



# A STUDY ANALYZING RETURN ON INVESTMENT IN BANKING AND AUTOMOBILE INDUSTRIES THROUGH HISTORICAL DATA

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## **Introduction:**

This study focuses on analysing the return on investment (ROI) within the banking and automobile sectors through a thorough examination of historical data. Its primary objective is to discern trends, patterns, and key factors influencing ROI over time, aiming to provide valuable insights into investment performance. The banking industry, characterized by financial services, and the automobile sector, renowned for its manufacturing and sales activities, are vital components of the economy. By meticulously analysing historical data, this research endeavours to elucidate the profitability and efficiency of investments in these sectors. A comprehensive understanding of ROI dynamics is essential for informed decision-making by investors, policymakers, and industry stakeholders alike. Utilizing quantitative analysis methods, this study seeks to explore the impact of economic cycles, regulatory changes, and technological advancements on ROI within the banking and automobile industries. Ultimately, the research findings aim to enhance comprehension of investment dynamics in these sectors.

## **Scope of the Study:**

- Examine stock price trends and factors influencing fluctuations from 2021 to 2024.
- Employ historical data for analysis and modelling, providing insights for investment decisions.
- Assess the influence of external factors on stock prices, using statistical methods to evaluate risk and return profiles.

## **Objectives of the Study:**

- Assess the financial performance and investment appeal of the banking and automobile industries by determining their individual rates of return.
- Investigate stock price fluctuations for the leading five companies in each sector, pinpointing trends, patterns, and influencing factors.
- Contrast the efficacy of Return on Investment (ROI) metrics across both sectors to gauge their capacity for generating returns efficiently.

- Deliver thorough recommendations to investors, incorporating insights on potential opportunities, risks, and strategies for optimizing portfolios, derived from the study's outcomes.

### **Limitations of the Study:**

Complexity arises in ROI calculations, particularly with overlapping investments and challenges in isolating their effects. Attribution issues emerge in scenarios like social media advertising, where multiple platforms complicate ROI assessment. Discrepancies in timing of returns can distort comparisons, with some investments yielding immediate returns while others require longer periods. Traditional ROI metrics may overlook intangible benefits like brand awareness, hindering a comprehensive assessment of investment value. Caution is warranted in relying solely on ROI metrics; qualitative analysis and other indicators should supplement decision-making processes. Robust tracking and measurement methodologies are essential to mitigate challenges associated with ROI calculations. Acknowledging these limitations is crucial for gaining a nuanced understanding of investment outcomes and overall business value.

### **Review of literature:**

(Kelly; Hamasu & Jones, 2012) they are described about State, open, scholastic, and uncommon libraries are leading and distributing the consequences of studies planned for indicating the estimation of their administrations and assets. They tried to understand how return for money invested is a useful asset to utilize while building up validity, responsibility, and proof exhibiting the library's worth. They have attempted a Return-on-Investment Survey (ROI) for scientists. In light of the ... learn at the ... we questioned more than 400 PIs and had an arrival pace of 43%. ROI turned out as \$13.50 contrasted with the UIUC ROI of \$4.38. They have utilized that data in various introductions around grounds to show the estimation of the library in any event in the examination field.

(Kumar, 2011) authors describe about how to returns from libraries. The paper takes a gander at the idea of ROI (Return on Investment) with regards to libraries. Considering the dynamic condition, testing budgetary weights and expanding requirement for responsibility have in totally constrained libraries to demonstrate their value as far as results, effect and returns. The paper draws upon different investigations and approaches in managing this significant and significant topical subject. The paper centres on scholarly libraries and presumes that ROI of every library will be distinctive relying upon the settings where it exists. It is essential to contemplate the settings and afterward obviously visualize the proportions of profits for every library.

(Matthews, 2010) in this paper focus on basic concept of ROI, benefits and how to face Challenges of Calculating Library's Return on Investment. The utilization of Return-on Investment concentrates in a library setting have created a ROI numbers that are very factor albeit many appear to assemble in the \$4 to \$6 of advantages for every dollar spent by the library. Library structures have been planned and assembled, assortments have been made and kept up, staff contracted to give an expansive cluster of administrations. These speculations have brought about upgrades to library assortments, both print and electronic, administrations and offices. For a long time, open libraries delighted in the help of their networks and financing leaders as they were seen as an open decent with evident positive social effects. An open decent is a person the utilization of that great or administration.

