



STOCKS AND TRADING SECTOR





OVERVIEW

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- Most of the trading in the Indian stock market takes place on its two stock exchanges: the Bombay_Stock_Exchange (BSE) and the National_Stock Exchange(NSE). The BSE has been in existence since 1875. The NSE, on the other hand, was founded in 1992 and started trading in 1994. However, both exchanges follow the same trading mechanism, trading hours, and settlement process.
 - Almost all the significant firms of India are listed on both the exchanges. The BSE is the older stock market but the NSE is the largest stock market, in terms of volume. As such, the NSE is a more liquid market. In terms of market cap, they're both comparable at about \$2.3 trillion. Both exchanges compete for the order flow that leads to reduced costs, market_efficiency, and innovation. The presence of arbitrageurs keeps the prices on the two stock exchanges within a very tight range.



BUSINESS
CHARCHA

STOCK MARKET JOB-ORIENTED COURSE

- Equity Dealer Certification
- Certificate Course in Stock Market
- Diploma In Financial & Stock Markets
- Advance Diploma in Financial Markets
- Diploma Investment Advisory
- Diploma In Research Analyst



COURSES AND COLLEGES

- Financial Markets : Yale University
- Trading Strategies in Emerging Markets : Indian School of Business
- Practical Guide to Trading : Interactive Brokers
- Bitcoin and Cryptocurrency Technologies : Princeton University
- Stock Valuation with Comparable Companies Analysis: Coursera Project Network
- Investment and Portfolio Management : Rice University
- Trading Basics : Indian School of Business
- Financial Markets and Investment Strategy : Indian School of Business
- Investment Management : University of Geneva





JOB OPPORTUNITIES

Stock Trading Career Opportunities

Entry-Level jobs

- Relationship manager
- dealer
- equity advisor

Middle level

- Equity research
- Fundamental analyst
- Senior relationship manager
- Fundamental analyst
- Technical analyst

Entrepreneurship

- Broking-sub
- Broking services
- Financial consultant
- Self-investment
- Financial advisor



MINIMUM REQUIREMENTS

- **There is no minimum limit to start investing** in the Indian stock market. You simply need to have sufficient capital to cover the price of a stock. So, you do not need a huge amount of money to start trading In India. It is possible to buy stocks for even less than Rs 10!
- In fact, **there is no minimum age to invest in the Indian stock market.** Hence, both adults and minors can have Demat accounts that enable stock market trading. If you are under 18, your Demat account can be opened by your parents/ appointed guardian in your name once all your important documents are submitted.





NIFTY, BANK NIFTY AND SENSEX

- The NIFTY 50 is a benchmark Indian stock market index that represents the weighted average of 50 of the largest Indian companies listed on the National Stock Exchange. It is one of the two main stock indices used in India, the other being the BSE SENSEX.
- The NIFTY 50 covers major sectors of the India economy and offers investment managers exposure to the Indian market in one efficient portfolio. The index has been trading since April 1996 and is well suited for benchmarking, index funds and index-based derivatives.





- Bank Nifty represents the **12 most liquid and large capitalized stocks from the banking sector** which trade on the National Stock Exchange (NSE). It provides investors and market intermediaries a benchmark that captures the capital market performance of Indian banking sector.
- The BSE SENSEX is a free-float market-weighted stock market index of 30 well-established and financially sound companies listed on the Bombay Stock Exchange. It is scientifically designed and is based on globally accepted construction and review methodology. One can identify the booms and busts of the Indian equity market through S&P BSE SENSEX.

www.COSMICNETRA.com	
<h1>NIFTY</h1>	<h1>SENSEX</h1>
Index of National Stock Exchange (NSE)	Index of Bombay Stock Exchange (BSE)
Launched in 1996	Launched in 1986
Constitutes top 50 companies that are actively traded in NSE	Constitutes top 30 companies that are actively traded in BSE
Base number 1000	Base number is 100
Nifty covers 24 sectors	Sensex covers 15 sectors
Index value = (Current market value / Base market capital) x 1000	Index value = Free-float market capitalisation / Index divisor



LARGE CAP, MID CAP & SMALL CAP

Large cap

According to SEBI's rules, all companies that are listed on the stock exchanges are ranked based on their market cap. And the top 100 companies are categorized as large cap companies. Then, what are large cap funds? Mutual funds that invest in the stocks of these large cap companies are categorized as large cap funds.

Large cap companies generally have an excellent track record. The market cap of these companies is generally significantly high, coming in at around Rs. 20,000 crores or more. These stocks are also often included in broad market indices such as NIFTY and SENSEX, primarily because they command a very strong market presence.

