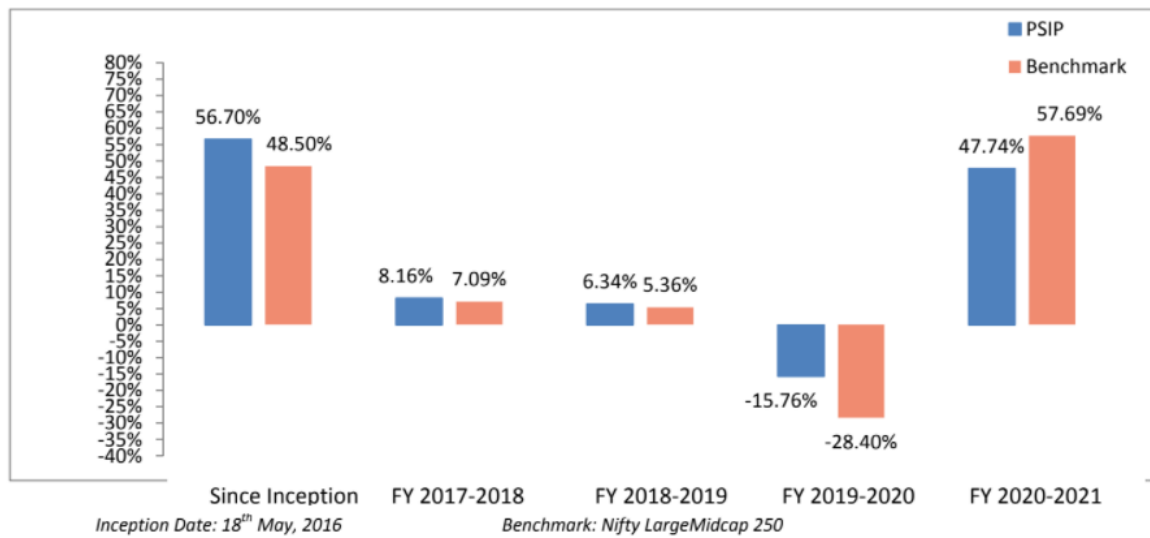
Phillip Finance and Investment Services India Private Limited forayed into trading of precious metals in 2016. We offer purity certified gold bars (1 kg and 100 gms) of 995/999 fineness and silver bars (30 kg) of 999 fineness to large jewelers, institutional investors and HNIs. We have started our operations at Mumbai & Ahmadabad and plan to go pan India in very short time.

## SERVICES OF PHILLIP CAPITAL

### PORTFOLIO MANAGEMENT SERVICES

PhillipCapital (India) Private Limited is a SEBI registered Portfolio Manager. Our PMS comes as an answer to those who would like to grow exponentially on the crest of the stock markets, with the backing of an expert. We will leverage our experience to be your steadfast partner on the financial waves. We measure our success through the success of our clients.

#### Performance Matrix – Phillip Signature India Portfolio (PSIP)



### INVESTMENT ADVISORY

PhillipCapital Investment Advisory services offers you customized advisory services according to your risk profile and investment objectives and receive regular updates on your portfolio.

Products covered:

- Direct Equity
- Futures and Options
- Mutual Funds
- Bond: Corporate, Government/Fixed Income Instruments

## DEPOSITORY SERVICES

PhillipCapital India P. Ltd. as a Depository Participant (DP) offers a safe & convenient way to hold securities in electronic form as compared to paper form. It offers freedom from delays, forgeries, settlement risk and paper work. We are Depository Participant of Central Depository Services Limited (CDSL) as well as National Securities Depository Limited (NSDL). An investor desirous of holding his securities in electronic form can open a Demat Account with us by completing necessary account opening formalities.

After getting the demat account number from the DP, the account holder can cause credit of fresh purchases of securities to his demat account and/or transfer the balances held in demat account held with other DP to this newly opened demat account. He can also tender the securities held by him/her in physical form to DP for dematerialization and credit to the demat account.

