

Security Analysis of Reliance ltd

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ABSTRACT

This paper is about the security analysis of Reliance with fundamental analysis, stock performance analysis, and technical analysis. In fundamental analysis, Economic Analysis, industry analysis, and company analysis are done. In stock performance analysis, returns, beta, covariance, correlation, H Model growth, and CAGR is calculated for 3 months. In technical analysis, SMA, ROC, and RSI are calculated for Reliance Ltd. stocks.

INTRODUCTION

Reliance Industries Limited, often simply referred to as Reliance, is a conglomerate headquartered in Mumbai, India. Founded by Dhirubhai Ambani in 1966 as a small textile manufacturer, the company has since grown into one of India's largest and most influential business entities. With a diversified portfolio that spans across industries such as petrochemicals, refining, oil, natural gas exploration, telecommunications, retail, and more, Reliance has played a pivotal role in shaping India's economic landscape.

The journey of Reliance began with a modest textile mill in Naroda, Gujarat. Dhirubhai Ambani's vision and entrepreneurial spirit were the driving forces behind the company's expansion. Over the years, Reliance diversified its operations, venturing into new sectors and gradually becoming a powerhouse in the Indian business scene. The company's commitment to innovation, efficiency, and customer satisfaction has been instrumental in its success.

Reliance's foray into the petrochemical and refining sector marked a significant turning point. The establishment of the Jamnagar Refinery in Gujarat, one of the world's largest refining complexes, solidified the company's position as a major player in the global energy market. The refinery's scale and technological advancements showcased Reliance's ability to undertake and execute large-scale projects with precision.

In the realm of telecommunications, Reliance Jio, a subsidiary of Reliance Industries, disrupted the Indian telecom market. Launched in 2016, Jio quickly gained millions of subscribers by offering affordable data and voice services. The introduction of 4G technology at unprecedented rates revolutionized the way Indians accessed and consumed digital content. This bold move not only changed the dynamics of the telecom industry but also had a profound impact on how people across the country connect and communicate.

FUNDAMENTAL ANALYSIS

As of my last knowledge update in January 2022, Reliance Industries Limited (RIL) is a conglomerate based in India with operations spanning various industries. Please note that the information provided here might not reflect the most recent developments, and you should check the latest sources for the most up-to-date information.

Overview of Reliance Industries in the Economy:

1. Diversified Business Operations:

- Reliance Industries is one of the largest conglomerates in India with diversified business operations. Its interests span across various sectors, including petrochemicals, refining, oil and gas exploration, telecommunications, retail, and more.

2. Petrochemicals and Refining:

- Reliance is a major player in the petrochemicals and refining industry. Its refining complex in Jamnagar, Gujarat, is one of the largest in the world. The company plays a crucial role in meeting the country's energy needs and contributes significantly to India's self-sufficiency in refining.

3. Telecommunications (Jio):

- The launch of Reliance Jio, the telecommunications arm of Reliance Industries, has had a transformative impact on the telecom sector in India. Jio's aggressive pricing strategies and extensive network coverage have disrupted the market, leading to increased connectivity and access to digital services for millions.

4. Retail:

- Reliance Retail is a key player in India's retail sector, operating a wide range of formats, including grocery stores, fashion outlets, and electronics stores. The company's retail business contributes to employment generation and has a substantial footprint across the country.

5. Employment Generation:

- Reliance Industries, with its diverse business operations, contributes significantly to employment generation in India. It employs a large workforce directly and indirectly through its various subsidiaries and business ventures.

6. Investments and Economic Growth:

- Reliance Industries' investments in various sectors contribute to economic growth. The company's projects and initiatives have a multiplier effect on related industries, fostering economic development in the regions where it operates.

7. Market Capitalization and Stock Market Influence:

- Reliance Industries has been one of the most valuable companies on the Indian stock market. Changes in its stock prices and market capitalization can influence market indices and investor sentiment, impacting the broader economy.

8. Foreign Investments and Collaborations:

- Reliance has engaged in strategic collaborations and foreign investments, bringing in capital and technological advancements. These collaborations contribute to economic globalization and technology transfer.

9. Government Relations:

- As a significant player in various industries, Reliance Industries has relationships with government authorities. Its interactions with regulatory bodies and adherence to government policies influence the economic and regulatory landscape.

Industry Overview:

1. Energy and Petrochemicals:

- Refining and Petrochemicals: Reliance operates one of the world's largest refining complexes at Jamnagar in India. The company produces a wide range of petrochemical products, including polymers, chemicals, and synthetic materials.

- Oil and Gas Exploration: RIL has interests in oil and gas exploration and production both in India and internationally. They have made significant investments in the development of oil and gas fields.

2. Telecommunications:

- Reliance Jio Infocomm Limited (Jio): Reliance entered the telecommunications sector with Jio, which has rapidly become a major player in the Indian telecom market. Jio provides 4G and, in some areas, 5G services, along with digital services such as JioTV, JioCinema, and JioSaavn.

3. Retail:

- Reliance Retail: Reliance has a substantial presence in the retail sector through its retail arm. Reliance Retail operates a wide range of stores, including grocery stores, electronics outlets, fashion and lifestyle stores, and more. The company has been expanding its footprint and introducing innovative retail formats.

4. Digital Services:

- Jio Platforms: Apart from telecommunications, Jio Platforms is engaged in various digital services. It has attracted investments from global technology giants, and its offerings include digital apps, e-commerce, and other internet-based services.

5. Media and Entertainment:

- Network18 Group: Reliance has a significant presence in the media and entertainment sector through its ownership of Network18 Group, which includes television channels, digital news platforms, and entertainment channels.

