Fundamental And Technical Analysis Of Select FMCG Companies In India

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Abstract

An investor in the stock market would be interested in analysing the stock price movements. Prices in the stock market fluctuate due to continuous buying and selling in the market. There are basically two approaches used in analysing the share price movements. They are fundamental approach and technical approach. Both these approaches have the same objective of buying at lower price and selling at a higher price to gain good return on investment. It can be said that the end goal of these two methods are one and the same. However, there exists vast difference between the fundamental concepts of these two methods. In fundamental analysis the analyst would be concerned with the fundamental factors. He would be interested in determining the true worth or intrinsic value of a share based on its current and future earning capacity. They would buy the share when its market price is below its intrinsic value. The term "Technical Analysis" is a general heading for myriad of trading techniques. Technical analysis attempts to forecast future prices by the study of past prices and a few other related summary statistics about security trading. A technical analyst is always concerned with the direction of price movements.

Keywords: Fundamental Analysis, Technical Analysis, Stock Market, hare movement, & techno fundamentals analysis.

INTRODUCTION

Introduction of Fundamental and Technical Analysis

Investment in the securities market needs analysis to identify and select the right instruments and right time to invest to reap high returns, which in turn, can increase the investors' wealth. Based on the analysis, the investment strategies have to be framed and portfolios constructed, evaluated and revised from time to time. Fundamental analysis and technical analysis examine the securities individually or in groups. Fundamental analysis calculates the intrinsic value of securities and the present values of cash inflows. It measures the macro-economic environment, industrial competition and the performance of companies. It is performed by long term investors. On the other han[1]d, a technical analysis deals with the present and future price trends,

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the movements in the market and the market value of securities. Technical analysis is preferred by frequent traders in the market.

India is a developing country. Nowadays many people are interested to invest in financial markets especially on equities to get high returns, and to save tax in honest ways. Equities are playing a major role in contribution of capital to the business from the beginning of capital markets. Since the introduction of the concept of shares, large numbers of investors have shown interest to invest in the stock market. In industries plagued with skepticism and a stock market increasingly difficult to predict and contend with, if one looks hard enough there may still be a genuine aid for the Day Trader and Short-Term Investor.

The price of a security represents a consensus. It is the price at which one person agrees to buy and another agrees to sell. The price at which an investor is willing to buy or sell depends primarily on his expectations. If he expects the security's price to rise, he will buy it; if the investor expects the price to fall, he will sell it. These simple statements are the cause of a major challenge in forecasting security prices, because they refer to human expectations. As we all know first-hand, human expectations are neither easily quantifiable nor predictable. If prices are based on investor expectations, then knowing what a security should sell for becomes less important than knowing what other investors expect it to sell for. That's not to say that knowing what a security should sell for isn't important, it still is. But there is usually a fairly strong consensus of a stock's future earnings that the average investor cannot disprove.

Fundamental analysis and technical analysis can co-exist in peace and complement each other. Since all the investors in the stock market want to make the maximum profits possible, they just cannot afford to ignore either fundamental or technical analysis.

REVIEW OF LITERATURE

Kitloon, Jimmy Honga, Eeliza Wu(2014): They have done an empirical study on the price based technical indicator variables with respect to accounting variables to explain cross-sectional stock returns, by application of OLS and state-space model has been applied and they have found that accounting variables have long term effect on small-cap stocks. this analysis is limited to applied to Russell 3000 index for the period of 1999-2012.Whereas my study is focused on investment decisions across various capital segments, by applying Technical and Fundamental analysis taking NSE index as a base and the period being the year 2014. Hence this study has no relevance to my study.

Hemang Desai, Srinivasan Krishnamurthy, Kumar Venkatraman(2007): This study emphasized on the role of fundamental analysis in information arbitrage is carried out on the view point of short sellers. They have documented that magnitude of accruals, sales growth, gross margin, and SG&A expenses and value indicators such as book-to-market ratio and return momentum, to be correlated with the behavior of short sellers. They have focused on predicting short interest and future returns with an out-of -sample period, by distinguishing between valuation and arbitrage motivated short selling using fundamental analysis. Whereas this study used both Fundamental and Technical analysis to give insights into providing options to retail investors to make investment decisions keeping in mind their risk taking appetite.

Scott Richardson, Irem Tuna, Peter Wysocki(2009): This paper stressed on the advances made in research of accounting anomalies fundamental analysis by using investor forecasting activity. Their survey highlights recent research advances and findings on the fundamental

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analysis and accounting anomalies research, taking investment professionals and academics as source. On the other hand my study is in accordance to investment decisions by considering fundamental and technical analysis in cross-sectional equity segment.

