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FUNDAMENTAL AND TECHNICAL STUDY OF SELECTED COMPANIES OF NSE

A sector-wise analytical study of selected Indian listed companies

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Abstract: This research paper examines the fundamental and technical performance of selected companies listed on the National Stock Exchange of India. The study focuses on companies from banking, information technology, pharmaceutical, automobile and fast-moving consumer goods sectors. Fundamental analysis is used to study financial soundness, earning capacity, liquidity, leverage and profitability through tools such as EPS, P/E ratio, ROE, current ratio, debt-equity ratio, net profit margin and ROA. Technical analysis is used to understand price behaviour and market sentiment through indicators such as RSI, moving average, volume analysis, support and resistance, Japanese candlestick patterns and volatility bands. The study is based on secondary data collected from annual reports, financial statements and historical share price records. The results indicate that banking and IT companies generally showed stable earning strength, pharmaceutical companies displayed improving profitability supported by healthcare demand, automobile companies reflected recovery and growth linked with demand and product cycles, and FMCG companies showed defensive stability. The study concludes that investors can make better decisions when fundamental strength and technical signals are studied together rather than separately.

Key Terms - Fundamental Analysis, Technical Analysis, NSE, EPS, P/E Ratio, ROE, RSI, Moving Average, Sector Analysis, Investment Decision.

I. INTRODUCTION

Investing in the equity market has become an important way of creating long-term wealth. Before selecting a stock, investors generally examine the business position, financial results and market price behaviour of the company. Fundamental analysis studies the internal financial strength of a company by reviewing financial statements, profitability, liquidity, leverage and growth scope. Technical analysis studies price movements, trading volume, chart patterns and market trend to understand possible future price direction. The present study combines both approaches to evaluate selected companies of the National Stock Exchange. The study covers banking, information technology, pharmaceutical, automobile and FMCG sectors because these sectors contribute meaningfully to economic growth, employment, exports, consumption and industrial development.

II. NEED OF THE STUDY

The need for the study arises because investors face difficulty in choosing suitable shares due to changing market conditions, stock price volatility, economic uncertainty and sector-specific risks. A company may appear financially strong but may not show a favourable market trend at a particular time. Similarly, a stock may show a strong price movement but may not have sound fundamentals. Therefore, the combined use of fundamental and technical analysis gives a more balanced view. This study helps investors understand whether selected stocks are financially strong and technically attractive for investment decisions.

III. OBJECTIVES OF THE STUDY

The objectives of the study are to examine the financial performance of selected NSE-listed companies using fundamental analysis tools; to analyse stock price movement using technical indicators; to compare selected companies across banking, IT, pharmaceutical, automobile and FMCG sectors; and to provide investment insights by combining financial results with market trend signals.

IV. LITERATURE REVIEW

Previous studies indicate that both fundamental and technical indicators are useful in stock selection. Kotla Sai Karthik and Chokkamreddy Prakash (2024) studied banking stocks using RSI and ROC and found that technical indicators help identify trend reversals and trading points. Sweety Vaisnani (2024) examined selected NSE banks through fundamental models and observed that fundamentally sound banks provide better investment scope. R. Jeyalakshmi and Aditya C. (2024) analysed TCS and Infosys using EPS, P/E ratio, ROE, RSI, moving average and volatility bands and observed that using both approaches together improves investment decisions. Nitesh Achuora (2024) studied Wipro, TCS and Infosys and noted that earnings strength, revenue growth and efficient management influence valuation. Studies on pharmaceutical, automobile and FMCG sectors also show that profitability, liquidity, operating efficiency, innovation, product demand and market confidence affect stock performance. The research gap is that many studies focus either on fundamental analysis or on technical analysis, while limited studies combine both methods across multiple important NSE sectors in one comparative framework.

V. RESEARCH METHODOLOGY

The study follows an analytical research design and is based entirely on secondary data. Financial data were collected from annual reports and financial statements, while share price information was collected from historical market records. The sample consists of selected companies from banking, IT, pharmaceutical, automobile and FMCG sectors. The study uses fundamental tools such as EPS, P/E ratio, ROE, current ratio, debt-equity ratio, net profit margin and ROA. Technical tools include RSI, moving average, volume analysis, support and resistance, Japanese candlestick patterns and volatility bands.

Table 1: sample companies selected for the study

Sector	Selected Companies
Banking	HDFC Bank, ICICI Bank, State Bank of India, Axis Bank, Kotak Mahindra Bank
Information Technology	Infosys, Tata Consultancy Services, Wipro, HCL Technologies, Tech Mahindra
Pharmaceutical	Sun Pharmaceutical Industries, Cipla, Dr. Reddy's Laboratories, Lupin, Aurobindo Pharma
Automobile	Maruti Suzuki India, Tata Motors
FMCG	Hindustan Unilever, ITC

The sample includes leading companies from five major sectors. These sectors were selected because they are actively traded, financially important and relevant for both retail and institutional investors. The selected companies also have regular financial information and historical share price records, which makes them suitable for fundamental and technical study.

