



Gujarat Technological University

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SCHOOL OF MANAGEMENT STUDIES

(Finance Club Activity)

Expert Session on

Investment & Trading Strategies

Date: 23rd October, 2024

Time: 2pm to 4:30pm

Venue: GSMS-Room No. 02

Finance Club of the GTU-School of Management Studies (GSMS), organized an expert session Trading Strategies. The event was held on 23rd October, 2024 from 2pm to 4:30pm, at class room no.2, GTU-SMS. More than 35 students of finance super specialization of MBA (IB) Sem-3 have participated in the event. The expert speaker for the session was Mr. Ravi Bhatt, a Financial Expert serving as Financial Analyst, an founder of Savaj Capitals. He is SEBI registered financial expert.

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Expert Session
on
Investment and Trading Strategies

with Eminent Speaker

Mr. Ravi Bhatt
Research Analyst,
Savaj Capital

22-10-2024
GTU-SMS
02:00 PM

Invitee
Dr. Pankajray Patel
Director - GSMS

Coordinator
Dr. Kaushal Bhatt
Associate Professor - GSMS

Locate us @ : GTU SMS, Academic Block-4, GTU Campus, Visat Gandhinagar Highway, Chandkheda, Ahmedabad Gujarat

@GTUSMS

The event aimed to shed light on the challenges and opportunities on the Indian Stock Market. Investment and trading strategies in the Indian stock market vary widely, given its diverse economic sectors, investor demographics, and regulatory environment. Strategies in this market typically fall into two main categories: long-term investment and short-term trading. Both strategies benefit from a solid understanding of **fundamental and technical analysis**, two essential tools that help investors and traders make informed decisions.

1. Long-term Investment Strategies

Long-term investment strategies are focused on wealth creation over a period of years, often through a “buy-and-hold” approach. These strategies involve identifying high-quality companies with strong fundamentals, which are expected to grow steadily over time. In the Indian context, popular long-term strategies include:

- **Value Investing:** This strategy involves identifying undervalued stocks—companies with a high intrinsic value that is not yet reflected in their market price. Value investors look for companies with strong cash flows, low debt, and good dividend yields.

- **Growth Investing:** Investors look for companies with potential for rapid earnings growth, even if the stocks appear expensive in terms of price-to-earnings (P/E) ratios. Sectors like technology, healthcare, and green energy often attract growth investors.
- **Dividend Investing:** This approach is about seeking stable companies that regularly distribute dividends. Over time, dividends can significantly contribute to an investor's return, especially with the power of reinvestment.
- **Index Investing:** Many investors simply buy the index (e.g., Nifty 50 or Sensex) to gain exposure to the broad market. This strategy reduces risk as individual stock performance fluctuations balance out over a diversified portfolio of stocks.

2. Short-term Trading Strategies

Short-term trading strategies seek profits by leveraging price fluctuations in a short time frame. These strategies involve more frequent buying and selling, often based on technical signals rather than fundamental indicators. Common trading strategies include:

- **Day Trading:** Traders buy and sell stocks within the same day, aiming to profit from intraday price movements. In India, this is particularly common due to the volatile nature of the stock market.
- **Swing Trading:** Swing traders capitalize on short- to medium-term price trends, holding positions for several days or weeks. Technical analysis plays a crucial role here in identifying trend reversals.
- **Scalping:** This is a high-frequency strategy where traders make dozens or hundreds of small trades within a day, aiming to make small profits from each trade.
- **Positional Trading:** Traders buy and hold a stock based on anticipated medium-term trends, relying on a mix of technical and fundamental factors.

Importance of Fundamental Analysis

Fundamental analysis involves evaluating a company's intrinsic value by examining its financial statements, industry position, economic environment, and management quality. It is crucial for long-term investors, as it helps identify stocks with solid financial health and growth potential. Key metrics include the

price-to-earnings (P/E) ratio, price-to-book (P/B) ratio, return on equity (ROE), and earnings per share (EPS). For example, in the Indian market, blue-chip companies like Reliance Industries and TCS are attractive for their consistent performance and strong fundamentals.

Importance:

- **Value Identification:** It helps investors identify undervalued stocks and companies with strong growth potential.
- **Risk Mitigation:** Examining a company's debt levels, revenue, and cash flow provides insights into its stability, making it easier to avoid financially weak stocks.
- **Long-term Predictability:** Companies with strong fundamentals are generally more resilient to market downturns and provide stable returns.

