

A Study on Investment Analysis of Selected Equity Stocks Listed on National Stock Exchange of India

Dr. K. Swapna Sri¹, M. Bhargavi²

1. Associate Professor, CMR Institute of Technology, Hyderabad, Telangana, India. Email ID:

swapnasri@cmritonline.ac.in

2. Student of MBA, CMR Institute of Technology, Hyderabad, Telangana, India.

Email ID: bhargavimalae11@gmail.com

Abstract

This study examines the investment performance of selected equity stocks listed on the National Stock Exchange of India (NSE), namely Infosys and ICICI Bank. The study focuses on analysing risk, return, stock price movements, and market trends during the period 2019–2024. Secondary data collected from NSE reports, company annual reports, and financial databases has been used for the study. Analytical tools such as Mean Return, Standard Deviation, Beta Analysis, Sharpe Ratio, Correlation Analysis, and Regression Analysis were applied. The findings reveal that ICICI Bank generated higher average returns with lower risk, while Infosys showed higher volatility with strong growth potential. The study concludes that systematic stock analysis and portfolio diversification help investors make better investment decisions.

Keywords: Investment Analysis, Equity Stocks, NSE, Risk and Return, Beta Analysis, Sharpe Ratio, Portfolio Diversification

I. INTRODUCTION

Investment in equity shares is one of the most popular methods of wealth creation. Equity investment provides opportunities for capital appreciation and dividend income. However, stock prices fluctuate because of economic conditions, market sentiment, company performance, inflation, and government policies. Therefore, investors must analyse risk and return before making investment decisions.

The National Stock Exchange (NSE) is one of the leading stock exchanges in India, providing a transparent platform for trading securities. This study focuses on analysing the investment performance of Infosys from the Information Technology sector and ICICI Bank from the Banking sector. The study helps understand stock behaviour, risk levels, and return potential during the period 2019–2024.

Statement of the Problem

Investment in equity shares offers high return potential but also involves considerable risk due to market fluctuations. Many investors lack sufficient knowledge to evaluate stock performance and investment opportunities. As a result, investment decisions are often made without proper analysis, leading to financial losses. Therefore, it is necessary to evaluate selected equity stocks to understand their risk-return characteristics and support informed investment decisions.

Research Objectives

- To analyse the risk and return of selected equity stocks listed on NSE.
- To evaluate market trends influencing stock performance.

Hypotheses

Null Hypothesis (H0): There is no significant relationship between stock price movements, market trends, and investment performance of selected equity stocks.

Significance of the Study

The study helps investors understand stock performance by analysing risk and return characteristics of selected equity shares. The findings assist investors, researchers, and financial analysts in making informed investment decisions and improving portfolio diversification strategies.

Scope and Limitations

The study covers selected equity stocks listed on NSE during the period 2019–2024. It focuses on analysing risk, return, and market trends using secondary data. The study is limited to Infosys and ICICI Bank and does not cover all companies listed on NSE. The findings are based on historical data and may be affected by future economic changes.

II. REVIEW OF LITERATURE

1. **Kowsalya and Valarmathi (2016):** The authors studied the application of technical analysis in IT sector stocks listed on the National Stock Exchange. The study used technical indicators such as Moving Averages and Relative Strength Index (RSI) to analyse stock price movements. The findings indicated that technical analysis can help investors understand market trends and make better investment decisions.
2. **Mansuri (2020):** The researcher examined the importance of fundamental analysis in stock valuation. The study highlighted that analysing financial statements and company performance helps investors estimate the intrinsic value of shares and make informed long-term investment decisions.
3. **Suresh and Tharun (2024):** The authors analysed selected stocks listed on NSE by applying risk and return measures. The study found that certain stocks generated better returns than others, emphasizing the importance of careful stock selection and portfolio management.

Research Design

The study adopts a descriptive and analytical research design to evaluate the performance of selected equity stocks listed on the National Stock Exchange of India. The descriptive approach helps in understanding stock price movements and return patterns, while the analytical approach evaluates risk-return characteristics and investment performance.

Sampling Technique

The study uses a non-probability purposive sampling technique. Two leading companies, Infosys from the Information Technology sector and ICICI Bank from the Banking sector, were selected based on market capitalization, investor preference, and availability of financial data.

