
Analysis of Relationship Level between Select Steel Companies and Nifty

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ABSTRACT

Steel industry has very rapid growth in the industrial sector and rising infra expenditure projects in railways, roads and highways etc. It has strong export demand and signs of revival in the domestic sales. There are many issues that affect the indices of the stock market. This study examines the short run dynamic relationship between steel price-behavior with Nifty through correlation model. The secondary data is used in this study from November 1, 2017-January 31, 2018 closing stock price of selected companies has been collected. It is concluded that there is a positive correlation between steel prices and Nifty index.

KEY WORDS: Steel Industries, Stock Price, Correlation, Nifty, NSE India.

INTRODUCTION:

Stock market is used by the investors to know the index value and evaluate their portfolio by the indices as benchmark and compare and forecast the future movements. The research study is made to analyze the interrelation between select three steel companies and Nifty. An investor can reduce portfolio risk simply by holding instruments which are not perfectly correlated and they can diversify their holdings. The correlation coefficient will always be between -1 and 1. A positive correlation coefficient means the two variable moves in the same direction as one increases the other also increases and vice-versa.

OBJECTIVES OF THE STUDY:

1. To study the relationship between the select steel companies and Nifty.
2. Evaluate the portfolio and reduce the risk of the investor by the researcher suggestion.
3. To find the Net Profit of the select Steel companies

LIMITATION OF THE STUDY:

The period of the study is from November 1st 2017 to January 31st 2018(i.e) Period of three months.

RESULTS OF ANALYSIS AND DISCUSSIONS:

Based on the Net Profit, JSW Steels ranks I with Rs.3576 Crore, TataSteel ranks II with 3444Crore and Jindal(Hisar) ranks III with 218Crore.

T A B L E - 1

STEEL INDUSTRIES ON THE BASE OF NET PROFIT

(Based on 2016-2017)

S . N o	Name of the company	Net Profit (INR in Cro	R a n k
1	J S W S t e e l s	3 5 7 6 . 5 4	I
2	T a t a S t e e l s	3 4 4 4 . 5 5	I I
3	J i n d a l (H i s a r)	2 1 8 . 0 2	I I I

Soures: Money control.com

TABLE- 2

CORRELATION BETWEEN SELECT STEEL COMPANIES AND NIFTY 50

(Period From November 1,2017 to January 31,2018)

S . N o	Name of the company	Correlation value(r)	R e s u l t s
1	J S W S t e e l	0 . 8 8 1	Positive (r)
2	T a t a S t e e l s	0 . 8 8 0	Positive (r)
3	J i n d a l (H i s a r)	0 . 9 0 8	Positive (r)

As per the research undergone by the researcher, there is a positive correlation between top three Steel indi

CONCLUSION:

By using NSE India data from November 1,2017to January 31,2018, an effort is made to investigate the relationship of top Steel companies and Nifty index. It is inferred that the Nifty varies with the stock price of the Steel companies accordingly (i.e) increase or decrease in the equity price. Longtime investigation can give more reliable and strong results for the investors.

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ANNEXURE

STEEL COMPANIES EQUITY PRICES NIFTY 50

(Period from November 1,2017^t to January 31,2018)