## Forecast

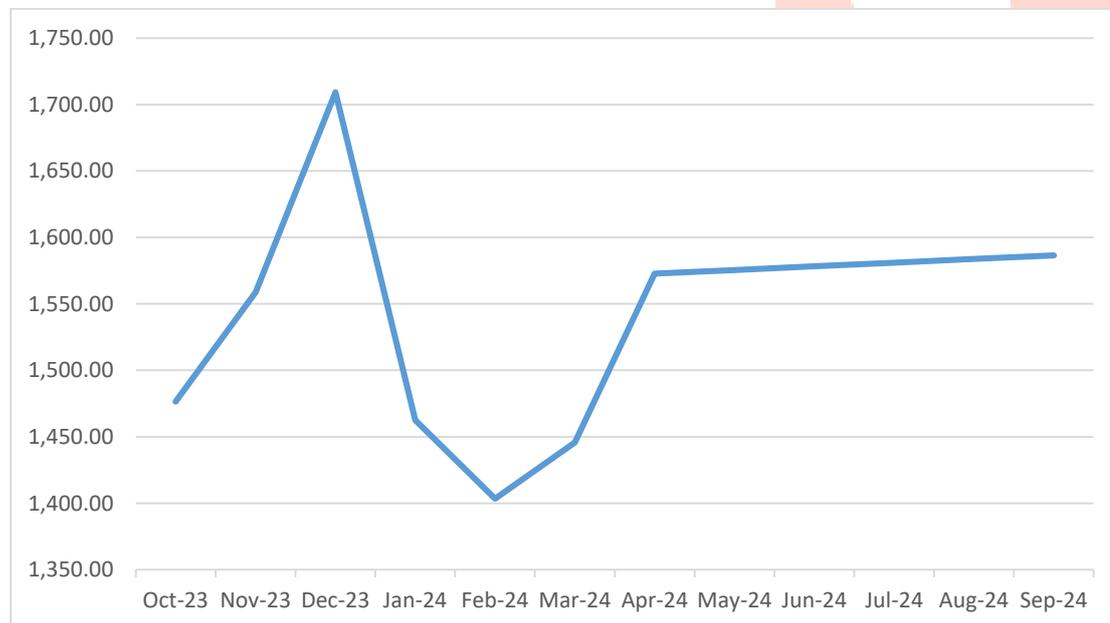
Using the moving average method on three years of historical data, we can forecast the next six months of share prices for various companies. By analyzing trends and identifying patterns in moving averages, we aim to pinpoint promising investment opportunities. Assessing the strength and consistency of these trends will guide us in selecting the best-performing companies for potential investment. However, it's crucial to complement this analysis with thorough research on each company's financial health, industry outlook, and risk factors. Making informed decisions based on a comprehensive evaluation will lead to a more successful investment strategy.

### HDFC bank share

#### Forecast table

DATA	PRICE
Oct-23	1,476.50
Nov-23	1,558.80
Dec-23	1,709.25
Jan-24	1,462.45
Feb-24	1,403.40
Mar-24	1,445.65
Apr-24	1572.688
May-24	1575.444
Jun-24	1578.201
Jul-24	1580.957
Aug-24	1583.714
Sep-24	1586.47

#### Forecast table



### SBI bank share

#### Forecast Table

DATE	PRICE
Oct-23	565.55
Nov-23	564.75
Dec-23	642.05
Jan-24	641.55
Feb-24	748.1
Mar-24	728.4
Apr-24	668.1689
May-24	675.3701
Jun-24	682.5712
Jul-24	689.7724
Aug-24	696.9736
Sep-24	704.1747