Data Collection Methods

Data Type: Secondary Data

Data Sources:

- National Stock Exchange (NSE)
- Company Annual Reports

- Money control Website
- Economic Times Market Reports
- SEBI Publications
- Financial Journals and Research Papers

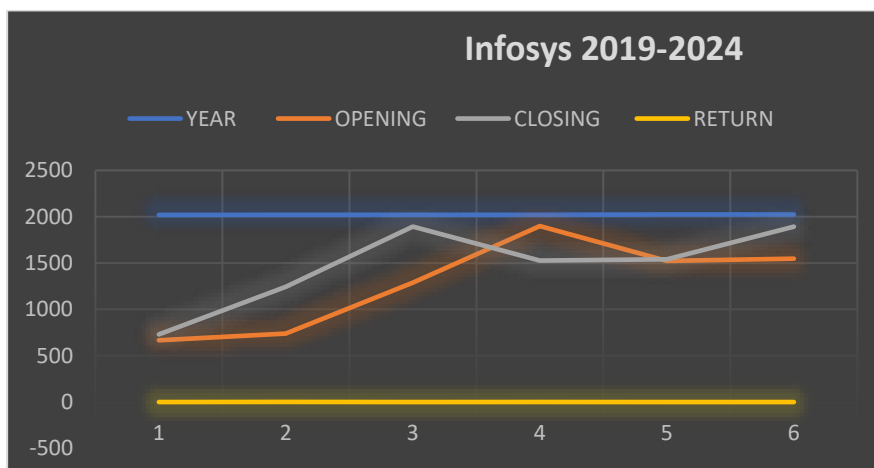
Analytical Tools Used

- Mean Return
- Standard Deviation
- Beta Analysis
- Sharpe Ratio
- Correlation Analysis
- Regression Analysis
- Trend Analysis

IV. DATA ANALYSIS

Annual Returns of Infosys (2019–2024)

YEAR	OPENING	CLOSING	RETURNS
2019	665.95	729.70	9.57%
2020	739.35	1243	68.12%
2021	1288	1893.25	46.99%
2022	1899	1528	-19.54%
2023	1524	1541.05	1.12%
2024	1548	1892.30	22.24%

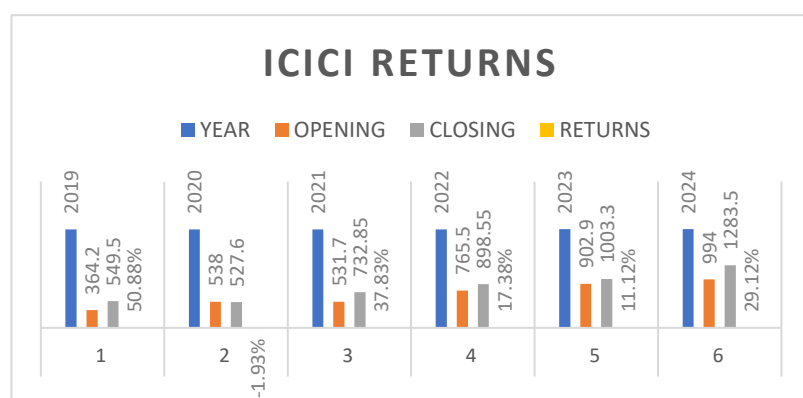


Interpretation:

The data shows that Infosys delivered positive returns in most years during the study period. The highest return was recorded in 2020, reflecting strong growth in the Information Technology sector. Although the stock experienced a decline in 2022, it recovered in subsequent years, indicating resilience and long-term growth potential.

Annual Returns of ICICI Bank (2019–2024)

YEAR	OPENING	CLOSING	RETURNS
2019	364.20	549.50	50.88%
2020	538	527.60	-1.93%
2021	531.70	732.85	37.83%
2022	765.50	898.55	17.38%
2023	902.90	1003.30	11.12%
2024	994	1283.50	29.12%

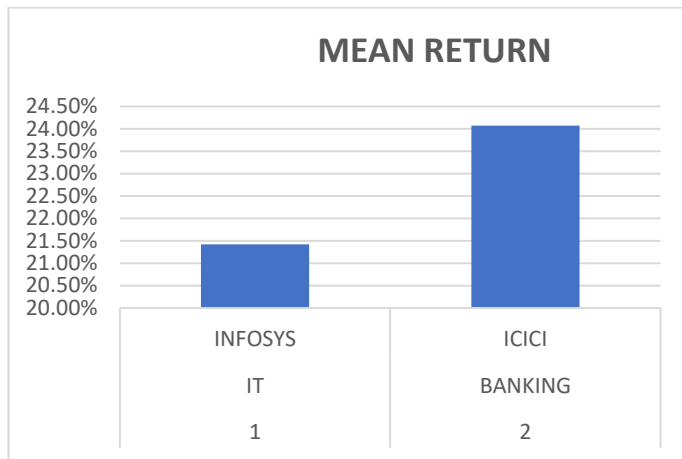


Interpretation:

ICICI Bank demonstrated strong and consistent performance during the study period. Despite a slight decline in 2020, the stock recovered significantly and maintained positive returns in later years. The overall trend indicates stable growth and strong investor confidence.