Hendrik Bessembinder and kalok Chan(1997): This study was carried out on the basis of a previous study carried out earlier in 1992, that technical analysis in various forms affect forecast power of U.S. equity index returns. This study examines the effect of forecast ability attributable to return measurements arising from non-synchronous trading pattern. They have eliminated this limitation of non-synchronous trading by being selective while selecting stocks and found out forecast power could be consistent with market efficiency. My study is based on application of IRJA-Indian Research Journal, Volume: II, Series: 4. Issue: April, 2015. ISSN: 2347-7695 Online Available at www.indianresearchjournal.com Fundamental and Technical analysis on selective cross-sectional Indian stocks, to provide simple buy and sell signals for investors across the scale of risk

Venkates CK, Dr. Madhu Tyagi, Dr. Ganesh L(2012): This paper analyzed various selected stocks across Information Technology, Banking, and Pharmacy sectors over a period of ten years from 2001-2010, to establish relationship between their accounting information and their returns. They have carried out their research to find out short term changes in firms operating efficiency, profitability and financial policy, using F SCORE. This paper aims to show that investor make portfolio construction based on simple historical financial performance. On the other hand, my project focuses on the simple idea of making investment decisions, by applying Fundamental and Technical analysis on a select set of stocks across sectors to identify best investment options for an investor.

Stephen Sault (2009): This paper studies the relationship between Fundamental and Technical analysis to understand whether these two are substitutes or compliments to one another, and whether they can be integrated to provide superior results, with relation to valuation of shares. My project provides an insight to how an investor can use simple tools under both Fundamental and Technical analysis to zero in on one stock under each analysis. Hence this study has no relevance to my study

Keerthi Gunuraj Kulkarni(2013): This paper evaluates various stocks across various sectors using analytical tools, to understand the efficiency of Fundamental and Technical analysis. They have intended on developing a "stock selection criteria" based on which stocks have been analyzed. Whereas my study focuses on the application of Fundamental and Technical analysis to assist investors to take simple buy or sell positions.

Christopher J Neely Paul A. Weller: This article emphasizes the use of Technical analysis to derive the importance of market efficiency in foreign exchange market. They have studied the effects of technical rules over dollar exchange rates over a period of 15 years between 1970s and 80s. They have observed pattern of excess returns to Technical trading rules as being consistent with an adaptive markets view of the world. My study uses both Fundamental and Technical analysis to give insight into the investment decision making for short and long term

Branka Marasovic, Tea Poklepovic, Zdravka Aljinovic: This paper deals with the use of Markowitz optimization model alongside use of Fundamental and Technical analysis with various filters to see whether these models are complementary to one another or otherwise in the process of portfolio optimization. This was applied to a sample of stocks from the Croatian stock market. Whereas my study is based on the application of Fundamental and Technical analysis with different filters over selected cross-sectional stocks from the Indian stock market, to help make investment decisions.

OBJECTIVES OF THE STUDY

1. To understand the conceptual framework of Fundamental and Technical Analysis.
2. To understand and predict the share price movements of select FMCG Companies.
3. To use financial ratio to analysis Fundamentally sound scrip.
4. To critically analysis shares on Techno fundamental basis.

RESEARCH METHODOLOGY

The present study attempts to analysis movement of selected share of FMCG sector on the basis of fundamental and technical analysis. The study make use of the secondary data for the purpose of analysis, the period of the study is 5 years commencing from 1st January 2018 to 31st December 2022. The data pertaining to the study was gathered from the official website of the respective companies also from the annual report furnish by the companies and from money control.com. The present study attempts to analysis fundamentally sound FMCG companies on the basis of EIC module that is Economic analysis, Industry analysis and Company analysis and for short term investment purpose technical analysis using candle stick chart pattern were been analysed.

DATA ANALYSIS

Economic analysis

The various economic parameters to be considered by selection of Economy for making investment.

Gross Domestic Product

Gross domestic product (GDP) is a standard measure of the value added created by a country's production of goods and services over a given time period. As such, it also accounts for the income generated by that production, as well as the total amount spent on final goods and services (less imports). India is considered as one of the leading developing economies in the world and it has the growth rate faster than many developed countries in the world. The Indian economy is doing well even when the major economies in the world are going through recession and Indian economy is the fifth larges economy in the world which hold 1/5 of world population so it becomes one of most attractive economy for the investor across the glob

GDP Growth Rate

The GDP Growth Rate, commonly referred to as the Economic Growth Rate, gauges how much a nation's GDP has changed from one time period to another. The amount of change is expressed as a percentage (%), which indicates the state of the economy and potential future growth.