#### Forecast Chart

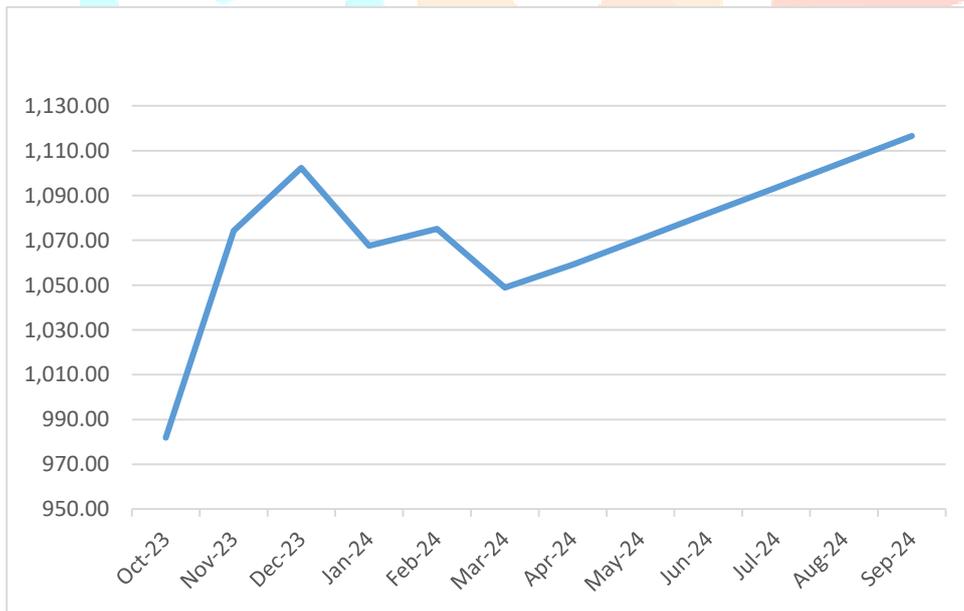


### ICICI bank share

#### Forecast table

DATA	PRICE
Oct-23	981.85
Nov-23	1,074.25
Dec-23	1,102.30
Jan-24	1,067.50
Feb-24	1,075.10
Mar-24	1,048.90
Apr-24	1059.105
May-24	1070.587
Jun-24	1082.07
Jul-24	1093.553
Aug-24	1105.036
Sep-24	1116.519

#### Forecast chart

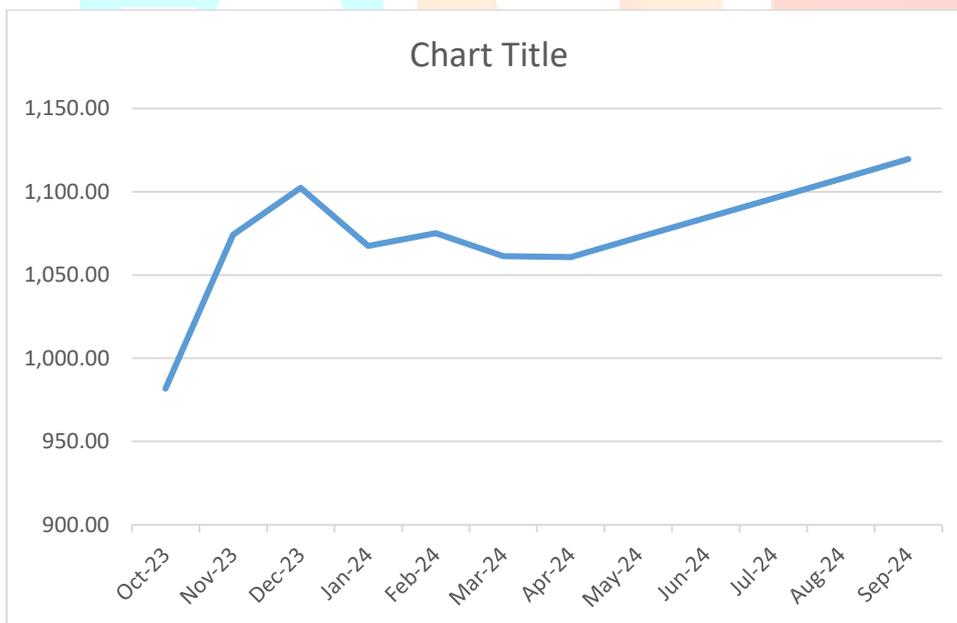


### AXIS bank share

#### Forecast table

Data	Price
Oct-23	981.85
Nov-23	1,074.25
Dec-23	1,102.30
Jan-24	1,067.50
Feb-24	1,075.10
Mar-24	1,061.35
Apr-24	1060.804
May-24	1072.547
Jun-24	1084.29
Jul-24	1096.033
Aug-24	1107.776
Sep-24	1119.519