# PART-B

## PROJECT TITLE – STOCK MARKET ANALYSIS AND RELATIONSHIP MANAGEMENT

• **i** *Information about the project title and description*

**Stock Market Analysis and Relationship Management** is the project on which I am working for Phillip Capital. The project requires me to understand the diverse product and services of Phillip Capital. After understanding the products, I need to analyse the products and look at the transactions which have been made on the day in the financial markets related to the product. A daily report is to be prepared on the analysis and is sent to the mentor. The project is not only restricted to analysis but also includes communication with the existing and potential clients of Phillip Capital. It involves understanding their investing needs and advising them on the suitable product as per their risk-taking ability and expected return. It helps them to optimize their portfolio by earning more return on their corpus. Apart from this, During the time period of the Internship I need to conduct fundamental analysis of footwear sector, Learn and Conduct Technical Analysis on different shares by finding the pattern which generate buy and sell signal for a particular security.

A detailed list of the project activities that **involve domain knowledge**:

- Technical Analysis
- Fundamental Analysis of Selected Sector
- Research
- Analysis
- Data Visualization
- Risk Profiling

**Non-domain activities include:**

- Preparation of Daily reports
- Client Acquisition
- Business development
- Database Management
- Pitching and Presentation

## PROJECT TASKS

- **i** *Details about the tasks given in the project.*

The project was divided into 4 different tasks which I completed during my internship.

### UNDERSTANDING THE PRODUCTS AND SERVICES OF PHILLIP CAPITAL

**Phillip Capital** provides a whole lot of services to their customers. It ranges from capital markets to Insurance. Among the many products, the major products and services which are offered by Phillip Capital India which I have understood as part of my tasks are

### RELATIONSHIP MANAGEMENT

Some part of the day is spent on communicating with the clients of Phillip Capital regarding their investment needs. It involves understanding their need and risk averseness. After understanding their needs and their financial goals, I need to send these details to my mentor. An analysis is to be done on this information and the product which suits the client is recommended. This task helps me to learn about what goes behind the process after having the client information. This require risk profiling of the clients which was used to target their investment needs with the suitable Phillip Capital product or service.

In Phillip Capital, we organise free education webinar on different financial products. These webinars are held fortnightly. One of my tasks is to call the clients and invite them to attend the webinars. All the details and information about the financial products are explained to them on the call. The following webinars were held by Phillip Capital

1. Webinar on Equity Advisory on 22/05/2021
2. Webinar on ESG Investments on 04/06/2021
3. Webinar on Security Lending and Borrowings on 18/06/2021
4. Economic and Market Outlook on 22 /06/2021

## FUNDAMENTAL ANALYSIS OF FOOTWEAR SECTOR

I use **Bottom to top** approach to analyse footwear sector shares and the market outlook towards it. I use financial statements of the company and calculate ratios to know how the company is performing and are the share price undervalued or overvalued. I compare the financials of the company by its peer companies and look at its quarterly performance. Often, I have found that share price of a particular company is correlated with the EPS of that company. On the top side, I use reports of world bank, RBI and credit agencies to understand the economic conditions of the country and the future outlook. I tried to correlate the quarterly earnings of the footwear companies with their share price movements to look at the effect of their earnings on share price movements.

## TECHNICAL ANALYSIS OF FOOTWEAR SECTOR

It is the trading discipline employed to evaluate investments and identify trading opportunities by analysing statistical trends gathered from trading activity, such as price movement and volume. I have used technical analysis to predict the stock price movements and used it extensively for my analysis. Some of the most used patterns which, I look in the stock price candlesticks chart are

1. Support Levels
2. Resistant Levels
3. Consolidation
4. Pennants
5. Wedges
6. Flags
7. Golden, Death and Harami Crosses
8. Chalkin and Klinger Oscillators
9. MACD
10. Engulfing Pattern