Exchange Rate

The Indian rupee depreciated past 82.25 per USD from the one-month high of 81.7 touched on March 3rd, weakening despite the sharp retreat in the DXY as strong import demand weighed on the local currency. The volatility of the greenback suggested that Indian investors also exited their short dollar positions, increasing selling pressure on the rupee. Still, concerns about higher inflation strengthened hawkish bets for the Reserve Bank of India. Retail prices rose by 6.44% annually in February, above expectations of 6.35%, and marking it the second month inflation surpassed the central bank's upper target of 6%.. Even in the present global crisis the Indian exchange rate was not affected the way we evidence wide fluctuation in the exchange rate of other developed economies which gives a sense of stability to the investor overseas

Infrastructure Development in India

India's recent economic growth is one of the most notable trends in the global economy. One of the world's economies with the quickest growth rates has returned: India. The United States is a member of the Organization for Economic Cooperation and Development (OECD). The investment boom and strong macroeconomic fundamentals have a positive impact on India's outlook going forward. Several observers believe that India could realise its full potential if it improved infrastructure facilities, which are now insufficient to fulfil the expanding economic demand. India's economic growth will be slowed down if infrastructure improvements are not The BJP government form 2014 has been making huge investment in capital intensive products even construction of highways road ways have been given the most priority as compare to other activities. A well connected roadways air ways and sea ways gives the business house an boost to carry out the business in a much streamline manner.

Monsoon

Monsoon has progressed more slowly than usual after hitting Kerala nearly a week late. Monsoon rains have been 44% lower-than- average so far in June, delaying the sowing of summer-sown crops and raising concerns that parts of the country could face a worsening drought. This shortfall could have a major impact on consumer demand, the overall economy and financial markets

India Inflation Rate

Compared to market expectations of 6.35%, India's annual consumer price inflation decreased marginally from 6.52% in January to 6.44% in February of 2023. Although slowing down in the final three months of 2022 as a result of the depreciation of the rupee and businesses passing on some increases in input prices to customers, inflation remained above the Central Bank of India target of 2-6% for a second consecutive month. Compared to the previous month, food inflation was little changed at 5.95%, up from 5.94%. The biggest increases were seen in the prices of spices (20.2%), cereals (16.7%), and milk (9.7%), while vegetable prices fell 11.6%. Costs for fuel and lighting also decreased (9.9% vs. 10.84%). Clothes and footwear (8.8%) and miscellaneous (6.12% versus 6.21%).

Industry Analysis

HOW FMCG INDUSTRY IS GOING ON

The FMCG (Fast Moving Consumer Goods) or Consumer Packed Goods (CPG) industry is one of the world's largest. According to one study, the FMCG industry is well positioned to grow by $310.5 billion between 2022 and 2026, owing primarily to rising consumption of ready-to-eat food products. In fact, total consumer spending on food is expected to reach 8.85 trillion US dollars by 2025. Additionally, rising consumer awareness and the expansion of organised retailing will catapult the demand gradient in the coming years.

DEMAND AND SUPPLY CONDITIONS

Given the everyday goods it sells, the fast-moving consumer goods (FMCG) sector is thought to be doing better. The belief is strengthened by anticipated margin increases from lower input costs following the abrupt drop in oil prices. But, the road ahead may be rough, as demand and supply-related issues are certain to take a toll on their overall performance till the following quarter.

DEGREE OF COMPETITION

The largest industry in the world is the FMCG sector in India. More than 10 million people are employed in India's FMCG industry, which is projected to contribute 15% of the country's GDP. Due to rising urbanisation, a growing middle-class population, changing lifestyles, and

rising disposable incomes among consumers, the FMCG sector has been expanding quickly over time.

Due to its tremendous development potential and low level of competition, it is also among the most alluring industries for investors. Hindustan Unilever Ltd., Dabur, Nestle, and other well-known companies are some of the leading players in this industry.

TECHNOLOGICAL CHANGE AND CREDIT SYSTEM

A new analysis by Edelweiss Securities indicates that fast moving consumer goods (FMCG) companies which have scaled up technology adoption in their sales, warehousing and inventory management, and distributor systems will enjoy enhanced efficiency and productivity in the long run.

While major corporations like HUL, Marico, Asian Paints, and Britannia are in the lead when it comes to technology initiatives, smaller players on the list are also making significant investments in new technologies. Orders from FMCG companies have increased at automation firms like ABB and Siemens.

COMPANY ANALYSIS

Table No 1 showing Operating Profit of select five FMCG Companies

Year	2018	2019	2020	2021	2022	Mean
Nestle	2876.57	3172.76	3347.35	3475.15	-	3217.958
Godrej	368.45	550.05	904.92	319.89	953.58	619.378
ITC	7.69	8.08	4.63	5.91	5.49	6.36
HUL	7783	9047	10136	11610	12862	10287.6
Britannia	1566.41	1852.65	2125.12	2644.02	2448.59	2127.