Mean Return

S.NO	SECTOR	STOCKS	MEAN RETURN
1	IT	INFOSYS	21.42%
2	BANKING	ICICI	24.07%

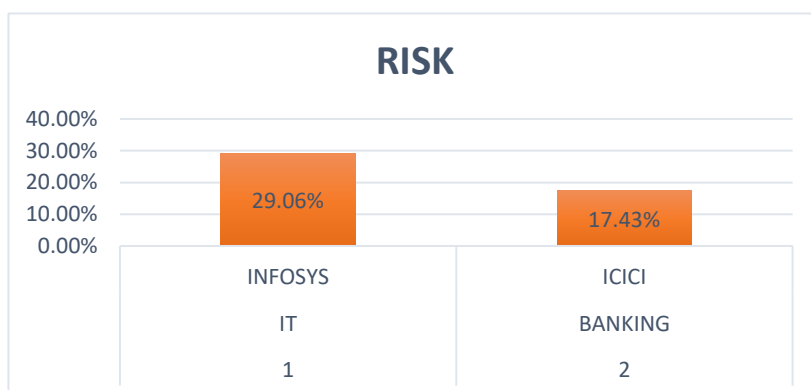


Interpretation:

ICICI Bank recorded a higher average return compared to Infosys. This indicates better overall performance and stronger return generation during the study period.

Risk Analysis (Standard Deviation)

S.NO	SECTOR	STOCKS	RISK
1	IT	INFOSYS	29.06%
2	BANKING	ICICI	17.43%

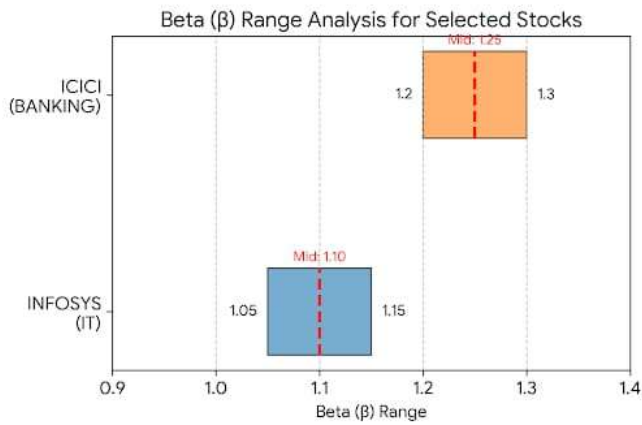


Interpretation:

Infosys exhibited higher volatility and risk, whereas ICICI Bank showed comparatively lower risk and more stable returns. Risk-averse investors may therefore prefer ICICI Bank.

Beta Analysis

S.NO	SECTOR	STOCKS	BETA RANGE (β)
1	IT	INFOSYS	1.05 -1.15
2	BANKING	ICICI	1.20 -1.30

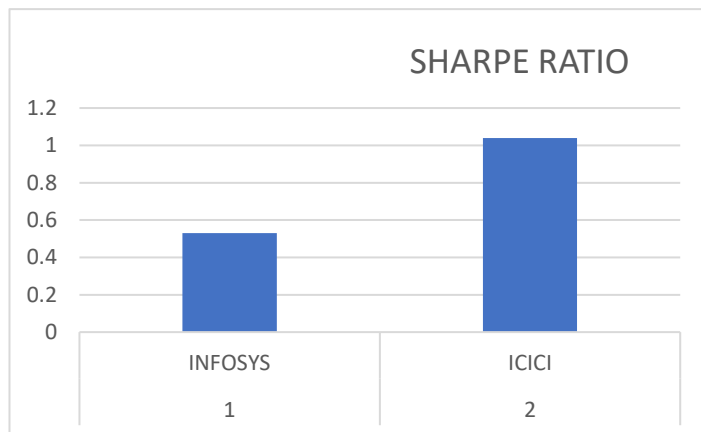


Interpretation:

Both stocks are more volatile than the overall market. ICICI Bank displayed higher sensitivity to market movements compared to Infosys, indicating greater exposure to economic conditions.