# RELATIONSHIP MANAGEMENT

**i** Details about the tasks given in the project.

## INTRODUCTION

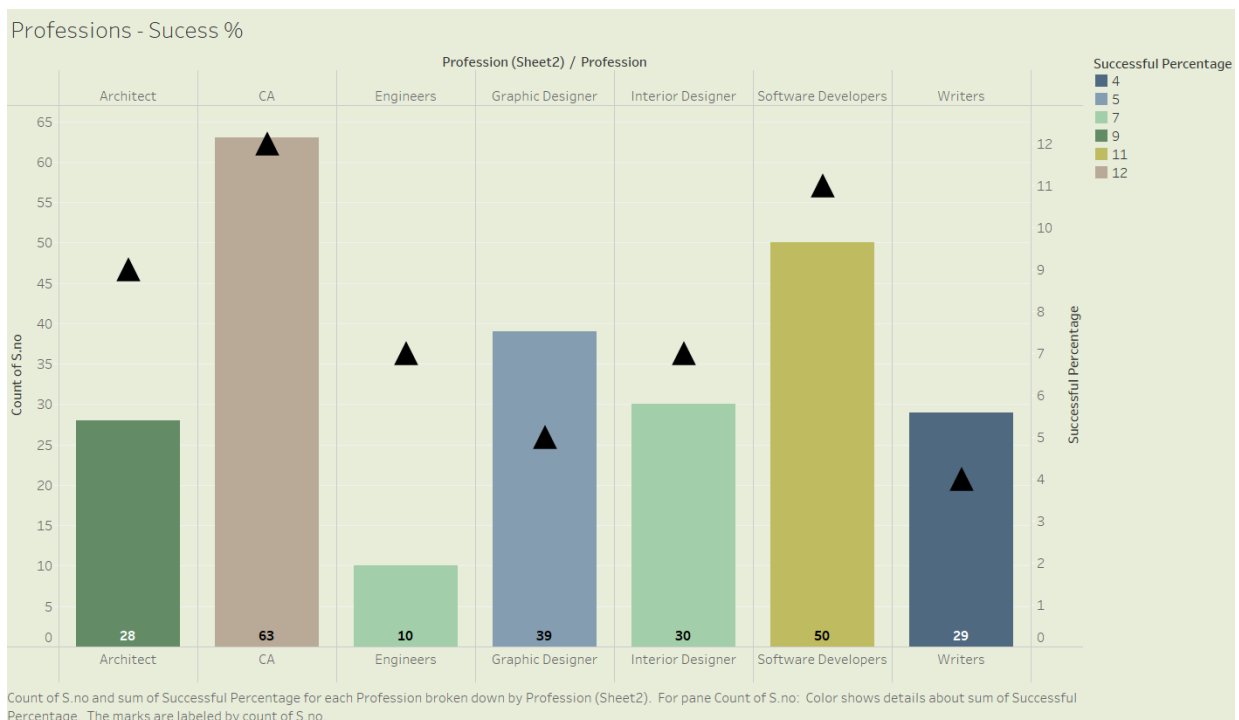
During my internship with Phillip Capital, some amount of time was spent on communication with Phillip Capital's potential Clients. During the first two weeks of my Internship, I had to build the database for potential clients which can use Phillip Capital products and avail their services.

In Phillip Capital, there are webinars which are organized fortnightly for the existing and potential customers. The topics of the webinars ranges from the different product presentations of Phillip Capital to recent developments in market and future outlook of it.

After two weeks, I have to start communicating the potential clients for inviting them to the webinar and explaining them the different products and services of Phillip Capital. During the calling, I used to understand their behaviour and b understanding it, I tried to pitch about the webinar by stating them the benefits they will receive from it and that the webinar is free of cost, they have nothing to lose.

## EXPLORATORY DATA ANALYSIS OF POTENTIAL CLIENTS ACQUISITION

I have done an EDA on the database; I have run the analysis on the data I have collected and the outcome of the calling. The following graph shows the analysis.



In the above graph, we can see the distribution of different professionals I contacted and the successful percentage of people interested in the webinar can also be seen as the upward triangle in the graph.

CA's were mostly interested in financial services which were offered by Phillip Capital. Almost 12% of CA's I contacted were interested. On the other hand, Graphic Designers were least interested in the webinars as their success percentage was only 4%.

One more insight which I gained from the analysis was that high income individuals like Architects, Software Developers were also more eager to join the webinar and wanted to learn about capital markets. I infer that these individuals are looking for investment opportunities to increase their wealth. They want to plan their finances and are more risk taking than other professionals as they earn more income.

## RISK PROFILING

After 4 weeks, my mentor started to give me the information about the existing clients of the Phillip Capital. I was supposed to contact them and ask them some type of questions which were used to risk profile them and suggest different investments which are feasible to them on the basis of their goal.



The Risk profile is based on these three things which are

**Risk Required** – refers to the level of risk required to be taken on investments to achieve your desired level of investment return.