Example: TCS, Reliance

Mid-cap

As per SEBI's classification, the companies ranked from 101 to 250 in terms of market capitalization are known as mid-cap companies. Their market cap generally tends to range from Rs. 5,000 to Rs. 20,000 crores. Since mid cap companies have a moderate to strong market presence, they may or may not be widely included in broad market indices.

Example: Escorts, Polycab India

Small cap

SEBI's rules state that all the companies that are ranked from the 251st position onwards in terms of market cap are automatically categorized as small-cap companies. Small-cap companies generally don't have a long track record. These companies could either be relatively new start-ups or they be businesses that are still in the developmental stage.

In terms of market cap, these companies generally come in below Rs. 5,000 crores. And consequently, these companies tend to enjoy little to no market presence, and so, are mostly not included in broad market indices.

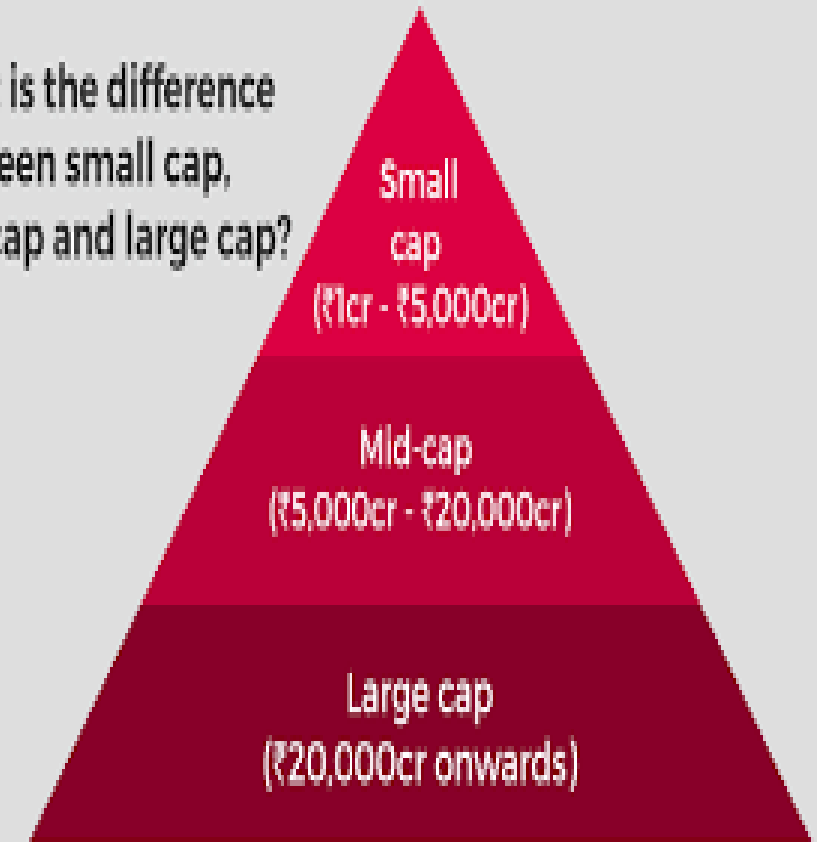
Example: Canara bank, Tata chemicals

Penny stocks

Penny stocks are **those that trade at a very low price, have very low market capitalization**, are mostly illiquid, and are usually listed on a smaller exchange. Penny stocks in the Indian stock market can have prices below Rs 10.

Example: Vodafone-idea, Yes bank

What is the difference
between small cap,
mid cap and large cap?



BUY US STOCKS FROM INDIA

- Indian investors will soon be able to buy and sell shares of Google, Amazon, Microsoft and other US-listed companies through NSE's GIFT City arm in the International Financial Services Centre (IFSC) in Gujarat.
- NSE International Exchange (NSE IFSC) on Monday said it has set up infrastructure for Indian investors to buy US stocks and broker registration is under way. The arrangement will allow fractional ownership of US stocks for these investors, who would need to open demat accounts with entities based in GIFT City.
- Currently, Indian investors buy US stocks through designated online brokers who have the permission from US and Indian regulators. These brokers allow ownership of up to one-millionth of a US stock. The concept of fractional ownership is popular has been prevalent for racing horses, yachts, aero planes and other high-value assets. Recent tech innovations now allow such ownership in US shares too, industry executives said.
- The entire trading, clearing, settlement and holding of US stocks will be under the regulatory purview of the IFSC Authority, a release from NSE IFSC said. IFSC Authority has facilitated the offering under its regulatory sandbox where the fund transfers for buying will be through the Liberalized Remittance Scheme (LRS) of the RBI, it said.

10 STEPS TO BECOME A DAY TRADER

Step 1: Self-Assessment.

Step 2: Enough Capital.

Step 3: Analyze the Market.

Step 4: Know Securities to Trade.

Step 5: Design or Choose Suitable Trading Strategy.