Recent Developments (as of January 2022):

- Reliance Industries has been focusing on transforming into a technology-driven and consumer-centric conglomerate.
- Jio Platforms has attracted investments from major global companies, including Facebook, Google, and others, highlighting the growing significance of digital services in Reliance's portfolio.
- Reliance Retail has been expanding its presence and diversifying its offerings, including the acquisition of businesses in the grocery, fashion, and electronics segments.

Challenges and Opportunities:

- The conglomerate faces competition and regulatory challenges in its various sectors, including telecom and retail.
- The ongoing global transition towards renewable energy sources could impact the traditional energy sector, and companies like Reliance are likely to adapt their strategies accordingly.
- The digital and retail sectors offer significant growth opportunities, especially given the increasing digital adoption and the growing consumer market in India.

Company profile

Reliance Industries Limited (RIL) is a conglomerate based in India with a diverse range of business operations. As of my last knowledge update in January 2022, here is a general profile of the company:

1. Founding and Leadership

- Founder Reliance Industries was founded by Dhirubhai Ambani in 1966.
- Leadership As of my last update, Mukesh Ambani serves as the Chairman and Managing Director of Reliance Industries.

2. Business Segments

- Petrochemicals RIL is a major player in the global petrochemical industry. It operates one of the world's largest refining complexes at Jamnagar, Gujarat, producing a wide range of petrochemicals.
- Oil and Gas Exploration Reliance has interests in oil and gas exploration and production both in India and internationally.

Retail Reliance Retail is one of the largest retail chains in India, operating a variety of stores including grocery, electronics, fashion, and more.

- Telecommunications Reliance Jio Infocomm, commonly known as Jio, is the telecommunications arm of RIL. It has disrupted the Indian telecom market with its 4G and, in some areas, 5G services.
- Digital Services Jio Platforms is the digital services arm, offering a range of digital applications and services.
- Media and Entertainment RIL has a significant presence in the media and entertainment sector through its ownership of Network18 Group, which includes television channels, digital news platforms, and entertainment channels.

3. Key Developments

- Jio Platforms Investments Reliance Jio has attracted significant investments from global technology companies, including Facebook, Google, and others.
- Strategic Acquisitions Reliance Retail has been actively acquiring businesses across various sectors, expanding its presence in the retail market.

4. Financial Performance

- Reliance Industries is one of the largest and most valuable companies in India. Its financial performance is closely watched, and it has consistently been among the top companies in terms of market capitalization.

5. Corporate Social Responsibility (CSR)

- Reliance has been involved in various CSR activities, including initiatives in education, healthcare, rural development, and environmental sustainability.

6. Challenges and Opportunities

- While Reliance has seen significant success, it also faces challenges, including regulatory changes, market competition, and global economic factors.
- The conglomerate is positioning itself as a technology-driven and consumer-centric entity, exploring opportunities in the digital space.

Swot Analysis

A SWOT analysis is a strategic planning tool that helps identify the Strengths, Weaknesses, Opportunities, and Threats of a business or organization. Here's a general SWOT analysis for Reliance Industries Limited

Strengths:

1. Diversified Business Portfolio: Reliance has a wide-ranging business portfolio spanning petrochemicals, refining, oil and gas exploration, telecommunications, retail, and digital services, providing diversification and risk mitigation.
2. Market Leadership: Reliance is a market leader in various sectors, including petrochemicals, refining, and retail, contributing to its strong market presence.

3. **Technological Innovation:** The company has demonstrated a commitment to technological innovation, particularly in the telecommunications sector through Reliance Jio, which has disrupted the Indian telecom market.

4. **Financial Strength:** Reliance Industries has consistently shown strong financial performance and is one of the most valuable companies in India in terms of market capitalization.

Weaknesses:

1. **Dependence on Petrochemicals and Refining:** The company's revenue is significantly dependent on the petrochemicals and refining segments, exposing it to the volatility of commodity prices.

2. **Regulatory Challenges:** The conglomerate operates in sectors that are subject to various regulatory frameworks, and changes in regulations can impact its operations.

3. **Debt Levels:** Reliance has historically carried high levels of debt, which can be a concern in periods of economic uncertainty or rising interest rates.

Opportunities:

1. **Digital Services Growth:** The expansion of digital services through Jio Platforms provides significant growth opportunities, especially with the increasing digital adoption in India.

2. **Retail Expansion:** The retail sector in India is growing, and Reliance Retail can capitalize on this by expanding its footprint and diversifying its product offerings.

3. **Renewable Energy:** With a global push towards renewable energy, there are opportunities for Reliance to invest in and expand its presence in the renewable energy sector.

4. **Global Expansion:** Reliance has the potential to explore international markets and expand its presence beyond India, leveraging its expertise in various sectors.

Threats:

1. **Competition:** Intense competition in various sectors, such as telecommunications and retail, could impact market share and profitability.

2. **Economic Downturn:** Reliance's diversified portfolio helps mitigate risks, but an economic downturn could impact consumer spending, affecting its retail and other consumer-centric businesses.

3. **Commodity Price Volatility:** Fluctuations in commodity prices, especially in the petrochemicals and refining sectors, can impact the company's revenue and profitability.

4. **Geopolitical Risks:** As a global player, Reliance is exposed to geopolitical risks, including changes in trade policies and geopolitical tensions that could impact its operations.

METHODOLOGY

The methodology for a study on security analysis on Reliance Ltd. should be comprehensive and well-structured.

1. Research Design: Quantitative: the study is based on secondary data with the use of quantitative methods (e.g., content analysis of corporate reports).