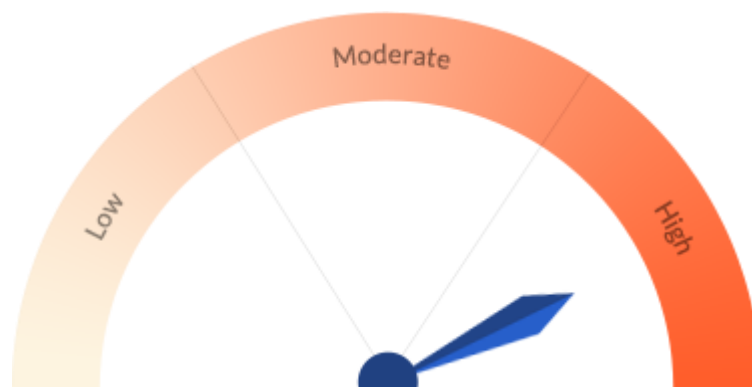
**Risk Capacity** – refers to the level of investment risk (or losses) that you can afford to take.

**Risk Tolerance** – refers to the level of risk you're comfortable taking.

These variables are affected by various factors which differs from person to person. Some of the factors which I considered were

1. Is investment a risk, opportunity or thrill
2. What is the source of the income of an individual
3. How much amount they can spare for making investment to meet their financial goals.
4. What would be their expectations from the investment and what is the time period for them to achieve their financial goal
5. Personal info of the individual and nature of financial goal.

Based on these factors, I used to profile the clients on tier risk taking ability and suggest my mentor about the product which they can offer to them. If the risk-taking ability is very low, I used to suggest them the fixed income product of Phillip Capital which invests in Government bonds, FDs and Treasury bills and depending on the risk-taking ability I used to suggest commodity and Forex advisory to people with high risk taking. These people want to make money quick and were willing to take higher risks.



# FUNDAMENTAL ANALYSIS OF FOOTWEAR SECTOR

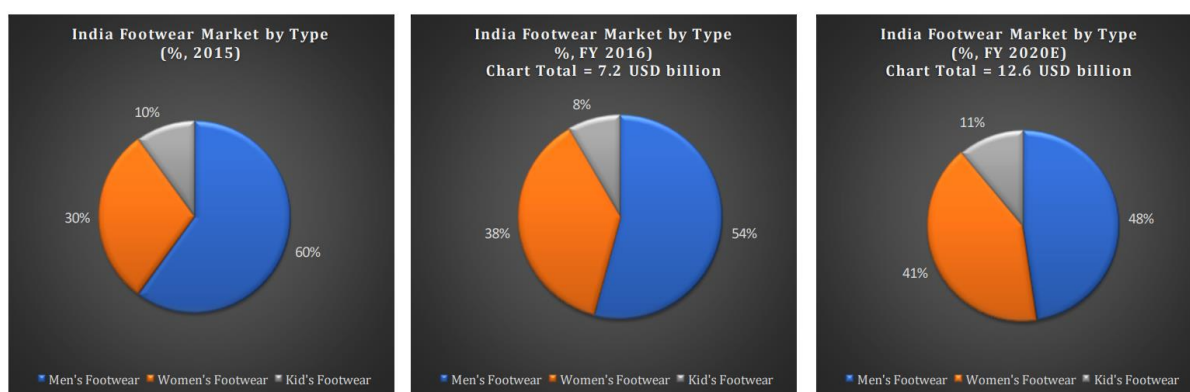
**i** Contains the detailed information of the analysis I done on Footwear sector.

## OVERVIEW AND MARKET PERFORMANCE

India is globally the second largest footwear producer after China. India's footwear production accounts for approximately 9% of the global annual production of 22 billion pair as compared to China which produces over 60%. Key production centres in the country include Kanpur and Agra in Uttar Pradesh, Ranipet, Vaniyambadi and Ambur in Tamil Nadu. The sector is fragmented and close to 75% production comes from the unorganised sector including very small, small and medium enterprises.

The Indian footwear market is currently worth INR 55,000 crore and is growing at 15% per annum. With the expanding market, the needs of the consumers are also fast changing. Rapid urbanization, higher disposable incomes and greater penetration of media has led to changing fashion needs of the consumers. While the sector has faced a setback due to the Covid-19 pandemic, industry specialists are optimistic about its recovery and growth.

The Trends are changing in the footwear market of India. Earlier when footwear markets was dominated by men's footwear has changed to Women's footwear occupying more share in the market as compared to 2015.