D a t e	T a t a S t e e l	J S W S t e e l	J i n d a l (H i s a r)	N I F T Y
1 / 1 1 / 2 0 1 7	6 7 3 . 8 4	2 6 4 . 7 5	2 2 8 . 9	1 0 4 4 0 . 5
2 / 1 1 / 2 0 1 7	6 7 2 . 7	2 6 6 . 2	2 3 4	1 0 4 2 3 . 8
3 / 1 1 / 2 0 1 7	6 7 5 . 3 7	2 6 6 . 6	2 3 2 . 0 5	1 0 4 5 2 . 5
6 / 1 1 / 2 0 1 7	6 7 3 . 3 7	2 6 8	2 2 9 . 4	1 0 4 5 1 . 8
7 / 1 1 / 2 0 1 7	6 6 0 . 4 1	2 6 4 . 0 5	2 1 7 . 0 5	1 0 3 5 0 . 1 5
8 / 1 1 / 2 0 1 7	6 6 0 . 3 6	2 6 2 . 4 5	2 1 4 . 7 5	1 0 3 0 3 . 1 5
9 / 1 1 / 2 0 1 7	6 7 0 . 1 3	2 6 4	2 1 6 . 6 5	1 0 3 0 8 . 9 5
10 / 1 1 / 2 0 1 7	6 6 9 . 0 3	2 7 0 . 8	2 1 6 . 0 5	1 0 3 2 1 . 7 5
13 / 1 1 / 2 0 1 7	6 5 8 . 3 6	2 6 3 . 8 5	2 1 7 . 2	1 0 2 2 4 . 9 5
14 / 1 1 / 2 0 1 7	6 5 3 . 0 8	2 6 6 . 5 5	2 0 9 . 7	1 0 1 8 6 . 6
15 / 1 1 / 2 0 1 7	6 4 5 . 6 9	2 5 5 . 4 5	2 0 0 . 3	1 0 1 1 8 . 0 5
16 / 1 1 / 2 0 1 7	6 5 3 . 8 9	2 5 8 . 6 5	1 9 7 . 5	1 0 2 1 4 . 7 5
17 / 1 1 / 2 0 1 7	6 6 8 . 0 3	2 6 6 . 6	2 0 9 . 4	1 0 2 8 3 . 6
20 / 1 1 / 2 0 1 7	6 6 8 . 9 4	2 6 5 . 9 5	2 1 4 . 8	1 0 2 9 8 . 7 5
21 / 1 1 / 2 0 1 7	6 7 7 . 7	2 6 8 . 8 5	2 2 1	1 0 3 2 6 . 9
22 / 1 1 / 2 0 1 7	6 7 7 . 4 2	2 6 8 . 5 5	2 1 9 . 3 5	1 0 3 4 2 . 3
23 / 1 1 / 2 0 1 7	6 7 8 . 9 9	2 6 6 . 8 5	2 1 6 . 2 5	1 0 3 4 8 . 7 5
24 / 1 1 / 2 0 1 7	6 7 4 . 9 4	2 6 5 . 2	2 2 0 . 4	1 0 3 8 9 . 7
27 / 1 1 / 2 0 1 7	6 6 9 . 3 2	2 5 8 . 9	2 1 9 . 5 5	1 0 3 9 9 . 5 5
28 / 1 1 / 2 0 1 7	6 7 0 . 5 6	2 5 5 . 6 5	2 1 7 . 7	1 0 3 7 0 . 2 5
29 / 1 1 / 2 0 1 7	6 7 5 . 7 5	2 5 5 . 2 5	2 1 7 . 6	1 0 3 6 1 . 3
30 / 1 1 / 2 0 1 7	6 6 1 . 3 2	2 5 4 . 8 5	2 1 0	1 0 2 2 6 . 5 5
1 / 1 2 / 2 0 1 7	6 4 8 . 6 9	2 5 2 . 0 5	2 0 7	1 0 1 2 1 . 8
4 / 1 2 / 2 0 1 7	6 5 5 . 2 7	2 5 1 . 8 5	2 1 0 . 1	1 0 1 2 7 . 7 5
5 / 1 2 / 2 0 1 7	6 4 3 . 7 4	2 4 7 . 7	2 1 0	1 0 1 1 8 . 2 5
6 / 1 2 / 2 0 1 7	6 3 6 . 0 2	2 4 2 . 1 5	2 1 3 . 1	1 0 0 4 4 . 1
7 / 1 2 / 2 0 1 7	6 5 5 . 4 6	2 5 0 . 8 5	2 1 5 . 7	1 0 1 6 6 . 7
8 / 1 2 / 2 0 1 7	6 6 4 . 7 9	2 5 2 . 4 5	2 1 4 . 7 5	1 0 2 6 5 . 6 5
11 / 1 2 / 2 0 1 7	6 6 6 . 4 6	2 5 1 . 5	2 0 9 . 9	1 0 3 2 2 . 2 5
12 / 1 2 / 2 0 1 7	6 5 7 . 2 2	2 4 9 . 9 5	2 0 4 . 8 5	1 0 2 4 0 . 1 5
13 / 1 2 / 2 0 1 7	6 4 8 . 6 5	2 4 4	2 1 3 . 9 5	1 0 1 9 2 . 9 5
14 / 1 2 / 2 0 1 7	6 5 0 . 3 1	2 4 2 . 4 5	2 1 2	1 0 2 5 2 . 1
15 / 1 2 / 2 0 1 7	6 6 1 . 8 4	2 5 0 . 9	2 1 0 . 8	1 0 3 3 3 . 2 5