Interpretation:
The above table exhibits the operating profit earned by the select FMCG Companies. It can be clearly notice that Hindustan Uniliver has the highest operating profit as compare to the rest of FMCG companies which indicate that the company earn the majority amount of income from their core business. were as least operating profit is generated by ITC which clear depicts that company is not able to generate fair amount of income from their primary business. Nestle and Britannia have also generated sufficiently well enough operating profit from their core business.

Table No 2 showing PROFIT MARGIN of select five FMCG Companies

Year	2018	2019	2020	2021	2022	Mean
Nestle	14.23	15.91	15.59	14.58	14.26	14.914
Godrej	12.32	-4.72	1.56	-5.79	1.32	0.938
ITC	27.62	20.7	33.17	28.65	26.72	27.372
HUL	15.16	15.79	17.37	17.29	17.22	16.566
Britannia	10.18	10.70	13.50	14.21	11.98	12.11

Interpretation:
The above table portrays the profit margin of the FMCG Companies taken up for the purpose of the study. It can be clearly notice that ITC limited has the highest amount of profit margin as compare to the rest of the companies operating in the same sector. The least amount of profit margin is been kept by Godrej among the FMCG companies taken for the purpose of analysis. Nestle and HuL has decent amount of profit margin in the FMCG sectors.

Table No 3 showing Return on Capital Employed of select five FMCG Companies

Years	2018	2019	2020	2021	2022	Mean
Nestle	40.76	56.25	55.05	59.24	58.08	53.876
Godrej	10.9	16.77	12.89	3.64	7.94	10.428
ITC	30.87	30.7	29.26	28.02	31.23	30.016
HUL	86.53	92.27	89.49	18.9	20.19	61.476
Britannia	29.06	42.19	38.79	60.59	72.25	48.576

Interpretation:
The above table shows the return on capital employed earned by the FMCG Companies. The table clearly reveals that HUL has the highest return on capital employed than followed by Nestle and Britannia the least return on capital is employed by Godrej company. So, we can come to the inference that HUL has the best capital efficiency as compare to all the companies in the FMCG companies taken for the purpose of the study. So, it makes optimum use of resource to generate fair amount of return on capital

Table No 4 showing Earning per share of select five FMCG Companies

Year	2018	2019	2020	2021	2022	Mean
Nestle	3.42	4.44	4.88	6.63	-	4.8425
Godrej	54.54	30.59	17.23	54.57	23.84	36.154
ITC	10.13	11.24	13.59	11.86	13.56	12.076
HUL	24.2	27.86	31.13	33.85	37.53	30.914
Britannia	88.93	52.32	88.93	52.32	68	70.1

Interpretation:
The above table portrays the EPS of select 5 FMCG companies. it is clearly evidence from the table that the Britannia company has given the highest earning per share in the last 5 years as compare to the rest of the companies in this segment taken for the study. Then followed by Godrej and HUL but the least earning per share is given by Nestle which stood to 4.84 per share. Which clearly indicate that the Britannia gives a ways good hand some amount of yield to their investor for being loyal and taking the risk of investing in business were as Nestle gives away the least earning per share to their investors

Table No 5 showing NET PROFIT of select five FMCG Companies

Year	2018	2019	2020	2021	2022	Mean
Nestle	166.66	204.15	215.97	222.45	249.58	211.762
Godrej	7.18	-3.01	0.92	-3.19	-1.31	0.118
ITC	9.2	10.17	12.31	10.59	12.22	10.898
HUL	24.25	27.94	31.19	33.85	37.52	30.95
Britannia	78.96	46.7	61.72	73.06	66.55	65.398

Interpretation:
The above table portrays the net profit earn by the FMCG Companies for 5years. It can be clearly notice that Nestle has the highest net profit in the entire segment of FMCG Companies than followed by Britannia and the least net profit is earned by Godrej ltd which clearly depicts that Nestle and Britannia are the strong players in terms of profit earning capacity is concern. Higher the net profit better is the financial stability of the company

Table No 6 showing Dividend pay-out ratio of select five FMCG Companies

Year	2018	2019	2020	2021	2022	Mean
Nestle	67.8	149.88	90.47	89.9	0	99.5125
Godrej	24.37	-58.07	0	0	0	-16.85
ITC	48.59	45.62	42.2	42.16	38.71	43.456
HUL	74.39	75.31	77.11	110.77	85.26	84.568
Britannia	27.86	26.74	28.44	161.34	111.93	71.262

Interpretation:
The table displays the Dividend pay-out ratio of select FMCG companies. it can be clearly notice that Nestle has the highest Dividend Pay-out ratio than followed by HUL and Britannia ltd. Which clearly says that the companies give aways a handful amount of profit to the investors for their investment, support and rewards well for their risk-taking abilities. Were as on the contrary the Godrej ltd has not rewarded their shareholder pretty well.