2. Data Collection: Secondary Data: Collected secondary data on complete stock prices and investments of Reliance Ltd.

Objectives:

- To find Fundamental analysis that includes Economic analysis, sector analysis, industry analysis and company analysis of Reliance Ltd.
- To find SWOT analysis of Reliance Ltd.
- To find stock performance analysis of Reliance Ltd that includes Returns of Reliance Ltd, CAPM calculation using Excel.
- To find Technical Analysis of Reliance Ltd that includes Simple Moving Average, Return on Capital and Relative Strength Index for Reliance Ltd. using Excel

ANALYSIS OF STOCK PERFORMANCE FOR 3 MONTHS

RETURNS

MEANING:

Returns can refer to the profits or losses generated on investment in finance, the process of bringing back a purchased item in retail, the yield or output of a manufacturing process, or more broadly, the results or outcomes in various contexts.

FORMULA TO CALCULATE RETURNS:

$$\text{Current price} - \text{Previous year}$$

Excel Calculating Stock Return :

NSEI :

Date	Open	High	Low	Close	Adj Close	Volume
31-05-2023	18594.2	18603.9	18483.85	18534.4	18534.4	696500
01-06-2023	18579.4	18580.3	18464.55	18487.75	18487.75	265600
02-06-2023	18550.85	18573.7	18478.4	18534.1	18534.1	270900
05-06-2023	18612	18640.15	18582.8	18593.85	18593.85	256100
06-06-2023	18600.8	18622.75	18531.6	18599	18599	220800
07-06-2023	18665.6	18738.95	18636	18726.4	18726.4	260100
08-06-2023	18725.35	18777.9	18615.6	18634.55	18634.55	286500
09-06-2023	18655.9	18676.65	18555.4	18563.4	18563.4	221800
12-06-2023	18595.05	18633.6	18559.75	18601.5	18601.5	179500
13-06-2023	18631.8	18728.9	18631.8	18716.15	18716.15	233200
14-06-2023	18744.6	18769.7	18690	18755.9	18755.9	261400
15-06-2023	18774.45	18794.1	18669.05	18688.1	18688.1	263000
16-06-2023	18723.3	18864.7	18710.5	18826	18826	272800
19-06-2023	18873.3	18881.45	18719.15	18755.45	18755.45	219800
20-06-2023	18752.35	18839.7	18660.65	18816.7	18816.7	211600
21-06-2023	18849.4	18875.9	18794.85	18856.85	18856.85	217500
22-06-2023	18853.6	18886.6	18759.5	18771.25	18771.25	252700
23-06-2023	18741.85	18756.4	18647.1	18665.5	18665.5	210600
26-06-2023	18682.35	18722.05	18646.7	18691.2	18691.2	171300
27-06-2023	18748.55	18829.25	18714.25	18817.4	18817.4	222500
28-06-2023	18908.15	19011.25	18861.35	18972.1	18972.1	398800
30-06-2023	19076.85	19201.7	19024.6	19189.05	19189.05	247900
03-07-2023	19246.5	19345.1	19234.4	19322.55	19322.55	226100
04-07-2023	19406.6	19434.15	19300	19389	19389	226900
05-07-2023	19405.95	19421.6	19339.6	19398.5	19398.5	224400
06-07-2023	19385.7	19512.2	19373	19497.3	19497.3	268300
07-07-2023	19422.8	19523.6	19303.6	19331.8	19331.8	237100
10-07-2023	19400.35	19435.85	19327.1	19355.9	19355.9	268200
11-07-2023	19427.1	19515.1	19406.45	19439.4	19439.4	251300
12-07-2023	19497.45	19507.7	19361.75	19384.3	19384.3	327900

13-07-2023	19495.2	19567	19385.8	19413.75	19413.75	310400
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14-07-2023	19493.45	19595.35	19433.5	19564.5	19564.5	291200
17-07-2023	19612.15	19731.85	19562.95	19711.45	19711.45	268700
18-07-2023	19787.5	19819.45	19690.2	19749.25	19749.25	286400
19-07-2023	19802.95	19851.7	19727.45	19833.15	19833.15	259700
20-07-2023	19831.7	19991.85	19758.4	19979.15	19979.15	274700
21-07-2023	19800.45	19887.4	19700	19745	19745	312500
24-07-2023	19748.45	19782.75	19658.3	19672.35	19672.35	265600
25-07-2023	19729.35	19729.35	19615.95	19680.6	19680.6	369700
26-07-2023	19733.35	19825.6	19716.7	19778.3	19778.3	244700
27-07-2023	19850.9	19867.55	19603.55	19659.9	19659.9	334900
28-07-2023	19659.75	19695.9	19563.1	19646.05	19646.05	258700
31-07-2023	19666.35	19772.75	19597.6	19753.8	19753.8	295100
01-08-2023	19784	19795.6	19704.6	19733.55	19733.55	298000
02-08-2023	19655.4	19678.25	19423.55	19526.55	19526.55	290700
03-08-2023	19463.75	19537.65	19296.45	19381.65	19381.65	315700
04-08-2023	19462.8	19538.85	19436.45	19517	19517	280800
07-08-2023	19576.85	19620.45	19524.8	19597.3	19597.3	216600
08-08-2023	19627.2	19634.4	19533.1	19570.85	19570.85	260300
09-08-2023	19578.8	19645.5	19467.5	19632.55	19632.55	266500
10-08-2023	19605.55	19623.6	19495.4	19543.1	19543.1	312200
11-08-2023	19554.25	19557.75	19412.75	19428.3	19428.3	235500
14-08-2023	19383.95	19465.85	19257.9	19434.55	19434.55	243900
16-08-2023	19369	19482.75	19317.2	19465	19465	0
17-08-2023	19450.55	19461.55	19326.25	19365.25	19365.25	268700
18-08-2023	19301.75	19373.8	19253.6	19310.15	19310.15	256100
21-08-2023	19320.65	19425.95	19296.3	19393.6	19393.6	262600
22-08-2023	19417.1	19443.5	19381.3	19396.45	19396.45	208700
23-08-2023	19439.2	19472.05	19366.6	19444	19444	225200
24-08-2023	19535.15	19584.45	19369	19386.7	19386.7	268300
25-08-2023	19297.4	19339.55	19229.7	19265.8	19265.8	466500
28-08-2023	19298.35	19366.85	19249.7	19306.05	19306.05	248200
29-08-2023	19374.85	19377.9	19309.1	19342.65	19342.65	307400
30-08-2023	19433.45	19452.8	19334.75	19347.45	19347.45	233000