VI. FORMULAS USED IN THE STUDY

- Earnings Per Share (EPS): Net Profit After Tax / Number of Equity Shares
- Price-Earnings Ratio: Market Price per Share / Earnings Per Share
- Return on Equity (ROE): Net Profit / Shareholders' Equity x 100
- Current Ratio: Current Assets / Current Liabilities
- Debt-Equity Ratio: Total Debt / Shareholders' Equity
- Net Profit Margin: Net Profit / Revenue x 100
- Return on Assets (ROA): Net Profit / Total Assets x 100
- Relative Strength Index (RSI): 100 - [100 / (1 + RS)]
- Moving Average: Sum of Closing Prices for n Periods / n
- Bollinger Bands: Moving Average +/- (Standard Deviation x 2)

Each formula helps convert raw financial and price data into meaningful investment information.

VII. RESULTS AND DISCUSSION

Table 2: sector-wise results and discussion

Sector	Fundamental Result	Technical/Market Indication	Overall Discussion
Banking	EPS improved in most banks and P/E ratios changed with earnings and market expectations.	Price movement was influenced by investor confidence, RBI policy expectations and banking sector growth.	HDFC Bank, ICICI Bank and SBI showed strong financial base, while valuation differences reflected market expectations.
Information Technology	TCS, Infosys and HCLTech showed stronger earnings consistency compared with weaker performers.	Technical movement was affected by global IT spending, digital transformation demand and client sentiment.	IT stocks remained important for long-term investors, but valuation should be checked before entry.
Pharmaceutical	Most pharmaceutical companies showed improving earnings due to generic medicine demand and product expansion.	Price trends reflected healthcare demand, R&D expectations and export performance.	Sun Pharma, Cipla and Dr. Reddy's showed stronger stability compared with companies having irregular earnings.
Automobile	Automobile companies reflected recovery in sales, production and profitability.	Technical trend depended on product launches, EV expectations, demand cycle and raw material cost impact.	The sector is growth-oriented but cyclical, so timing and valuation are important.
FMCG	FMCG companies showed stable financial results and defensive earning character.	Price trend remained comparatively steady because of continuous consumer demand.	HUL and ITC are suitable for investors seeking stability and lower business uncertainty.

The overall analysis shows that no single indicator is sufficient for stock selection. EPS and ROE help identify earning strength, while the P/E ratio shows how the market values the company relative to earnings. Current ratio and debt-equity ratio help understand liquidity and leverage. Technical indicators such as RSI, moving averages and support-resistance levels help judge whether the price trend is favourable. Banking stocks showed steady earnings improvement due to lending growth and better operating efficiency. IT companies benefited from digital transformation, cloud services and international contracts, although global spending pressure affected valuation in some years. Pharmaceutical companies showed improvement because of healthcare demand, exports and product launches. Automobile companies reflected demand recovery and innovation-led growth, while FMCG companies remained stable due to regular consumer demand. Therefore, investors should combine company strength with price trend confirmation before making investment decisions.

The following graphs present the major fundamental comparison of the selected companies using final-year EPS and P/E ratio values from the analysis.

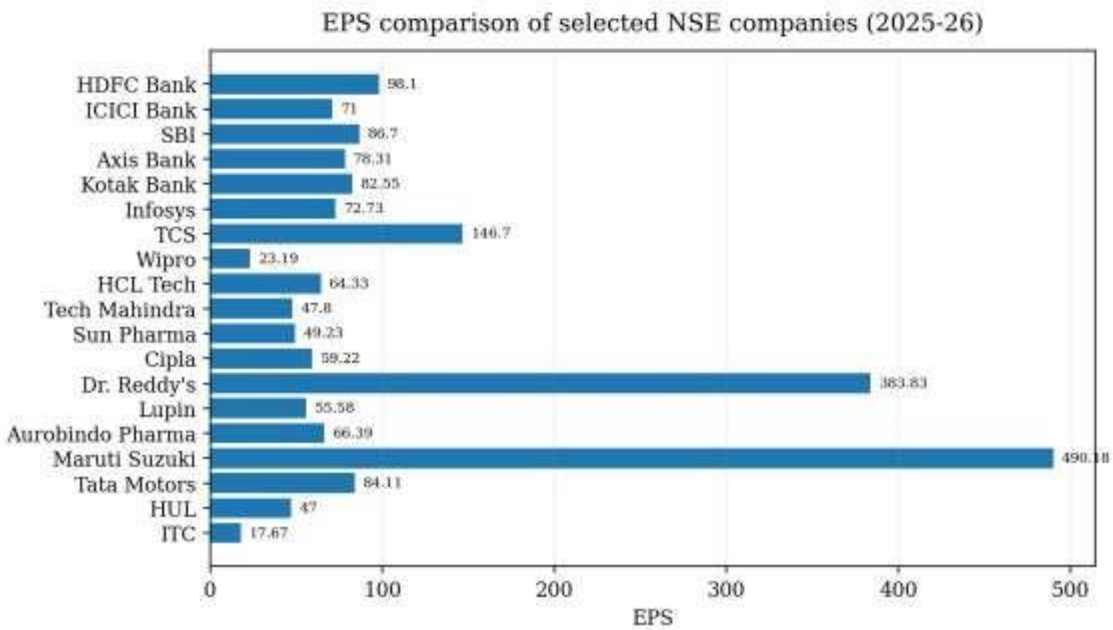

Fig. 1: EPS comparison of selected NSE companies (2025-26)