Step 6: Combine Strategy to the Big Picture.

Step 7: Know the Importance of Money Management.

Step 8: Back Test the Historical Data.

Step 9: Start at a Small Scale and Then Expand

Step 10: Brokerage Fees





BULL AND BEAR

- Investors are often categorized as bulls and bears. A “**bull**” by definition is an investor who buys shares because they believe the market is going to rise; whereas a “bear” will sell shares as they believe the market is going to turn negative.
- you have to identify the stock or the market's low point and then find the percentage change — **If it's above 20%**, then that period is a bull market. If you identify the market's high point and then look at its percentage change decline from there and it's over 20%, then it's a bear market period.





INITIAL PUBLIC OFFERING(IPO)

- An initial public offering or stock launch is a public offering in which shares of a company are sold to institutional investors and usually also retail investors. An IPO is typically underwritten by one or more investment banks, who also arrange for the shares to be listed on one or more stock exchanges.
- **It is the first sale of a company's stock to the general public.** In normal business circumstances a company can raise money by either issuing debt or equity. So if the company has never issued equity to the public and is doing it for the first time, it is known as an IPO.
- The issuing of shares is done with **the help of investment banks.** Once the IPO is done, the shares of the company are traded in the open market. These shares can then be further sold by investors through trading in the secondary market.

SOME OF THE LISTED COMPANIES IN SHARE MARKET

- HDFC Bank Ltd
- Reliance Industries Ltd
- Housing Development Finance Corporation
- Infosys Ltd
- ICICI Bank Ltd
- Tata Consultancy Services Ltd
- ITC Ltd
- Kotak Mahindra Bank Ltd
- Larsen & Toubro Ltd

TOP INDIAN MNC'S



START UP COMPANIES IN SHARE MARKET

- Zerodha Broking Limited is an Indian financial services company offering retail and institutional brokerage, currencies and commodities trading, mutual funds, and bonds. Founded in 2010, the company is headquartered in Bangalore. Valued over \$1 billion, it is the largest brokerage firm in India by active client base.
- Groww is an online investment platform, founded 2016 allows investors to invest in mutual funds and stocks. Headquartered in Bangalore, Karnataka, the company has raised over \$140 million as of April 2021, at a valuation of \$1 billion.



- Moneycontrol.com is an Indian online business news website owned by E-EIGHTEEN Dot Com Ltd., a subsidiary of the media house TV18.
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- **smallcase** is a fintech company that offers a platform to invest in model portfolios of stocks, Exchange traded funds (ETFs), REITs (Real estate investment trusts), etc. representing a theme or a strategy. smallcase was founded in 2015 by Vasanth Kamath, Anugrah Shrivastava, and Rohan Gupta.



- Sharekhan was founded by Mumbai-based entrepreneur Shripal Morakhia in 2000. Sharekhan pioneered the online retail brokerage industry and leveraged on the first wave of digitization, when dematerialization (demat) of securities came into effect and electronic trading was introduced in the stock exchanges.



DEMAT ACCOUNT

- A demat account is an account to hold financial securities in electronic form. In India, demat accounts are maintained by two depository organizations, National Securities Depository Limited and Central Depository Services Limited.
- It **process of holding investments like shares, bonds, government securities, Mutual Funds, Insurance and ETFs easier**, doing away the hassles of physical handling and maintain.
- Depository Participants hold and administer these securities on behalf of either NSDL or CSDL and are thus safe custodians of the Demat securities.
- The demat account number is quoted for all transactions to enable electronic settlements of trades to take place. Access to the dematerialized account requires an internet password and a transaction password. Transfers or purchases of securities can then be initiated. Purchases and sales of securities on the dematerialized account are automatically made once transactions are confirmed and completed.



LIST OF 8 BEST DEMAT ACCOUNTS IN INDIA

- Zerodha demat account.
- Upstox demat account.
- Angel Broking demat account.
- India Infoline (IIFL) Demat account.
- Sharekhan demat account.
- Motilal Oswal Demat Account.
- ICICI Direct demat account.
- HDFC Securities demat account.





CDSL VS NSDL

'CDSL' is short for 'Central Depository Securities Limited' while 'NSDL' is short for 'National Securities Depository Limited.' Both CDSL and NSDL are depositories registered by the Indian government to hold multiple forms of securities like stocks, bonds, ETFs, and more as electronic copies.

The Demat account has a **16-digit numeric character in case of CDSL**, whereas in case of NSDL, the Demat account number starts with "IN" followed by a 14-digit numeric code.





STEPS TO BUY SHARES ONLINE IN INDIA

- Find a broker
- provide your PAN Card
- Open demat and trading account
- Knowing your depository(CDSL OR NSDL)
- Buy or Sell Shares