INTERPRETATION:

- ☐ The "Open," "High," "Low," "Close," and "Adj Close" prices provide a comprehensive view of the daily price movements of the NSE.
- ☐ The "Volume" column indicates the level of market activity on each day. Higher trading volumes often suggest increased investor interest and market activity.
- ☐ Analyzing the closing prices over time can help identify trends, while the high and low prices provide insights into price volatility.
- ☐ The adjusted closing price accounts for corporate actions such as dividends, stock splits, and new stock offerings, providing a more accurate reflection of the stock's value.
- ☐ Traders and investors often use this information to make informed decisions about buying or selling stocks based on historical price movements and trading volumes

H – MODEL:

The "H model" typically refers to a financial model used in valuation or investment analysis. This model is named the "H model" because the shape of the projected cash flows resembles the letter "H." The H model is commonly employed to estimate the intrinsic value of a stock or asset based on its expected future dividend payments. It takes into account two distinct growth phases and is particularly relevant for companies with irregular dividend patterns.

Date	Dividends	Details	No. of years	
31-05-2012	4.210093	g1= short-term growth rate	3	-12%
10-05-2013	4.457745	g2= long term growth rate	10	8%
16-05-2014	4.705398	H= long run time/ 2	5	
08-05-2015	4.95305	r	12%	
17-03-2016	5.200703	D0	9	
13-07-2017	5.448355			
27-06-2018	5.94366			
02-08-2019	6.438965			
02-07-2020	6.5			
11-06-2021	7			
18-08-2022	8			
21-08-2023	9			
	FORMULA		Numerator	0.976291
	$p_0 = \frac{D_0}{r - g_2} + \frac{D_0(1+g_2)^H}{(r - g_2)(r - g_1)}$		Denominator	1%
	$r - g_2$		p_0	81.35762

INTERPRETATION:

- ☐ The calculated value of 81.35762 represents the estimated intrinsic value of the stock or asset based on the provided dividend payments, growth rates, and the specified financial model formula.
- ☐ The model takes into account short-term and long-term growth rates, as well as the concept of "H" as the long run time divided by 2.
- ☐ The calculated intrinsic value can be compared to the current market price of the stock or asset to assess whether it is undervalued or overvalued according to the model. If the calculated intrinsic value is higher than the market price, it might suggest that the stock is undervalued and vice versa.

TECHNICAL ANALYSIS

RELATIVE STRENGTH INDEX:

In the financial and investment context, RSI commonly refers to the Relative Strength Index, which is a technical indicator used to measure the magnitude of recent price changes to evaluate overbought or oversold conditions in a trading instrument.

Date	Close	Gain	Loss	Average Gain	Average Loss	Relative Strength
19-Oct-23	2,306.15					
18-Oct-23	2,324.00	17.85	0			
17-Oct-23	2,355.25	31.25	0			
16-Oct-23	2,344.05	0	11.2			
13-Oct-23	2,349.30	5.25	0			
12-Oct-23	2,349.40	0.1	0			
11-Oct-23	2,345.05	0	4.35			
10-Oct-23	2,308.40	0	36.65			
09-Oct-23	2,298.25	0	10.15			
06-Oct-23	2,318.00	19.75	0			
05-Oct-23	2,314.10	0	3.9			
04-Oct-23	2,314.15	0.05	0			
03-Oct-23	2,318.15	4	0			
29-Sep-23	2,345.00	26.85	0			
28-Sep-23	2,334.10	0	10.9			
27-Sep-23	2,368.90	34.8	0			
26-Sep-23	2,342.50	0	26.4			
25-Sep-23	2,340.45	0	2.05			
22-Sep-23	2,354.95	14.5	0			
21-Sep-23	2,364.80	9.85	0			
20-Sep-23	2,382.15	17.35	0			
18-Sep-23	2,436.45	54.3	0			
15-Sep-23	2,457.85	21.4	0			
14-Sep-23	2,453.30	0	4.55			
13-Sep-23	2,451.05	0	2.25			
12-Sep-23	2,438.85	0	12.2			
11-Sep-23	2,474.60	35.75	0			
08-Sep-23	2,448.20	0	26.4			
07-Sep-23	2,432.00	0	16.2			
06-Sep-23	2,428.70	0	3.3			
05-Sep-23	2,423.60	0	5.1			
04-Sep-23	2,410.70	0	12.9			
01-Sep-23	2,412.65	1.95	0			
31-Aug-23	2,407.00	0	5.65			
30-Aug-23	2,418.05	11.05	0			