#### Forecast chart

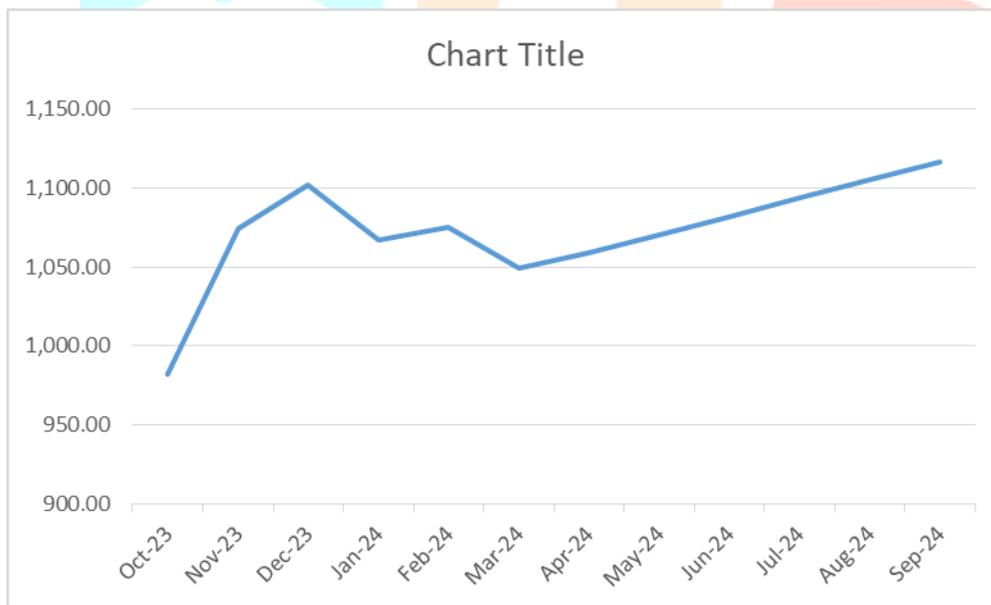


### Kotak Mahindra share

### Forecast Table

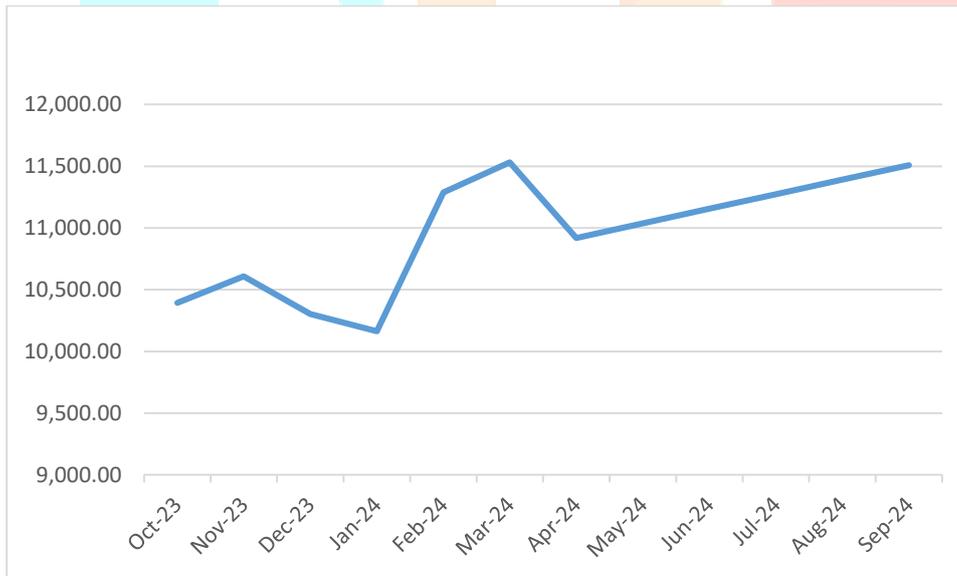
DATA	PRICE
Oct-23	1,739.40
Nov-23	1,755.45
Dec-23	1,908.10
Jan-24	1,826.95
Feb-24	1,689.45
Mar-24	1,737.90
Apr-24	1803.816
May-24	1803.062
Jun-24	1802.308
Jul-24	1801.553
Aug-24	1800.799
Sep-24	1800.045

