

IDEES –International Multidisciplinary Research Journal**(Peer Reviewed)****Research Paper****On****An analysis of Equity Share Price Behaviour of Yes Bank****By****Dr. Kruti A. Patel**

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Abstract:

The Indian economy is mainly based on the corporate sectors' development. A better understanding of the stock market trend will facilitate allocation of financial sources to the more profitable investment opportunity. All investors are satisfied by the reasonable rate of return from the investment in any shares and it motivates them to buy shares from the stock market. Investors can only be satisfied when they are able to choose the right share from the right sector at the right time. The right time entry and the exit make investors motivated to trade and invest in the particular company share. This research paper aims to understand the behaviour of the share prices of five years of Yes Bank which enables investors in succeeding in their investment decisions. Simple moving average and trend analysis have been applied to reiterate the key findings and proffer suggestions to investors.

Keywords: Equity Share Price Behaviour, Yes Bank, Moving Average, Trend Analysis**Introduction:**

Stock market is one the strongest element in the economic and overall development of any country but there are various elements which affect its performance directly or indirectly. It also plays a significant role in allocating the sources of fund and determining the firm's value and borrowing capacity. Yes Bank has been recognized amongst the top and fastest growing banks in various Indian Banking League Tables by prestigious media houses and Global Advisory Firms, and has received several national and international honors too. Yes Bank is

India's fourth largest private sector bank is a high quality, customer centric and service driven Bank, but today this company is in a big controversy and investors are in deep thought for the survival of the company. The share price reflect the crashes from the share price of Rs. 367.90 in July 2018 to 42.75 in January 2020. The application of analysis of equity share price behaviour to Yes Bank Ltd. will definitely enlarge the horizons of the investors for taking their decision relating to it.

Objectives of the Study

1. To analyze the share price behaviour of the selected company.
2. To study the current trend and strength of the trend of selected company.
3. To reiterate the key findings and proffer suggestions to investors.

Review of Literature

(Karthikeyan & S., 2016) had analyzed the equity share price behaviour of the construction company from July 2014 to July 2016 using simple moving average. His concrete suggestion relating to DLF Company has definitely supported stakeholders.

(Prakash, Namasivayam, Ashwini, & Gunasekaran, 2015) Analyzed a better understanding of how the stock market trend facilitates allocation of financial sources to the more profitable investment opportunity. He had simple moving average model in selected companies of pharmaceutical and banking sector companies which would give the investor a sell signal or buy signal. He concluded that banking industry and pharmaceutical sector have fast growth in near future. According to the Analyst banking sector set to outperform the market at average return of 20%. His strong remarks are indeed benefited to the investors.

(Vimla, Saranya, & Saranya, 2014) Conducted a study of top five IT and Healthcare sectors companies using simple moving average and relative strength index technique. They also found that technical analysis is a strong element that investor should keenly observe while investing in any scripts in the stock market.

(Bennett & Sias, 2001) have conducted a study on "can money flow predict is defined as the difference between up stick and down stick dollar trading volume. The study says that despite little published research regarding its usefulness, the measure has become an increasingly popular technical indicator because of its own means. The study summarizes its most important finding that money flow appears to predict across-sectional variation in future returns.

Scope of the Study

A technical understanding of the stock market trend enhance the possibility of gaining the most profitability investment opportunity for financial resources. This research study on the behaviour of Yes Bank Ltd.'s equity share price helps in better understanding of the fluctuations in equity market. This research paper shows how simple moving average can indicates the investors to buy or sell particular stock. It also helps in taking superior decisions while investing in equity shares.

Data Collection Sources and Study period covered

The pertained data were collected from the Secondary sources Viz., NSE official website. The monthly average closing prices of last five years of Yes Bank Ltd., which is listed in National Stock Exchange, were taken for a period of January 2015 to January 2020 and its price movements are computed and studied.

Statistical Tools used for Analysis:

In this study, Simple moving average and Trend analysis are applied to achieve the objectives of the present study.

1. Simple Moving Average:

A moving average is a barometer that indicates the average value of a security's price over a period of time. When calculating a moving average, a mathematical analysis of the security's average value over a pre-determined time period is made. Securities' average price moves up or down as its price changes. Investors and policy makers can interpret a moving average by comparing the relationship between the moving averages of the security's price with the security's price itself.

2. Trend Analysis:

Trend analysis is rooted in the idea that historical trading trends can give traders an idea of what may happen in the future. Forecasting technique that relies primarily on historical time series data to predict the future.