Importance of Technical Analysis

Technical analysis involves studying past price movements and trading volumes to predict future price trends. It is indispensable for short-term traders who rely on chart patterns, indicators, and oscillators like moving averages, the Relative Strength Index (RSI), and MACD to make quick buy or sell decisions. In a fast-paced market like India's, technical analysis is essential for capturing short-term price trends.

Importance:

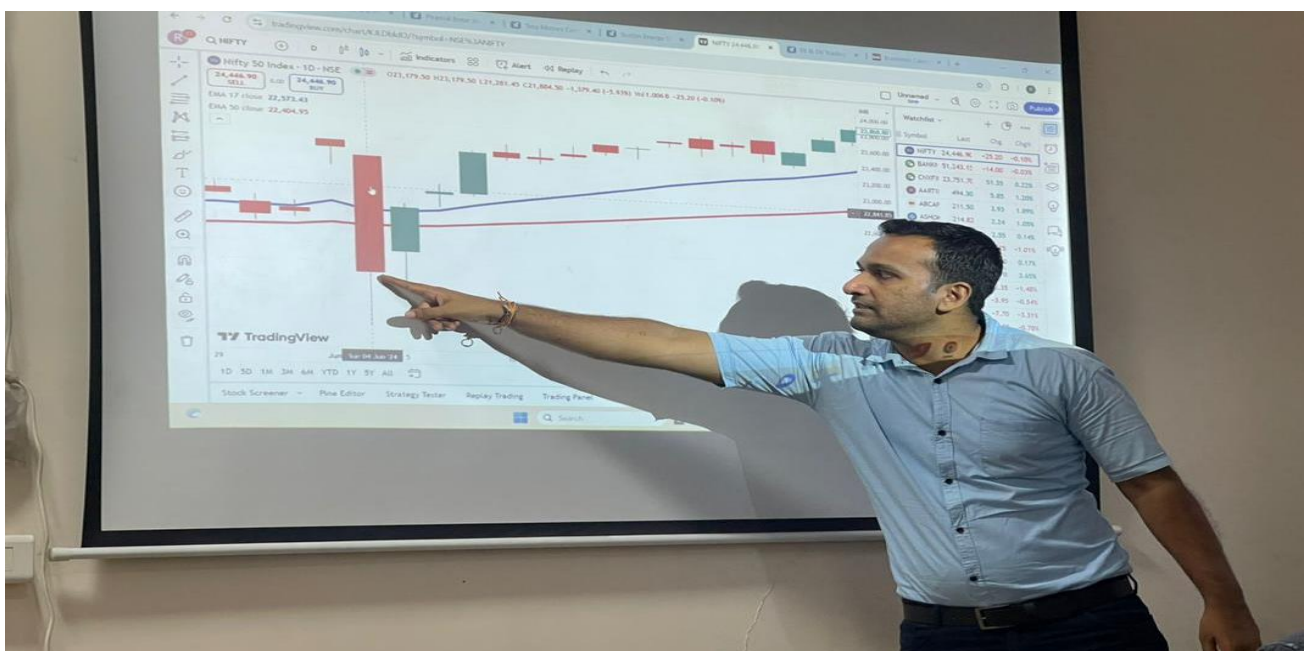
- **Entry and Exit Timing:** Technical analysis provides precise entry and exit signals, which are crucial for traders aiming to capitalize on short-term price fluctuations.
- **Market Psychology Insight:** Technical analysis reflects investor behavior, offering insights into whether a stock is overbought, oversold, or likely to reverse its trend.
- **Risk Management:** Using tools like stop-loss and take-profit levels helps traders limit losses and lock in gains.

Combining Fundamental and Technical Analysis

Many investors and traders use a blend of both analyses to improve their decision-making. For example, they may use fundamental analysis to choose

fundamentally strong stocks and rely on technical indicators for timing entries and exits. In the Indian stock market, a blended approach allows investors to manage risks better while maximizing returns in an often volatile environment. Combining the strengths of both approaches can enhance overall portfolio performance, whether one's focus is on long-term growth or short-term gains.

Glimpse of the Session:





Report prepared by:

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