### Forecast chart



**Maruti Suzuki****Forecast Table**

Date	Price
Oct-23	10,392.30
Nov-23	10,608.70
Dec-23	10,302.35
Jan-24	10,162.70
Feb-24	11,288.35
Mar-24	11,532.35
Apr-24	10919.76
May-24	11037.52
Jun-24	11155.28
Jul-24	11273.04
Aug-24	11390.79
Sep-24	11508.55

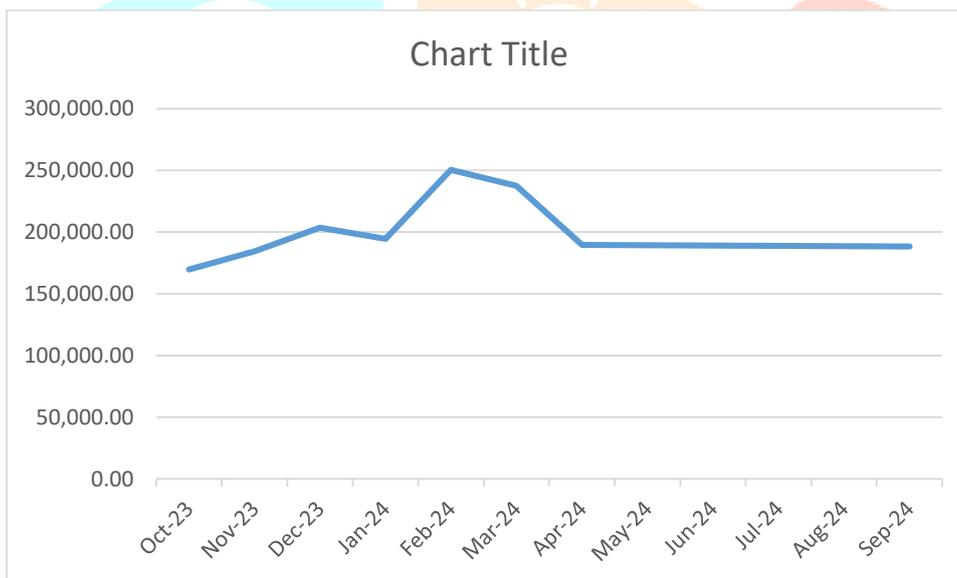
**Forecast chart**

### Hyundai Motor

### Forecast Table

Date	Price
Oct-23	1,69,700.00
Nov-23	1,84,300.00
Dec-23	2,03,500.00
Jan-24	1,94,600.00
Feb-24	2,50,500.00
Mar-24	2,37,500.00
Apr-24	189702.69
May-24	189398.94
Jun-24	189095.18
Jul-24	188791.42
Aug-24	188487.66
Sep-24	188183.90