While the overall consumption is high, the average per capita footwear consumption is almost the lowest globally when compared to the world average consumption of 3 pair per year and developed countries average of 5 pair per year. Footwear consumption per person in the India, grew from 1.7 in 2016 to 2.0 in 2019 and is expected to grow to 2.33 pairs in 2021-22. Pre Covid-19 it was projected that the total domestic consumption of footwear will reach approximately 5 billion pairs by 2020.

## IMPACT OF COVID-19

The global Covid-19 outbreak had caused the major brands in the country to shut down their stores in during the mandatory Government imposed lockdown period in 2020. Most of the players also delayed the release of their new collection release. In March 2021, in the second wave of Covid-19 that the country is experiencing, various States have imposed either weekend or night curfews, dampening the brick & mortar retail scenario.

Supply chain in Agra, the largest leather shoe manufacturing hub of India had been disrupted as as manufacturers imports various components such as laces, shoe lining, buckles, ornaments, insoles, outsoles, cellulose board, shank board, foam and packing material from China. While in 2019, Agra exported total footwear export worth INR 2,500 crores, exports in 2020 till the month of June, amounted to only approximately 60 crores. Sales of footwear both offline and online had come to a complete halt from March 2020. When the Government allowed ecommerce companies to start delivering nonessentials, online sales of footwear picked up somewhat. Players have been training their front-end employees in providing a safe and healthy environment consistently.

As per the analysis done, due to COVID-19 the major players in the footwear sector have reported huge losses due to decrease in their top line and disruption in supply chain.

## MAJOR MARKET PLAYERS

Ratios	Bata	MirzaINT	Liberty	Superhouse	Relaxo	Khadim
P/E	48.4	101.97	1215.71	6.21	99.74	40.4
EPS	-6.95	0.54	0.14	25.38	11.72	-18.33



## 1. RELAXO

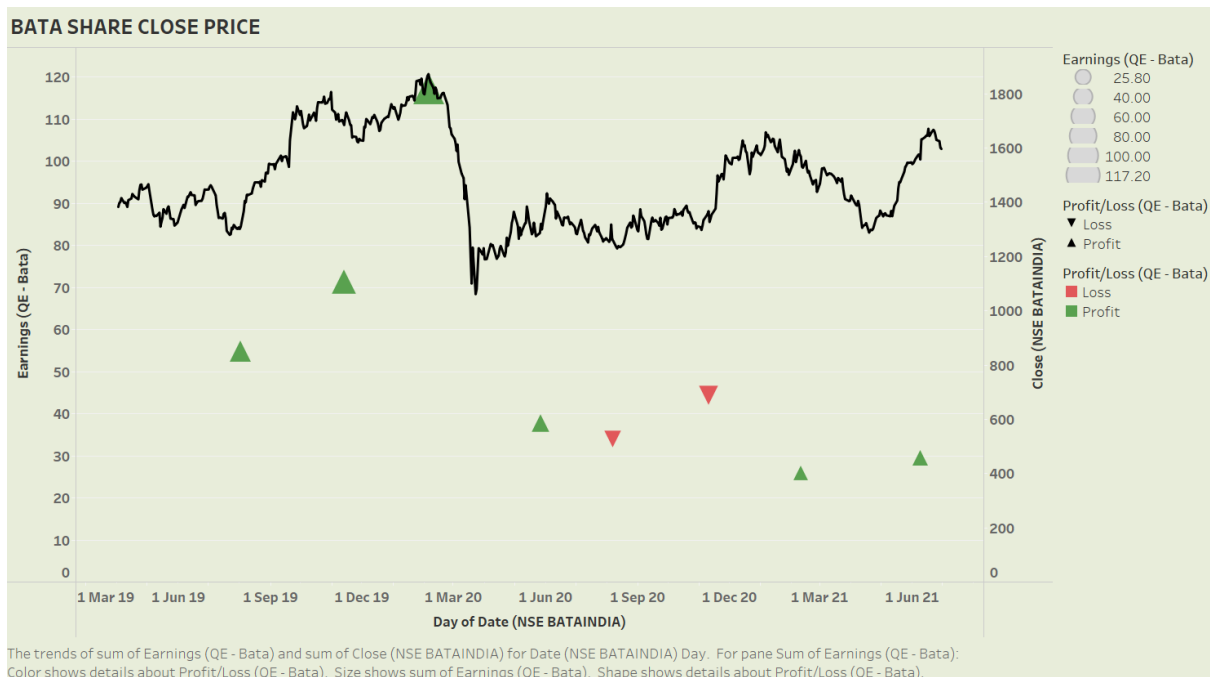
I have conducted an analysis which can be seen in the following graph. The black line shows the price movements of the Relaxo share price of the last two years. The green upward arrows shows the Quaterly profit announced by the company which are bigger if the profit is bigger.