29-Aug-23	2,420.35	2.3	0			
28-Aug-23	2,443.75	23.4	0			
25-Aug-23	2,468.35	24.6	0			
24-Aug-23	2,479.80	11.45	0			
23-Aug-23	2,522.20	42.4	0			
22-Aug-23	2,519.40	0	2.8			
21-Aug-23	2,520.00	0.6	0			
18-Aug-23	2,556.80	36.8	0			
17-Aug-23	2,538.00	0	18.8			
16-Aug-23	2,575.15	37.15	0			
14-Aug-23	2,577.25	2.1	0			
11-Aug-23	2,547.15	0	30.1			
10-Aug-23	2,536.45	0	10.7			
09-Aug-23	2,525.20	0	11.25			
08-Aug-23	2,508.65	0	16.55			
07-Aug-23	2,523.85	15.2	0			
04-Aug-23	2,509.55	0	14.3			
03-Aug-23	2,475.90	0	33.65			
02-Aug-23	2,486.35	10.45	0			
01-Aug-23	2,513.20	26.85	0			
31-Jul-23	2,549.25	36.05	0			
28-Jul-23	2,527.85	0	21.4			
27-Jul-23	2,502.70	0	25.15			
26-Jul-23	2,526.20	23.5	0			
25-Jul-23	2,485.80	0	40.4			
24-Jul-23	2,487.40	1.6	0			
21-Jul-23	2,538.75	51.35	0			
20-Jul-23	2,619.85	81.1	0	11.82177	6.762097	1.748240906

INTERPRETATION:

- ☐ The "Gain" and "Loss" columns represent the daily changes in stock prices.
- ☐ The "Average Gain" and "Average Loss" columns seem to be calculated over a specific time period, providing smoothed averages of positive and negative price changes.

- The "Relative Strength" is a ratio calculated by dividing the average gain by the average loss. A value greater than 1 indicates that gains have been stronger on average than losses, which might suggest a relatively strong stock.

SIMPLE MOVING AVERAGE:

A Simple Moving Average (SMA) is a statistical calculation used in finance and statistics to analyze data points over a certain period of time. It is a commonly used indicator in technical analysis and is particularly popular in the analysis of financial markets, including stocks, commodities, and forex.

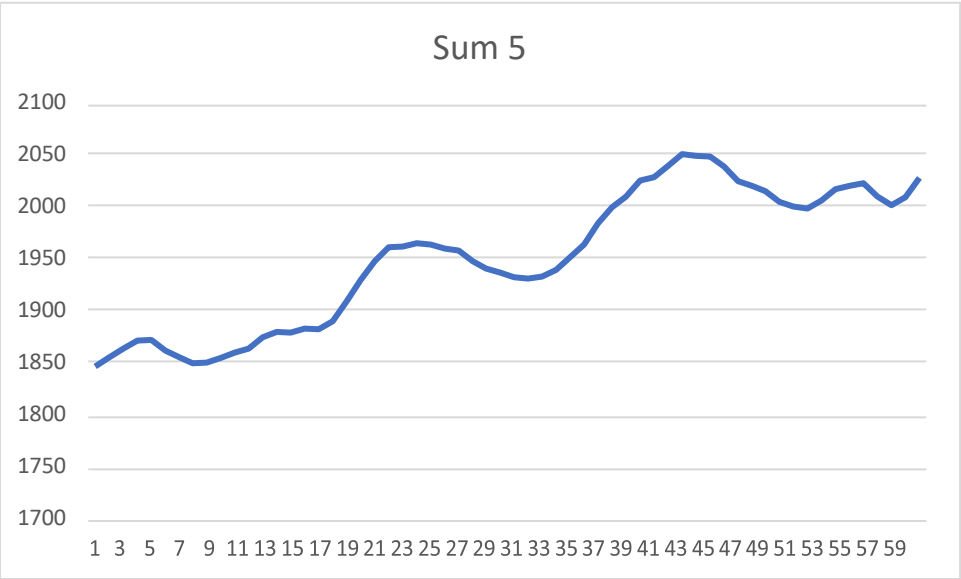
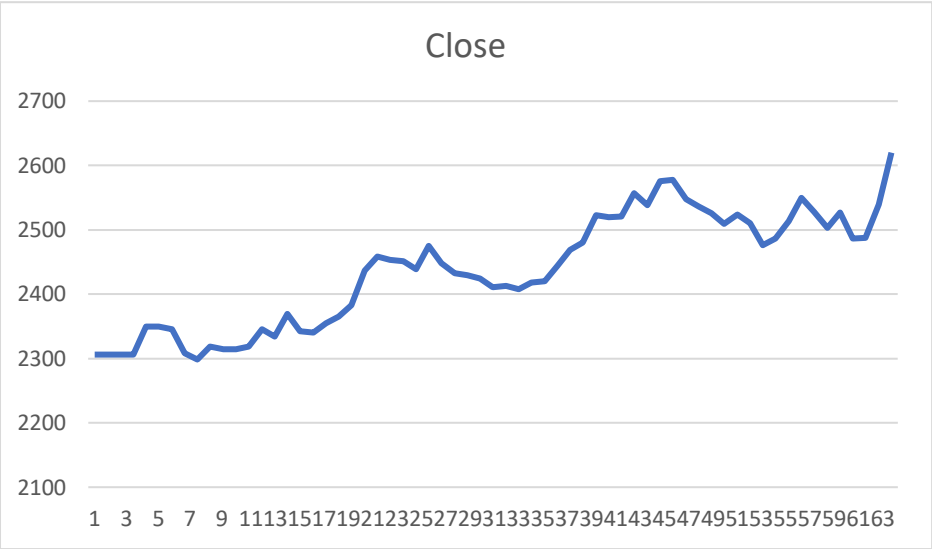
Date	Close	Sum 5	Sum 14	Sum 26
19-Oct-23	2,306.15			
18-Oct-23	2,306.15			
17-Oct-23	2,306.15			
16-Oct-23	2,306.15	1844.92		
13-Oct-23	2,349.30	1853.55		
12-Oct-23	2,349.40	1862.2		
11-Oct-23	2,345.05	1869.98		
10-Oct-23	2,308.40	1870.43		
09-Oct-23	2,298.25	1860.22		
06-Oct-23	2,318.00	1853.94		
05-Oct-23	2,314.10	1847.75		
04-Oct-23	2,314.15	1848.9		
03-Oct-23	2,318.15	1852.88	2152.814	
29-Sep-23	2,345.00	1858.28	2155.589	
28-Sep-23	2,334.10	1862.28	2157.586	
27-Sep-23	2,368.90	1873.23	2162.068	
26-Sep-23	2,342.50	1878.1	2164.664	
25-Sep-23	2,340.45	1877.19	2164.032	
22-Sep-23	2,354.95	1881.36	2164.429	
21-Sep-23	2,364.80	1880.54	2165.839	
20-Sep-23	2,382.15	1888.47	2171.107	
18-Sep-23	2,436.45	1907.67	2180.979	
15-Sep-23	2,457.85	1928.25	2190.968	
14-Sep-23	2,453.30	1945.95	2200.911	
13-Sep-23	2,451.05	1959.73	2210.689	2260.419
12-Sep-23	2,438.85	1960.21	2219.311	2265.523
11-Sep-23	2,474.60	1963.56	2228.568	2272.002
08-Sep-23	2,448.20	1962.54	2236.718	2277.465
07-Sep-23	2,432.00	1958.73	2241.225	2282.306
06-Sep-23	2,428.70	1956.7	2247.382	2285.36
05-Sep-23	2,423.60	1946.5	2253.321	2288.213
04-Sep-23	2,410.70	1939	2257.304	2290.738
01-Sep-23	2,412.65	1935.13	2260.721	2294.748
31-Aug-23	2,407.00	1930.79	2262.496	2298.931
30-Aug-23	2,418.05	1929.68	2261.182	2302.779