### Forecast chart

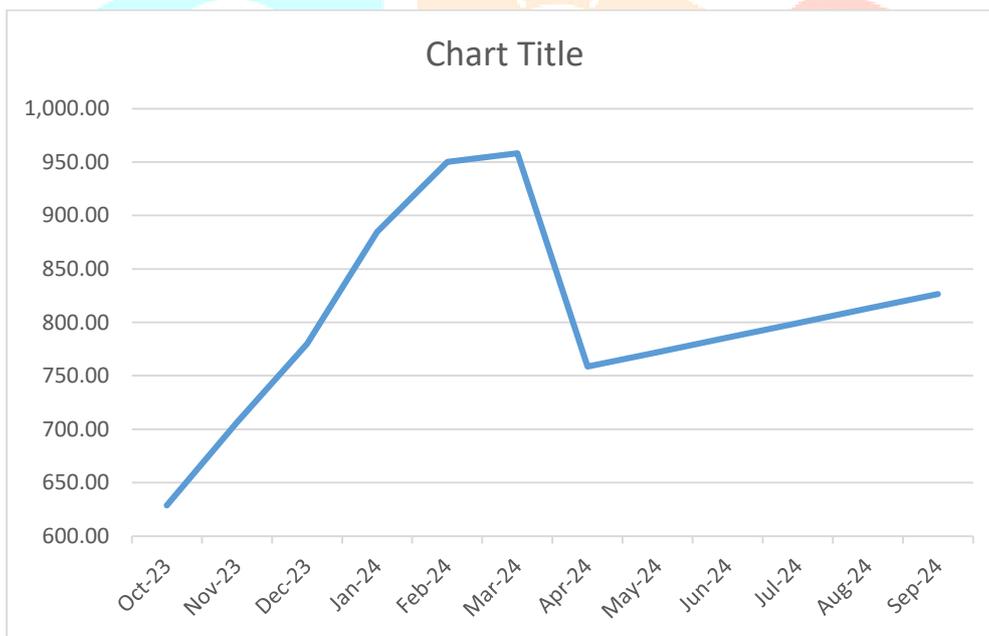


### Tata Motors

### Forecast Table

Date	Price
Oct-23	628.65
Nov-23	706.40
Dec-23	779.95
Jan-24	884.80
Feb-24	950.20
Mar-24	958.15
Apr-24	758.5232
May-24	772.1379
Jun-24	785.7526
Jul-24	799.3672
Aug-24	812.9819
Sep-24	826.5966

### Forecast chart

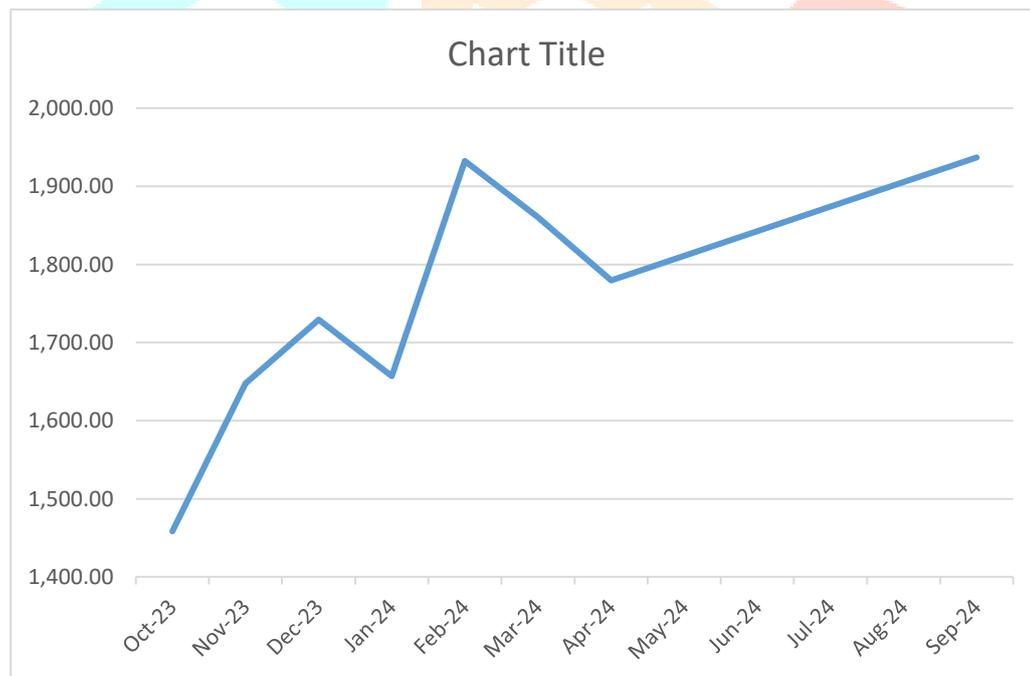


# Mahindra and Mahindra

## Forecast Table

Date	Price
Oct-23	1,458.60
Nov-23	1,647.75
Dec-23	1,729.40
Jan-24	1,657.00
Feb-24	1,932.40
Mar-24	1,860.65
Apr-24	1779.705
May-24	1811.177
Jun-24	1842.649
Jul-24	1874.12
Aug-24	1905.592
Sep-24	1937.063