Table 1

Following table 1 shows the average closing share price of Yes Bank from January 2015 to January 2020. The other two columns show the 30 days and 50 days simple moving averages respectively. (Amount in INR)

Month-Year	Average Closing Price	30 Days Moving Average	50 Days Moving Average
Jan-15	172.50		
Feb-15	172.55	97.93	83.52
Mar-15	163.31	100.83	85.73
Apr-15	167.96	103.68	88.06
May-15	176.52	106.61	90.35
Jun-15	168.60	109.14	92.51
Jul-15	165.74	111.19	94.62
Aug-15	137.90	112.64	96.13
Sep-15	145.92	114.64	97.81
Oct-15	151.82	116.36	99.73
Nov-15	153.30	118.23	101.72
Dec-15	145.23	119.99	103.36
Jan-16	149.38	122.81	105.26
Feb-16	137.67	125.78	107.06
Mar-16	172.91	129.64	109.20
Apr-16	188.73	133.46	111.59
May-16	206.39	137.89	114.25
Jun-16	221.30	142.80	117.28
Jul-16	243.44	148.87	120.82
Aug-16	272.56	155.94	124.93
Sep-16	250.85	161.55	128.49
Oct-16	253.52	167.09	132.26

Nov-16	234.28	171.12	135.43
Dec-16	231.26	175.22	138.41
Jan-17	279.10	180.92	142.22
Feb-17	290.56	186.79	146.18
Mar-17	309.82	193.28	150.28
Apr-17	326.14	199.59	154.91
May-17	286.38	204.39	158.92
Jun-17	292.37	209.00	162.77
Jul-17	361.96	215.32	168.06
Aug-17	351.15	221.26	173.22
Sep-17	350.00	227.49	178.93
Oct-17	314.35	232.37	184.24
Nov-17	306.80	236.71	189.23
Dec-17	315.05	241.59	194.06
Jan-18	354.45	247.88	199.67
Feb-18	322.25	254.03	204.63
Mar-18	304.90	259.32	209.50
Apr-18	362.05	266.33	215.52
May-18	346.20	272.75	220.79
Jun-18	339.60	279.23	225.82
Jul-18	367.90	286.52	230.90
Aug-18	343.40	293.38	235.61
Sep-18	183.45	293.73	237.12
Oct-18	188.05	293.72	238.59
Nov-18	169.65	292.49	239.69
Dec-18	181.75	291.17	240.59
Jan-19	194.30	289.53	241.63
Feb-19	231.20	288.12	243.17
Mar-19	275.05	288.93	245.22
Apr-19	168.00	286.05	245.13

May-19	147.95	283.15	244.82
Jun-19	108.70	279.06	243.64
Jul-19	91.30	272.80	241.40
Aug-19	59.50	265.11	239.73
Sep-19	41.45	256.18	237.27
Oct-19	70.45	247.66	259.92
Nov-19	68.30	240.39	234.37
Dec-19	46.95	232.20	232.27
Jan-20	42.75		

Figure 1

Following figure 1 represents the chart presentation of the above tabular data which shows the month wise average closing price. Red line dictates 30 days moving average while black line dictates 50 days moving average.



Figure 2

Following figure 2 represents the resistant and support levels in blue horizontal lines at various levels of Yes Bank share price.



Results and Findings

It is identified from the analysis that, the average closing price of Yes Bank is the lowest in the month of September 2019 is 41.45 and the highest is in the month of July 2018 at 367.90. The average closing remains constantly higher than the moving averages from January 2015 to August 2015 and that was the reason the share was in upward trend. That shows the buying signal for Yes Bank, but in September 2018 for the first time the average closing remains lower than moving average and share went in down trend, which indicates the sell signal.

Suggestions

Various support and resistant have been developed with the help trend analysis. It can be suggested that the first resistant is at 48.5 and if share price crosses this level than the next resistant will be 69.3. If it crosses this level than the next resistant will be 75.45; likewise 78.7, 92.45, 110.5, 153.85, 178, 182, 193.2, 230, 240, 265, 286, 290, 330, 350.9, 382.9 and 404 respectively. While calculating the supports it can be suggested that in lower the share

price can go to 36.55. If it crosses this level than the next supports will be 29, 23 and 8 respectively. So, it is my strong recommendation that investors must buy this share if it crosses the 48.5 level.

Conclusion

All investors are satisfied by the reasonable rate of return from the investment in any shares and it motivates them to buy shares from the stock market. Investors can only be satisfied when they are able to choose the right share from the right sector at the right time. The right time entry and the exit make investors motivated to trade and invest in the particular company share. In majority cases technical analysis is used to find the top pick company. They must observe such situations keenly as there are so many factors like political, economy, company progress, industrial profile, returns and the risk involved in a investing in the share price that affects the price of the share. This research study made an attempt to guide the investors to understand the behaviour of the share prices of five years of Yes Bank which enables investors in succeeding in their investment decisions.

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