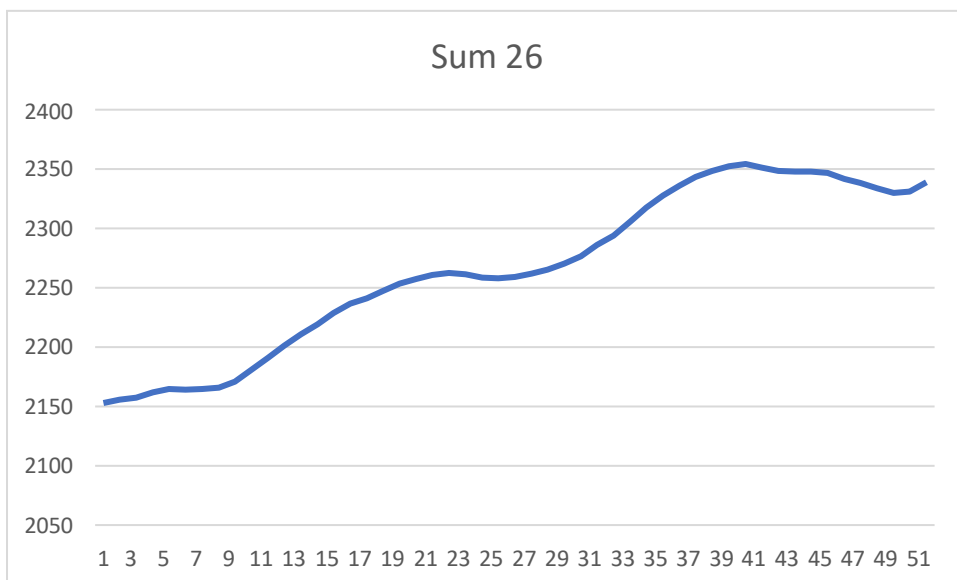
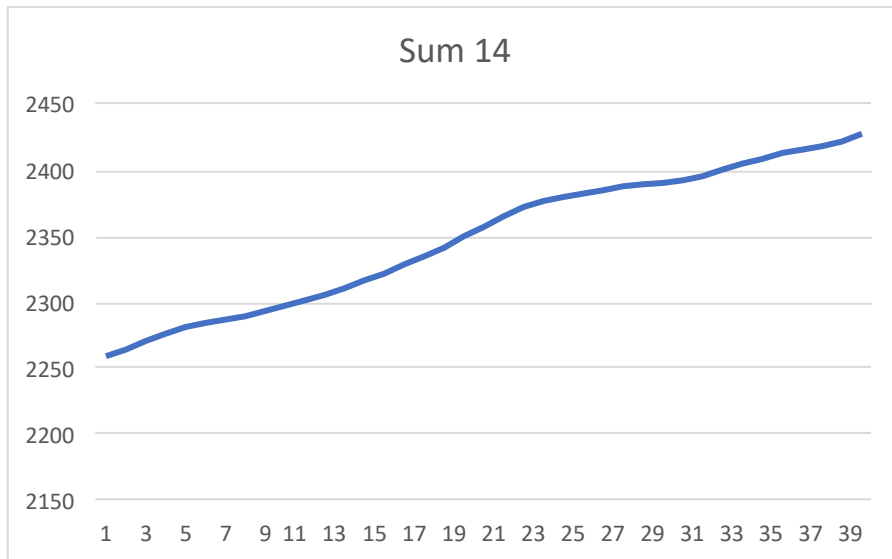
29-Aug-23	2,420.35	1931.61	2258.504	2306.865
28-Aug-23	2,443.75	1937.83	2257.821	2311.85
25-Aug-23	2,468.35	1950.1	2259.057	2317.627
24-Aug-23	2,479.80	1962.45	2261.982	2322.812
23-Aug-23	2,522.20	1982.82	2265.382	2330.046
22-Aug-23	2,519.40	1997.95	2270.468	2335.835
21-Aug-23	2,520.00	2008.28	2276.754	2342.662
18-Aug-23	2,556.80	2023.68	2285.904	2350.983
17-Aug-23	2,538.00	2026.84	2294.075	2358.023
16-Aug-23	2,575.15	2037.99	2305.821	2366.113
14-Aug-23	2,577.25	2049.44	2317.579	2373.617
11-Aug-23	2,547.15	2047.51	2327.589	2377.875
10-Aug-23	2,536.45	2047.2	2336.046	2380.898
09-Aug-23	2,525.20	2037.21	2343.536	2383.663
08-Aug-23	2,508.65	2023.49	2348.171	2385.879
07-Aug-23	2,523.85	2018.83	2352.136	2389.148
04-Aug-23	2,509.55	2013.45	2354.261	2390.492
03-Aug-23	2,475.90	2003.59	2350.954	2391.558
02-Aug-23	2,486.35	1999.13	2348.593	2393.648
01-Aug-23	2,513.20	1997	2348.107	2396.898
31-Jul-23	2,549.25	2004.94	2347.568	2401.731
28-Jul-23	2,527.85	2015.33	2346.843	2406.237
27-Jul-23	2,502.70	2018.6	2341.668	2409.7
26-Jul-23	2,526.20	2021.2	2338.021	2414.285
25-Jul-23	2,485.80	2008.51	2333.639	2416.89
24-Jul-23	2,487.40	2000.42	2330.136	2419.469
21-Jul-23	2,538.75	2007.63	2331.104	2423.123
20-Jul-23	2,619.85	2026.36	2339.046	2428.95