## Forecast chart

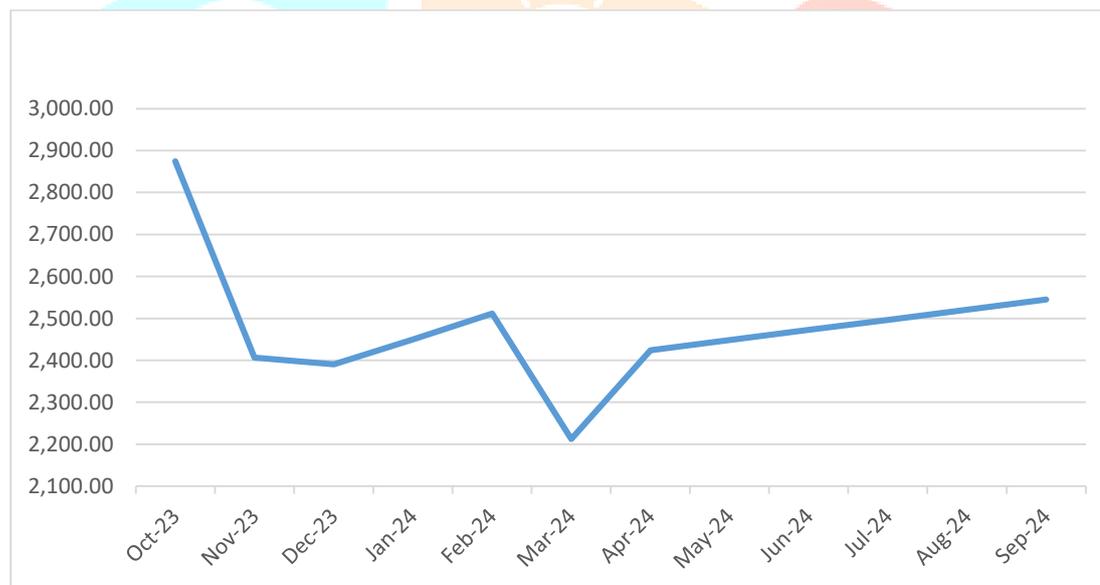


## Honda power

### Forecast Table

Date	Price
Oct-23	2,874.90
Nov-23	2,406.50
Dec-23	2,390.55
Jan-24	2,449.90
Feb-24	2,511.90
Mar-24	2,212.85
Apr-24	2424.158
May-24	2448.325
Jun-24	2472.493
Jul-24	2496.66
Aug-24	2520.827
Sep-24	2544.995

### Forecast chart



### Findings

HDFC's share price in March, was at 1445.6. Projections for August suggest a substantial uptick, with the value anticipated to rise to 1586.4, indicating an increase of 140.8 points. This positive trajectory for HDFC shares presents potential opportunities for investors to capitalize on returns.

SBI's share value is expected to decline by 24 points, decreasing from 728.4 to 704.17. This downturn may be attributed to factors like market volatility, economic conditions, and company performance, prompting investors to closely monitor these fluctuations for strategic adjustments.

ICICI's share value is anticipated to increase from 1048.90 to 1116.5, reflecting a rise of 68.6 points. This suggests a favourable outlook for the company's valuation during the specified timeframe, potentially driven by growth prospects or positive market sentiment.

Axis Bank is predicted to experience an upward trend, with its share value forecasted to climb from 1061.35 to 1119.5, marking a gain of 58.15 points. Such positive developments hint at potential growth opportunities or favourable market conditions for the company.

Kotak Mahindra's projected increase in share value from 1737.9 to 1800, representing a rise of 62.1 points, may be indicative of improved market conditions, enhanced company performance, or increased investor confidence in the bank's prospects.