Relaxo Footwears Ltd is involved in the manufacturing and trading footwear and related articles. It was founded in 1976 and is headquartered in Delhi, India. It Specializes in non-leather products, the company's products are available in more than 25 countries. The company offers rubber slippers, canvas shoes, sandals, etc., across its network of 50,000 retailers served through distributors, 390 retail outlets exports, ecommerce, modern trade, etc. Its Key brands include Hawaii, Flite, Sparx, Schoolmate, Elena Bahamas, and Casualz.

Relaxo is the only company which did not report any loss in the last two years. They managed to showcase an tremendous example of management. Before the Pandemic, Relaxo was reporting on an avergae 55 crores as their quaterly income. However, except in the june quarter they reported higher profits before the pandemic. This is clearly reflected in the share price trends of Relaxo as it is showing rising trend. If you notice the the share price after Dec20, Relaxo share price moved from 700 to about 1200 in just 6 months. The reason behind is the exemplary performance of Relaxo making it the largest company in Footwear sector in India on the basis of the Market Capitalisation.

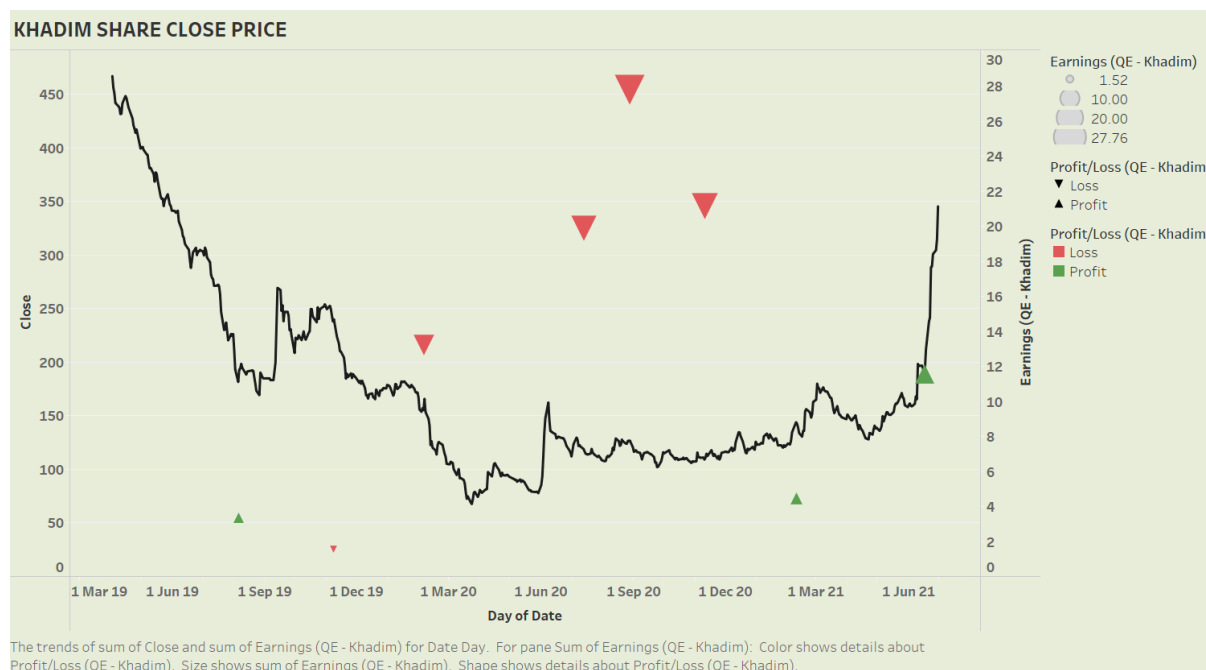
## 2. BATA



Bata India Limited is involved in the manufacturing and sale of footwear and accessories, with a network of over 1,375 stores and 4 manufacturing units in India. Company's offerings include various product categories for women and men - chappals, closed shoes, sandals, formal shoes and sport shoes, Women accessories include scarves and handbags, Men accessories include bags, shoe care, belts, wallets, foot care, handkerchief and socks. Its key brands include Ambassador, Bata, Comfit, Bata Lite, Hush Puppies, Marie Claire, Naturalizer, North Star, Power, Scholl, Sparx, Sundrops, etc.