INTERPRETATION:

- ☐ The moving averages are calculated by taking the sum of the closing prices over a specified number of days and then dividing by the number of days.
- ☐ These moving averages are useful for identifying trends and smoothing out short-term fluctuations in stock prices.
- ☐ An increasing moving average may indicate an uptrend, while a decreasing moving average may suggest a downtrend.

GRAPH:





VARIANCE, COVARIANCE AND BETA :

1. Variance:

- Variance is a statistical measure that describes how much each number in a dataset deviates from the mean (average) of the dataset.

- It quantifies the dispersion or spread of a set of data points. A higher variance indicates that the data points are more spread out from the mean.

2. Covariance:

- Covariance is a measure of how much two variables change together. If positive, it indicates that as one variable increases, the other tends to increase as well. If negative, it indicates that as one variable increases, the other tends to decrease.

- Covariance is sensitive to the scale of the variables, making it difficult to interpret in isolation. It's often used in conjunction with correlation.

3. Beta:

- Beta is a measure of a stock's or portfolio's sensitivity to market movements, specifically the benchmark index (often the market index like the S&P 500).

- A beta of 1 implies that the stock or portfolio tends to move with the market. A beta greater than 1 indicates higher volatility (amplified movements compared to the market), while a beta less than 1 suggests lower volatility.

Date	Reliance	NSE	Returns of Reliance	Returns of NSE	Covariance of NSE	Variance of NSE	Beta
31-05-2023	2461.206	18534.4	-0.002692365	-0.002516963	2.50E-05	2.48E-05	1.008575
01-06-2023	2454.579	18487.75	-0.003268067	0.002507044			
02-06-2023	2446.558	18534.1	0.00898095	0.003223788			
05-06-2023	2468.53	18593.85	0.000847781	0.000276994			
06-06-2023	2470.623	18599	0.007582559	0.006849852			
07-06-2023	2489.356	18726.4	0.000600408	-0.004904819			
08-06-2023	2490.851	18634.55	-0.007080991	-0.003818197			
09-06-2023	2473.213	18563.4	0.000886451	0.002052405			
12-06-2023	2475.406	18601.5	0.014773659	0.006163502			
13-06-2023	2511.977	18716.15	0.012297532	0.002123834			
14-06-2023	2542.868	18755.9	0.000274204	-0.003614904			
15-06-2023	2543.565	18688.1	0.009735333	0.007379048			
16-06-2023	2568.327	18826	-0.009932443	-0.003747518			
19-06-2023	2542.818	18755.45	0.002077024	0.003265718			
20-06-2023	2548.099	18816.7	0.002815652	0.002133764			
21-06-2023	2555.274	18856.85	-0.011231177	-0.004539444			
22-06-2023	2526.575	18771.25	-0.008183807	-0.005633615			
23-06-2023	2505.898	18665.5	-0.007634917	0.00137683			
26-06-2023	2486.766	18691.2	0.000360601	0.006751903			
27-06-2023	2487.662	18817.4	0	0.008221073			