Sharpe Ratio

S.NO	STOCK	SHARPE RATIO
1	INFOSYS	0.53
2	ICICI	1.04



Interpretation:

ICICI Bank recorded a higher Sharpe Ratio, indicating superior risk-adjusted returns. The stock generated higher returns for each unit of risk undertaken by investors.

Correlation Analysis

S.NO	STOCKS	CORRELATION COEFFICIENT
1	INFOSYS	-0.21
2	ICICI	-0.21

Interpretation:

The correlation results indicate a weak negative relationship between stock performance and selected macroeconomic variables. This suggests that both stocks maintain relatively

V. FINDINGS, SUGGESTIONS, AND CONCLUSIONS**Findings:**

- ICICI Bank recorded the highest average return of 24.07% during the study period, indicating strong investment performance.
- Infosys generated an average return of 21.42% and demonstrated significant growth potential despite fluctuations in stock prices.
- Risk analysis showed that Infosys had higher volatility (29.06%) compared to ICICI Bank (17.43%), making it relatively riskier for investors.
- The Sharpe Ratio of ICICI Bank (1.04) was higher than Infosys (0.53), indicating better risk-adjusted returns.
- Beta analysis revealed that both stocks were sensitive to market movements, with ICICI Bank showing greater responsiveness to economic and market changes.
- Correlation analysis indicated a weak negative relationship between stock performance and selected macroeconomic variables, suggesting limited dependence on external economic factors.
- Regression analysis showed that macroeconomic variables had a relatively low impact on stock performance, with ICICI Bank being slightly more affected than Infosys.
- Trend analysis confirmed that both stocks experienced long-term growth, making them suitable investment options for wealth creation.

Suggestions:

- Investors should conduct proper risk and return analysis before investing in equity shares.
- Portfolio diversification should be encouraged to reduce investment risk and improve overall returns.
- Risk-averse investors may consider investing in ICICI Bank due to its stable returns and lower volatility.
- Investors seeking higher growth opportunities may invest in Infosys while considering the associated market risks.
- Continuous monitoring of market trends and economic indicators is necessary for making effective investment decisions.
- Investors should consider both company-specific and macroeconomic factors while selecting stocks for long-term investment.
- Financial awareness and investment education programs should be promoted to help retail investors make informed decisions.

CONCLUSIONS

The study concludes that the selected equity stocks listed on the National Stock Exchange of India demonstrated satisfactory investment performance during the period 2019–2024. Both Infosys and ICICI Bank generated positive returns and contributed to long-term wealth creation for investors.

Among the selected stocks, ICICI Bank emerged as the better performer due to its higher average return, lower risk, and superior risk-adjusted performance. Infosys also showed strong growth potential, although accompanied by higher volatility. The study further revealed that macroeconomic variables have only a moderate influence on stock performance, while company fundamentals and market trends play a significant role in determining investment outcomes.

Therefore, investors should adopt a systematic investment approach based on proper financial analysis, risk assessment, and portfolio diversification. Effective stock selection and continuous market evaluation can help investors achieve sustainable returns and long-term financial growth.

References:

1. Kowsalya, R., & Valarmathi, A. (2016). Technical Analysis of IT Sector Stocks Listed on NSE. *International Journal of Finance and Management*.
2. Mansuri, B. (2020). Fundamental Analysis and Stock Valuation. *Journal of Investment Studies*.
3. Suresh, K., & Tharun, D. (2024). Risk and Return Analysis of Selected NSE Listed Stocks. *Indian Journal of Economics and Business*.
4. Anju Bala. (2013). Structure and Functioning of the Indian Stock Market. *Journal of Financial Markets*.
5. Kapil, S. (2023). Role of Investor Sentiment in Stock Market Returns. *Behavioural Finance Review*.
6. Sen, S., & Dutta, A. (2022). Portfolio Optimisation in the Indian Stock Market. *Journal of Portfolio Management*.
7. Jain, P., et al. (2020). Market Efficiency of the Indian Stock Market: A Weak Form Analysis. *Finance India*.
8. National Stock Exchange of India (2019–2024). Annual Market Reports.
9. ICICI Bank Annual Reports (2019–2024).
10. Infosys Annual Reports (2019–2024).
11. Money control Financial Database (2019–2024).
12. SEBI Publications and Market Statistics Reports.