Bata which has the largest market share and has the largest share price of all the competitors has fallen prey to the pandemic. Bata's business has been affected very badly by the pandemic as it has reported losses in two quarters and less profits in the last the two quarters. The share price has also plunged due to this and has not recovered much due to poor performance of the company. Bata needs to relook its policies and decisions to bring the company to earn its all-time high quarterly profits and take Relaxo head on head.

### 3. KHADIM



Khadim India Limited is one of the leading footwear brands in India, with a two-pronged focus on retail and distribution of footwear. The Company is the second largest footwear retailer in India in terms of number of exclusive retail stores operating under the Khadim's brand, with the largest presence in East India and one of the top three players in South India. The Company also has the largest footwear retail franchise network in India. The company's retail footprint is spread across 23 states and 1 union territory. As of September 2018, the company had 785 Khadim's branded retail stores and a wide network of 509 distributors selling to multi-brand-outlets (MBPs) across India.

Khadim, in the last two years have performed poorly. Even before the pandemic the company was reporting losses in the quarters and after the pandemic the losses have been huge which has made its share price plunge. However, in the last quarter Khadim has reported highest profit in the last eight quarters which has resulted into massive rally in Khadim Shares and money of Shareholders have almost been double in not more than a month. This has given a positive hope and could be a turnaround for the company from the losses.



## 4. LIBERTY SHOES



Liberty Shoes Ltd. is involved in the manufacturing and trading of footwear and accessories. It's founded in 1954 and headquartered in 1954. The Company offers its products for men, women and kids through its retail and wholesale network. Products encompass various categories, such as formal, sports, fashion, sporty casual, comfort and casual. The company has 12 sub-brands, some of which include Coolers, Footfun, Force 10, Fortune, Gliders, Prefect, Seniorita, TipTopp, etc.

Liberty Shoes is also showing increased profits in the last two quarters which correlates with the rally in liberty shares. However, the P/E ratio of liberty has touched almost 167 which is very high when compared to industry peers and comparing the performance of Liberty with other peers this implies that the liberty share is highly overvalued and Investor should be cautious before investing in liberty shoes.