Maruti Suzuki's share value is expected to marginally decrease from 11532.4 to 11508, underscoring the dynamic nature of stock markets influenced by various economic, industry-specific, and sentiment-driven factors.

Hyundai Motor's substantial decline in share value from 237,500 to 188,183, representing a decrease of 49,317 points, underscores the influence of market dynamics, company performance, and broader industry trends on stock prices.

Tata Motors' share value is forecasted to decrease from 958.15 to 826.5, reflecting a decline of 131.63 points, highlighting the multifaceted nature of stock price fluctuations and the importance of careful analysis for investors.

Mahindra and Mahindra's share value is predicted to increase from 1860.65 to 1937, representing a gain of 77 points, suggesting positive market sentiment or enhanced company performance during the specified timeframe.

Honda's share value is projected to rise from 2212.85 to 2544.9, indicating a gain of 332.05 points, potentially influenced by factors such as company performance, industry trends, economic conditions, and market sentiment.

## Suggestions

### Shares to Sell:

**SBI:** The decision to sell shares of State Bank of India (SBI) may be influenced by factors such as declining profitability, concerns over asset quality, or strategic portfolio realignment.

**Maruti Suzuki:** Selling shares of Maruti Suzuki might be due to challenges in the automotive industry, including changes in consumer preferences, increasing competition, or a slowdown in sales.

**Hyundai Motors:** The decision to divest shares of Hyundai Motors could stem from concerns about its market performance, technological disruptions, or shifts in the automotive landscape.

**Tata Motors:** Selling shares of Tata Motors might be prompted by issues like underperformance in specific segments, financial pressures, or a desire to reduce exposure to certain markets.

### Shares to Hold:

**ICICI Bank:** ICICI Bank's shares are being retained in the portfolio due to its strong market position, diverse product offerings, and potential for growth in the banking sector.

**Axis Bank:** The decision to hold shares of Axis Bank may be based on its sound financial performance, effective management strategies, and positive outlook in the banking industry.

**Kotak Mahindra:** Retaining shares of Kotak Mahindra could be attributed to its reputation as a stable financial institution, robust business model, and potential for sustained growth.

**Mahindra & Mahindra:** As a leading player in the automotive and manufacturing sectors, Mahindra & Mahindra's shares are considered valuable assets with potential for appreciation.

### Shares to Buy:

**HDFC Bank:** The decision to buy shares of HDFC Bank may be driven by its strong financial performance, solid track record, and potential for further expansion in the banking and financial services sector.

**Honda Power:** Investing in shares of Honda Power could be motivated by its innovative technologies, strong brand reputation, and anticipated growth in the power equipment market.

## Conclusion

The recommendations provided for buying, holding, and selling shares are supported by various factors influencing the performance of each company. Here's a conclusion based on the ROI data provided:

### Shares to Sell:

SBI, Maruti Suzuki, Hyundai Motors, and Tata Motors are identified as potential candidates for divestment due to various challenges affecting their performance. Factors such as declining profitability, changes in consumer preferences, market disruptions, and underperformance in specific segments highlight the need for strategic portfolio realignment to mitigate risks and optimize returns.

### Shares to Hold:

ICICI Bank, Axis Bank, Kotak Mahindra, and Mahindra & Mahindra demonstrate strong fundamentals and positive growth prospects, making them suitable candidates for holding shares. These companies exhibit sound financial performance, effective management strategies, and stable market positions, aligning with the goal of maintaining a balanced and reliable portfolio.

### Shares to Buy:

HDFC Bank and Honda Power present compelling opportunities for investment based on their strong financial performance, solid track records, and potential for future growth. These companies are positioned to benefit from further expansion in their respective sectors, driven by innovative technologies, strong brand reputations, and anticipated market demand.

### Overall:

The recommendations provided aim to optimize returns while managing risks within the portfolio. By strategically selling underperforming shares, holding onto stable assets, and investing in promising opportunities, investors can potentially enhance their ROI over the specified timeframe. However, it's essential to conduct thorough research and consider current market conditions before making any investment decisions to maximize returns and minimize risks.