Table No 7 showing P/E Ratio of select five FMCG Companies

Year	2018	2019	2020	2021	2022	Mean
Nestle	25.02	25.05	23.01	20.07	36.73	25.976
Godrej	60.3	73.77	348	-44.8	131.91	33.196
ITC	0.04	0.03	0.07	0.05	0.05	0.048
HUL	56.01	60.04	70.01	70.05	53.03	61.828
Britannia	62.7	65.9	48.8	46.06	51.02	54.896

Interpretation:
The above table portrays the Price to earning ratio of select FMCG Companies. It can be clearly reveal that HUL has the highest Price to earning ratio as compare to rest of the FMCG Companies than Followed by Britannia and Godrej Ltd were as least to Price to Earnings ratio could be evidence at ITC Ltd

Table no 8 Showing Cash flow Operating Activities of Select FMCG Companies

Year	2018	2019	2020	2021	2022	Mean
Nestle	2,052	2,233	2,454	2,271	0	2,253
Godrej	1,723	1,728	1,588	2,029	1,450	1,704
ITC	13,169	12,583	14,689	12,527	15,775	13,749
HUL	6,064	5,800	7,623	9,163	9,048	7,540
Britannia	1,248	1,155	1,484	1,851	1,299	1,407

Interpretation:
The above table shows the cash flow from operating activities of select FMCG companies. It can be clearly notice that ITC has the highest cash flow operating activities which indicate that company is in the position to generate good amount of revenue from their core business as compare to the peers in the same segments and then followed by HUL and Nestle but overall all the business are having positive cashflows so that indicate no one has cash buring in their respective businesses.

Table No 9 Showing Current Ratio of select five FMCG Companies

Year	2018	2019	2020	2021	2022	mean
Nestle	2.55	1.74	1.68	1.05	1.13	1.63
Godrej	0.22	0.35	0.3	0.67	0.53	0.414
ITC	2.77	3.07	4.02	3.13	2.7	3.138

HUL	1.29	1.36	1.31	1.26	1.34	1.312
Britannia	2.03	1.94	1.45	1.21	0.93	1.512

Interpretation:

The above table portrays the current ratio of select of FMCG companies it can be clearly notices that ITC has highest current ratio which clearly evidence that they have sound liquid position as compare to the rest of the companies in the FMCG segment then followed by Britannia and HUL who are having near to ideal current ratio.

Table No 10 Showing Debt to Equity of Select five FMCG Companies

Year	2018	2019	2020	2021	2022	MEAN
Nestle	0.01	0.03	0.02	0.02	0.01	0.02
Godrej	1.16	1.77	1.73	2.81	4.15	2.324
ITC	0	0	0	0	0	0
HUL	0.91	0	0	0	0	0.182
Britannia	0	0	0.28	0.54	0.91	0.346

Interpretation:

The above table shows that debt to equity ratio of the FMCG companies it can be clearly notices that ITC is debt free company equity as compare to rest of the companies then followed by NESTLE which has negligible amount of debts in their capital structure were as Godrej has the highest amount of debt among the peers taken for the purpose of analysis.

Technical Analysis

Technical analysis is a security analysis technique that claims the ability to forecast the future direction of prices through the study of past market data primarily price and volume. The Basic

Assumptions of Technical Analysis are

1. **Market Fluctuations Discount Everything else.**
   Technical analysts believe that changes in the price of a security and how well it trades in the market embody all available information about that security from everyone involved with it and therefore represents the fair value of that security. Sudden changes in how a stock trades often precedes major news about the company that issued the stock. Technical analysts don't concern themselves with the price-to-earnings ratio, shareholder equity, return on equity or other factors that fundamental analysts do.

2. **Price Movements can often be Charted and Predicted.**
   Technical analysts acknowledge that there are periods when prices move randomly, but there are also times when they move in an identifiable trend. Once a trend is identified, it is possible to make money from it, either by buying low and selling high during an upward trend (bull market) or by selling short during a downward trend (bear market). By adjusting the length of time, the market is being analysed, it is possible to spot both short- and long-term trends.

3. **History Repeats Itself**

   People don't change their motivations overnight; therefore, traders will react the same way to conditions as they did in the past when those conditions repeat themselves. Because people react the same way, technical analysts can use the knowledge of how other traders reacted in the past to profit each time those conditions repeat them.