## 5. MIRZA INTERNATIONAL

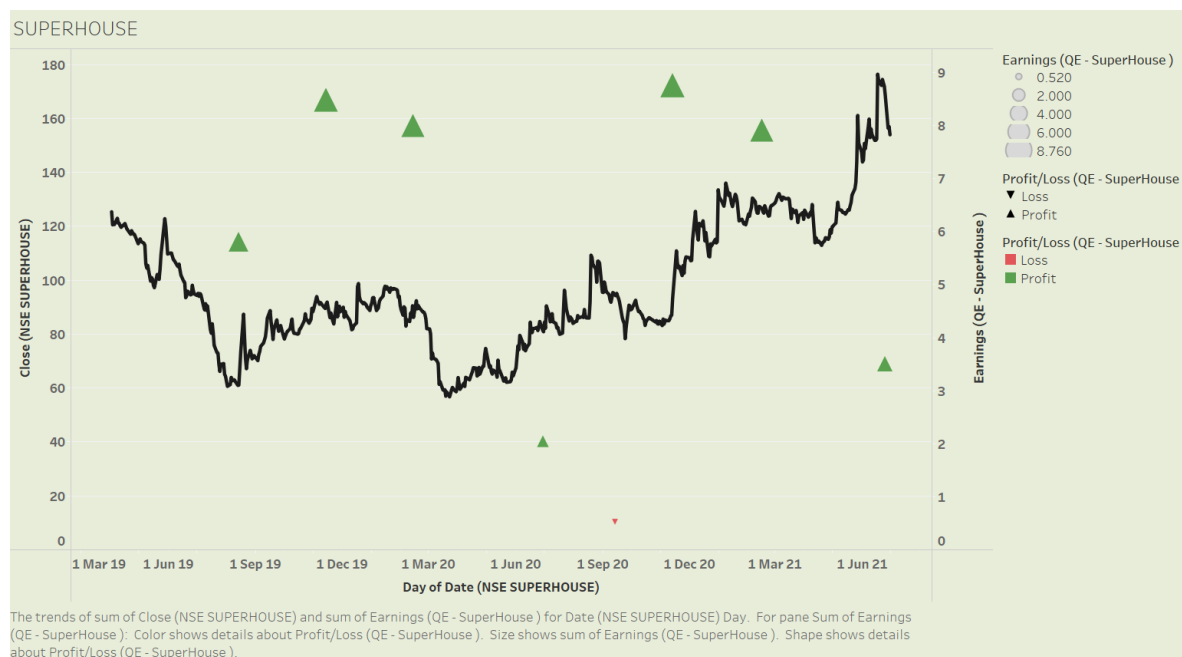


Mirza International Limited was incorporated on September 5, 1979 with a small tannery for manufacturing finished leather at Magarwara near Kanpur. The company, established by Irshad Mirza and Rashid Mirza, was then called 'Mirza Tanners Private Limited'.

The company focused on supplying high quality leather and leather products to the overseas markets and gradually became one of the largest exporters of finished leather in the country.

Mirza International has reported profits in the last two quarters, however the magnitude is less. The last two quarters profit offset the loss reported in Jun20 Quarter which generates a negative signal about the company. Even the share is not popular and volume traded in stock exchange is very less as compared to other big footwear companies shares.

## 6. SUPERHOUSE



Superhouse Group is a multi-unit and multi-product conglomerate with brand leadership in Leather, Leather goods, Footwear manufacturing and exports. The Group is well equipped with state-of-the-art machinery and a skilled workforce to produce a diverse range and quality of Leather, leather goods and textile garments, appreciated globally.

Superhouse has also been a good company and generated good profits in last two years except a minute loss in June 20 quarter. However, Superhouse makes leather shoes which are not popular in the Indian footwear markets. Consumer are rapidly changing towards the casual and funky looking shoes which are durable and stylish. Leather products are also losing demand due to how leather is procured and is not a sustainable product as it harms the climate and biodiversity.

# PART-C

## LEARNINGS

• **i** *Learnings I derived from my Summer Internship 2021*

- 1. Financial Products in Stock Market** – This internship provided me the opportunity to learn about different products and services in stock market. Previously, I was not aware about products like Security lending borrowing, ESG investments, REC bonds. After starting my Internship, I came across these products and learned about them. I learned how these products work and what extra opportunity they can provide to an investor without increasing the risk. Also, I develop deep learning about other products as well like the Future and Options derivative. How commodity and Bond's market affects the equity markets.
- 2. Analysis** – I learned about Fundamental and Technical analysis and approach of analysis towards the capital markets. I started to use various resources and learned how to use those resources in my analysis.
- 3. Data Visualization** – To present my research, I use tableau and Python to make interactive dashboards and plots. I use these figures in my report, to make it more readable and easier to understand. I use different libraries from python to conduct Exploratory data analysis and learn some insights about the stock prices and factors influencing it. Often external factors like FII inflows and outflows, prices of crude oil and prices of different commodities affect shares.
- 4. Pitching and Communication skills** – My pitching and communication skills has also improved significantly due to the daily communication with Phillip Capital's clients. I learned how to study customer behaviour of the clients and to recommend them the best products which were suitable to them and enhance their satisfaction.

## BILBIOGRAPHY

<https://www.investopedia.com/terms/d/dowtheory.asp>

Wealth Management Industry in India BY Care Ratings <https://www.careratings.com/>

<https://www.ibef.org/industry/financial-services-presentation>

<https://www.phillipcapital.in/>

<https://www.moneycontrol.com/india/stockpricequote/leather-products/bataindia/BI01>

<https://www.icicpruamc.com/risk-profiling-tool>

<https://www.canaccordgenuity.com/wealth-management-australia/investment->

[management/your-risk-](#)

[profile/#:~:text=Risk%20profiling%20is%20a%20process,and%20your%20tolerance%20to%20risk.">profile/#:~:text=Risk%20profiling%20is%20a%20process,and%20your%20tolerance%20to%20risk.](#)