18/12/2017	6 7 1 . 3 7	2 5 3 . 9 5	2 0 7 . 4 5	1 0 3 8 8 . 7 5
19/12/2017	6 7 6 . 6 1	2 5 6 . 4	2 0 8 . 4 5	1 0 4 6 2 . 2
20/12/2017	6 6 9 . 5 6	2 6 2 . 1	2 0 9 . 0 5	1 0 4 4 4 . 2
21/12/2017	6 8 0 . 8	2 6 5 . 3	2 2 8 . 4 5	1 0 4 4 0 . 3
22/12/2017	6 7 7 . 5 6	2 6 4 . 5	2 2 9 . 3 5	1 0 4 9 3
26/12/2017	6 8 7 . 5 2	2 6 7 . 4	2 3 1 . 3 5	1 0 5 3 1 . 5
27/12/2017	6 8 9 . 2 3	2 6 5 . 4 5	2 2 7 . 5 5	1 0 4 9 0 . 7 5
28/12/2017	7 0 1 . 4 3	2 7 1 . 3	2 2 8 . 3 5	1 0 4 7 7 . 9
29/12/2017	6 9 7 . 7 6	2 6 9 . 8	2 2 5 . 8	1 0 5 3 0 . 7
1 / 1 / 2 0 1 8	6 8 8 . 0 4	2 6 5 . 8	2 0 6 . 2	1 0 4 3 5 . 5 5
2 / 1 / 2 0 1 8	6 9 4 . 8	2 6 4 . 5 5	2 0 3 . 4	1 0 4 4 2 . 2
3 / 1 / 2 0 1 8	7 0 0 . 1 9	2 6 8 . 7	2 1 9 . 5 5	1 0 4 4 3 . 2
4 / 1 / 2 0 1 8	7 2 4 . 2 9	2 6 5 . 8	2 4 4 . 5 5	1 0 5 0 4 . 8
5 / 1 / 2 0 1 8	7 3 4 . 2 5	2 8 5 . 1	2 3 9 . 0 5	1 0 5 5 8 . 8 5
8 / 1 / 2 0 1 8	7 3 2 . 3 9	2 8 6	2 5 6 . 4 5	1 0 6 2 3 . 6
9 / 1 / 2 0 1 8	7 3 5 . 7 7	2 8 4	2 4 8 . 7 5	1 0 6 3 7
10/1/2018	7 3 6 . 2 9	2 8 2 . 8	2 6 2 . 4	1 0 6 3 2 . 2
11/1/2018	7 3 4 . 4 8	2 8 2 . 5 5	2 6 7 . 3 5	1 0 6 5 1 . 2
12/1/2018	7 3 3 . 8 2	2 8 6 . 8	2 6 4 . 8 5	1 0 6 8 1 . 2 5
15/1/2018	7 4 6 . 4 4	2 8 5	2 6 7 . 3	1 0 7 4 1 . 5 5
16/1/2018	7 2 9 . 5 3	2 8 1 . 2	2 7 0 . 7	1 0 7 0 0 . 4 5
17/1/2018	7 3 7 . 3 9	2 8 5 . 0 5	2 6 9 . 7	1 0 7 8 8 . 5 5
18/1/2018	7 1 6 . 1 9	2 7 9 . 8	2 6 4 . 3 5	1 0 8 1 7
19/1/2018	7 1 7 . 3 8	2 8 2 . 1	2 6 4 . 1 5	1 0 8 9 4 . 7
22/1/2018	7 2 6 . 6 2	2 7 8 . 6 5	2 6 3 . 7 5	1 0 9 6 6 . 2
23/1/2018	7 4 2 . 8 7	2 9 4 . 0 5	2 9 0 . 7 5	1 1 0 8 3 . 7
24/1/2018	7 2 6 . 0 5	2 8 8 . 6 5	2 7 6 . 5	1 1 0 8 6
25/1/2018	7 3 2 . 7 7	2 9 0 . 8	2 8 0 . 2	1 1 0 6 9 . 6 5
29/1/2018	7 4 6 . 1 1	2 9 3 . 4 5	2 6 6 . 0 5	1 1 1 3 0 . 4
30/1/2018	7 3 9 . 1 5	2 8 9 . 1	2 6 8 . 3 5	1 1 0 4 9 . 6 5
31/1/2018	7 0 5 . 0 5	2 8 9 . 9 5	2 6 6 . 4 5	1 1 0 2 7 . 7