Graph No 1 Showing the share price movement of HINDUSTAN UNILEVER
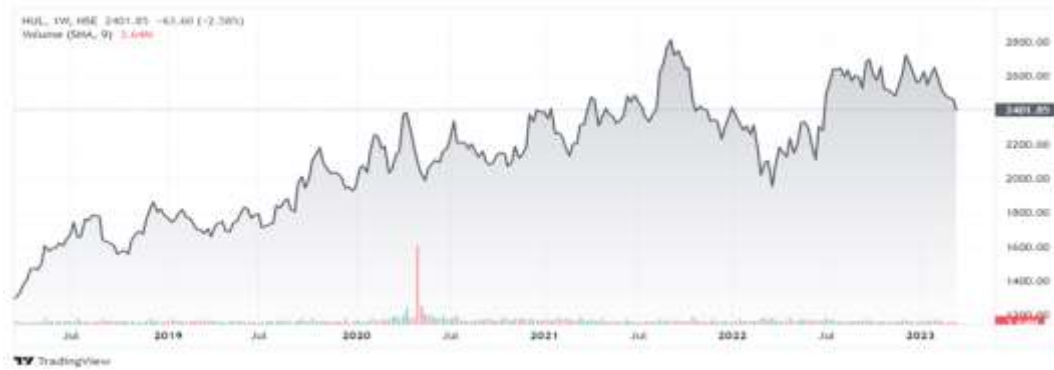
Interpretation

The above graph portrays the movements of share price of Hindustan unilever for the period of 5 years from 2018 to 2022. It can be clearly notice that there has been a bullish trend in the prices of HUL from 2018 to mid-2021, but we could see secondary correction in the year 2022 and followed by recovery in the share price of the company. The company has resistance at 2800 level were as support at 2000 level. The company has good potential and is a good price to buy at current level of 2400 as it can go to a mark 3000 level in the near future. Overall, the companies chart pattern portrays that company has been performing excellently well for last couple of year which could be evidence from the sentiments of the investors and the same is getting reflected in the share prices as there were not much wide fluctuation in the share price of the company even in pandemic phase that shows confidence of the shareholder on the company.

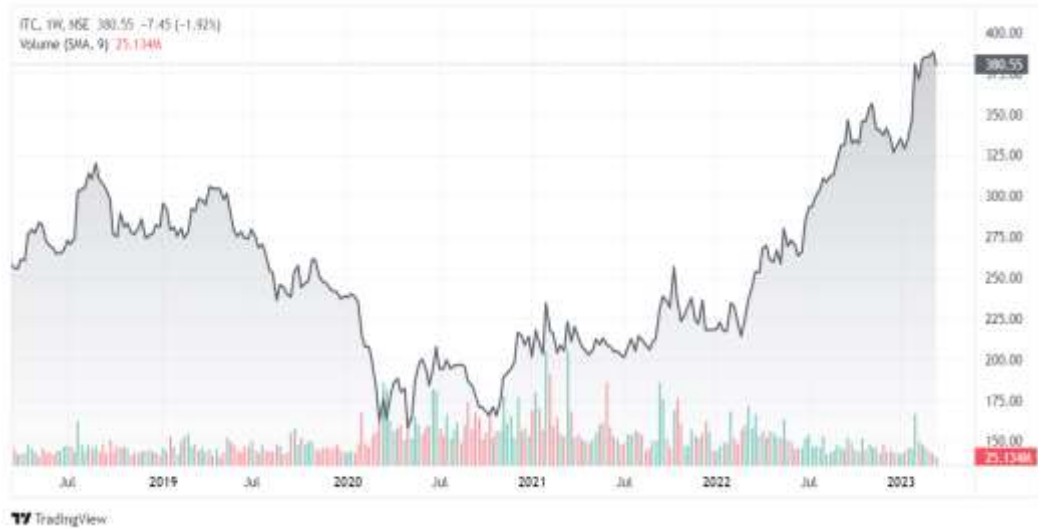**Graph No 2 Showing the share price movement of Godrej Ltd**
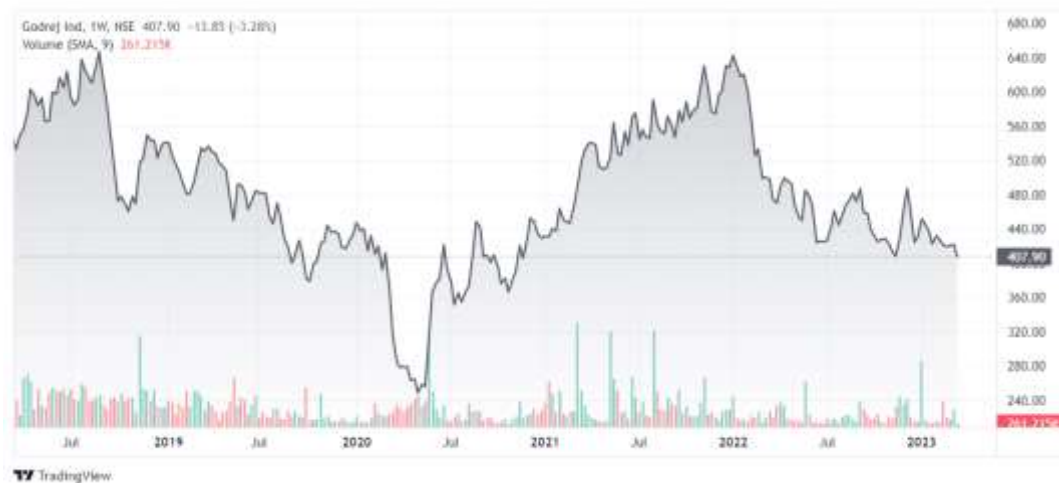
Interpretation:

The above graph portrays the share price movement of Godrej Ltd for a period of 5 years from 2018 to 2022. It can be clearly evidence from the above chart that there is huge fluctuation in the share price of Godrej limited. There is a bearish trend in the price of the Godrej ltd pre pandemic phases and the company evidence the lowest share price in the year 2020 which stood to 240 level and then company sees exponential growth in the share price there on wards, but we could evidence trend reversal in the year 2022 were company again having bearish trend in the share price of the company. The chart pattern exhibits a falling pattern so it is advisable not

to buy the share as it is better not to catch falling knife. Overall there is huge Rollo costal in the share price of the company for last 5 years.

Graph No 3 Showing the share price movement of ITC LTD

Interpretation:

The above graph portrays the movement share price of ITC Limited for the period of 5 years from 2018 to 2022. It can be clearly evidence from the above chart pattern that ITC was an underperforming stock in terms of capital appreciation benefit to the investor prior to 2022 as we could clearly see that the share price of the company were quite flat but after 2022 the company has seen exponential growth in the share price from 200 mark to 380 mark and it is anticipated that share could even touch all time high of 500 mark looking at the present level of growth that was evidence from the share price movement. But the company do pays well dividend to all the investor.

Graph No 4 Showing the share price movement of NESTLE India LTD
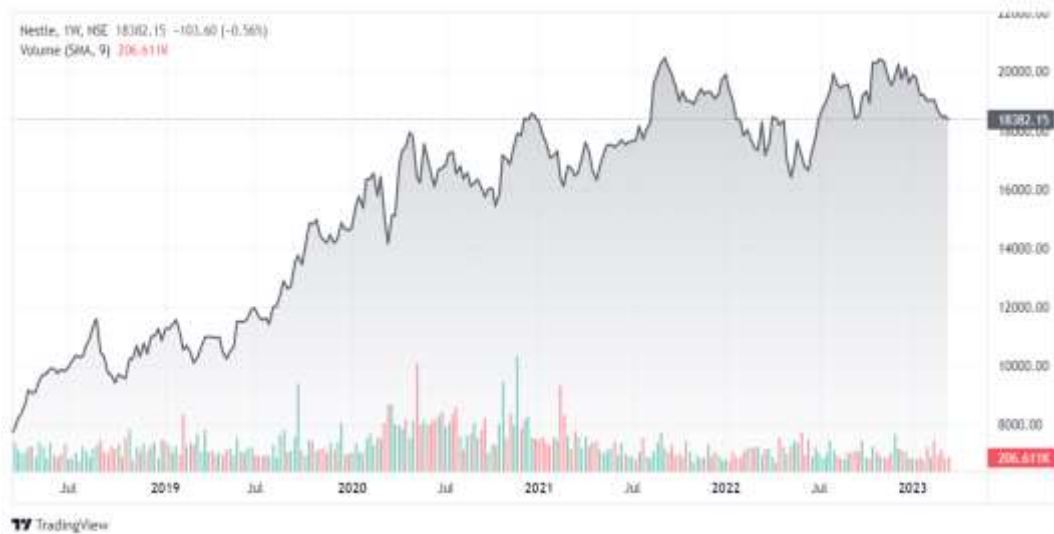
Interpretation

The above chart displays the movement of share price of Britannia Ltd for a span of 5 years from 2018 to 2022. It is evidence from the above chart that there exists a bullish trend the share prices of Britannia ltd. The chart exhibits a tremendous growth in the share price of the company from 8000 level to almost 18000 level even in the pandemic phases the growth of the company was not affected on account of lockdown and other restrictive measure adopted by the government. Even when the global slowdown was going on the company has still manage to get desirable growth in the share price.