28-06-2023	2487.662	18972.1	0.02155069	0.011435275			
30-06-2023	2541.273	19189.05	0.025664098	0.006957092			
03-07-2023	2606.493	19322.55	-0.010303204	0.003438947			
04-07-2023	2579.637	19389	-0.00164165	0.000489969			
05-07-2023	2575.403	19398.5	0.020990536	0.005093218			
06-07-2023	2629.462	19497.3	-0.001951668	-0.008488354			
07-07-2023	2624.33	19331.8	0.038521367	0.00124663			
10-07-2023	2725.423	19355.9	0.010840761	0.00431393			
11-07-2023	2754.968	19439.4	0.001103209	-0.00283443			
12-07-2023	2758.008	19384.3	-0.008942267	0.00151923			
13-07-2023	2733.345	19413.75	-0.000838531	0.007765115			
14-07-2023	2731.053	19564.5	0.020432683	0.007511013			
17-07-2023	2786.855	19711.45	0.008492189	0.001917707			
18-07-2023	2810.522	19749.25	0.007587454	0.004248282			
19-07-2023	2831.847	19833.15	-0.078118108	0.007361412			
20-07-2023	2610.628	19979.15	-0.030956035	-0.011719737			
21-07-2023	2529.813	19745	-0.020226467	-0.003679432			
24-07-2023	2478.644	19672.35	-0.00064319	0.00041937			
25-07-2023	2477.05	19680.6	0.016252222	0.004964339			
26-07-2023	2517.308	19778.3	-0.009302493	-0.005986378			
27-07-2023	2493.89	19659.9	0.010049266	-0.00070446			
28-07-2023	2518.952	19646.05	0.008465609	0.005484563			
31-07-2023	2540.277	19753.8	-0.014141411	-0.001025119			
01-08-2023	2504.354	19733.55	-0.010683544	-0.010489749			
02-08-2023	2477.598	19526.55	-0.004202994	-0.007420685			
03-08-2023	2467.185	19381.65	0.013590994	0.006983389			
04-08-2023	2500.716	19517	0.005698269	0.004114402			
07-08-2023	2514.966	19597.3	-0.006022637	-0.001349735			
08-08-2023	2499.819	19570.85	0.006597254	0.003152708			
09-08-2023	2516.311	19632.55	0.004455113	-0.004556268			
10-08-2023	2527.522	19543.1	0.004218404	-0.005874136			
11-08-2023	2538.184	19428.3	0.011817166	0.000321696			
14-08-2023	2568.178	19434.55	-0.000814792	0.001566757			
16-08-2023	2566.085	19465	-0.014426366	-0.005124583			
17-08-2023	2529.066	19365.25	0.007407433	-0.002845283			
18-08-2023	2547.8	19310.15	-0.010911394	0.004321521			
21-08-2023	2520	19393.6	-0.000238134	0.000146936			
22-08-2023	2519.4	19396.45	0.001111395	0.00245152			
23-08-2023	2522.2	19444	-0.016810682	-0.002946965			
24-08-2023	2479.8	19386.7	-0.004617288	-0.006236154			
25-08-2023	2468.35	19265.8	-0.009966211	0.002089194			
28-08-2023	2443.75	19306.05	-0.009575407	0.001895759			
29-08-2023	2420.35	19342.65	-0.000950296	0.000248096			
30-08-2023	2418.05	19347.45					

INTERPRETATION :

- The returns of Reliance and the NSE vary daily, and the covariance indicates the degree to which they move together. The positive beta value (1.008575) suggests that Reliance tends to be slightly more volatile than the NSE.
- It's crucial to consider the beta value in risk assessment. A beta greater than 1 indicates that the stock may experience larger price fluctuations than the market, and vice versa.
- The variance of NSE reflects the market's overall volatility. Higher variance may signal increased market risk.

FINDINGS AND SUGGESTIONS

Findings:

1. Diversification:

- Reliance Industries is a conglomerate with diverse business interests, including petrochemicals, refining, telecommunications, and retail. This diversification can provide stability and opportunities for growth.

2. Telecommunications Growth:

- The growth of Reliance Jio Infocomm has been a significant driver for Reliance Industries. The expansion and success of Jio in the telecommunications sector have contributed positively to the company's overall performance.

3. Retail Expansion:

- Reliance Retail has been expanding its footprint, becoming one of the largest retail chains in India. The retail sector's growth is influenced by changing consumer behavior and increasing purchasing power.

4. Strategic Partnerships:

- Reliance has engaged in strategic partnerships and collaborations, such as deals with international companies and investors. These partnerships can enhance the company's capabilities and open up new opportunities.

Suggestions:

1. Monitor Regulatory Changes:

- Given Reliance's involvement in various industries, keep a close eye on regulatory changes that may impact its operations. Changes in government policies or industry regulations can affect the company's performance.

2. Debt Management:

- Evaluate the company's debt levels and its ability to manage debt. High levels of debt can be a risk factor, so understanding how well Reliance is handling its debt is crucial.

3. Competitive Landscape:

- Continuously assess the competitive landscape. The industries in which Reliance operates can be highly competitive, and staying ahead of industry trends and innovations is essential.

4. Digital Transformation:

- Given the increasing importance of digital technologies, monitor how Reliance is adapting to the ongoing digital transformation. This includes developments in e-commerce, digital services, and technological innovations.

5. Global Economic Trends:

- Keep an eye on global economic trends, as they can impact commodity prices, demand for energy products, and international trade, all of which may affect Reliance Industries.

6. Environmental, Social, and Governance (ESG) Factors:

- Consider ESG factors in your analysis. Investors are increasingly looking at a company's environmental and social practices, as well as its governance policies. Reliance's initiatives in these areas may influence investor sentiment.

7. Stay Informed on Technological Advancements:

- Particularly in the telecommunications sector, stay informed about advancements and innovations. The rapid pace of technological change can influence market dynamics.

CONCLUSION

Reliance Industries Limited stands as a prominent conglomerate with an expansive footprint across diverse industries. Led by the visionary Mukesh Ambani, the company has played a pivotal role in shaping India's economic landscape. Its operations span petrochemicals, refining, telecommunications, and retail, showcasing a strategic diversification that has contributed to its resilience. The transformative impact of Reliance Jio on the telecommunications sector underscores the company's capacity for innovation and adaptation to changing market dynamics.

Reliance Retail has emerged as a powerhouse in the retail sector, reflecting the company's adeptness in consumer-oriented ventures. The leadership's commitment to technological innovation has been evident in its pursuit of digital services and advancements. Reliance's strategic investments and acquisitions both domestically and internationally underline its forward-looking approach, positioning itself for sustained growth.

As the global business environment continues to evolve, Reliance Industries appears poised to navigate these changes. The company's commitment to sustainability and its articulated vision for the future further exemplify its determination to remain at the forefront of industry trends. Reliance Industries continues to be a key player, contributing significantly to India's economic and technological landscape.

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