Graph No 5 Showing the share price movement of BRITANNIA LTD
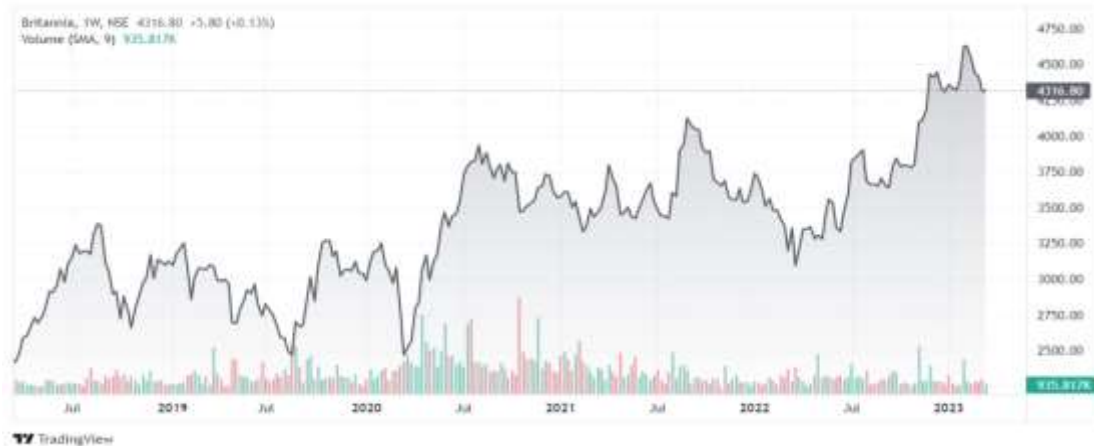
Interpretation:

The above chart exhibits the movement of Britannia company for 5 years commencing from 2018 to 2022. It can be clearly notice that there exist bullish trend in the share price of Britannia ltd. From 2500 level to 4750 level in the period of 5 years. The company has fallen drastically in covid phase but it has shown a a good recovery and then after exponential growth in the stock was evidence in the share price of the company. The company has been portraying a steady growth in the price over the years and will continue the same as it good blend of diversified products across the sectors.

CONCLUSION

The subject of this research is an analysis tool for making investment decisions in the FMCG Companies that is on the basis of technical analysis and fundamental analysis for the purpose of analysis the data has been collected for a period of 5years commencing from 1st January 2018 to 31st December 2022. The study was complete based on secondary data collected from official website of respective companies and their annual report. For the purpose of fundamental analysis Economic analysis Industry analysis and Company analysis was been conducted on an exclusive manner so that fundamentally sound companies could be traced and accordingly those companies could be considered for long terms investment. Were as for short term purpose technical analysis of chart pattern was carried out so their trend and associated patterns could be studied and according investment strategies could be worked on to make short term gain on account of price fluctuation.

For the analysis purpose 5 companies from FMCG Companies sector was taken, as FMCG sector is considered to be the one of the safest havens as India is the most populated country in the world so it will intern create demand for FMCG goods.

Technical analysis is a technique which gives an idea about future share prices of selected companies in which we invest. On the basis of the knowledge of technical analysis one can predict the perfect investment decision of the stock market. By using the technical indicators the future market of securities would be known in which to invest. The more accurate prediction of stock prices of selected companies the investor to carry out fundamental analysis of stock prices, they can predict of future trend of stock prices.

We can conclude that all parameters fundamental analysis, technical analysis and news analysis have their own advantages and disadvantages. News creates physiological effects on investors or traders thus controlling their investing or trading more than fundamental and technical analysis. Fundamental is more of studying liabilities, assets, loan of companies, debt, etc whereas technical analysis involves more of studying the past trends. The investor can predict their respective stock by using these parameters, but the profit is not 100% guaranteed by any of this method and there is always a risk in investing in the stock market no matter how much the investor research, but he/she stands in a better position than other investors or traders.

FINDINGS

- HUL is the highest operating profit earned by select FMCG company.
- ITC has highest profit margin as compare to other four companies.
- HUL get higher return on capital employed as compare to other four FMCG companies.
- Britannia gets highest earning per share in last five years as compare to the rest of the companies.
- Nestle has the highest net profit in the entire segment of the companies.
- Nestle has the highest dividend payout ratio as compare to other companies.
- HUL has the highest price to earnings ratio as compare to the rest of FMCG companies.
- ITC has highest cash flow operating activities as compare to other companies.
- ITC has highest current ratio as compare to the rest of the FMCG companies.
- ITC has the lowest debt to equity as compare to rest of the companies.

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