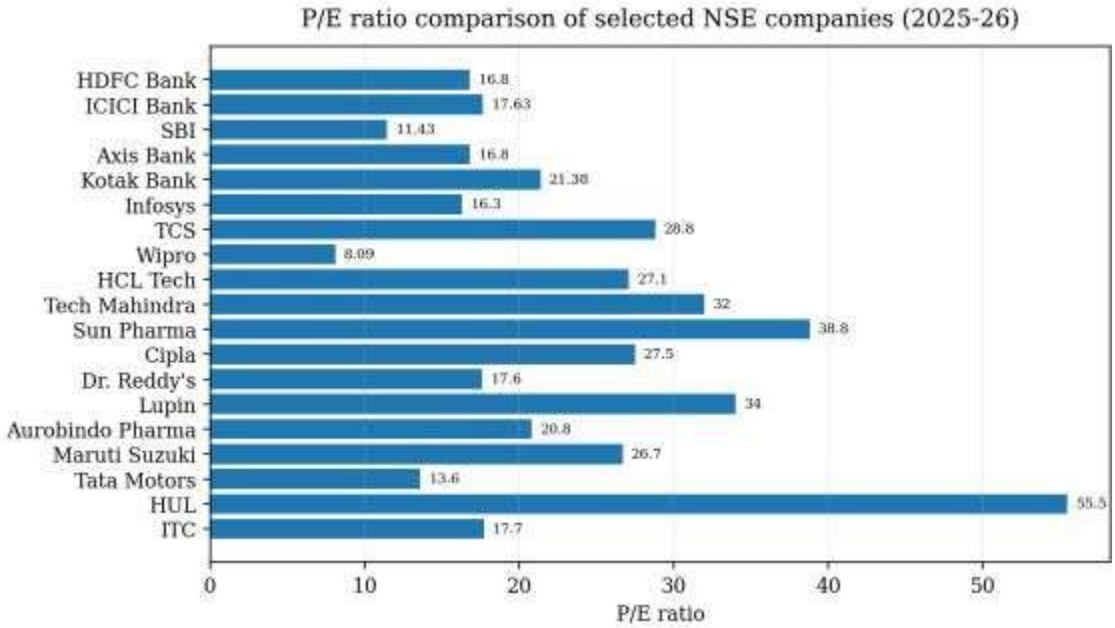

Fig. 2: P/E ratio comparison of selected NSE companies (2025-26)

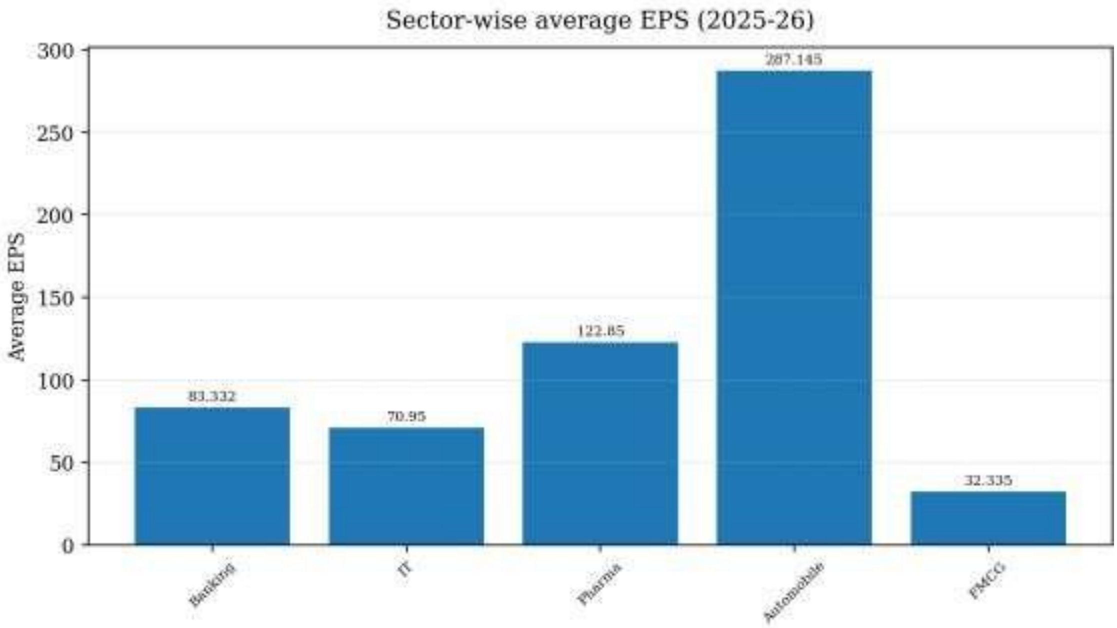

Fig. 3: Sector-wise average EPS (2025-26)

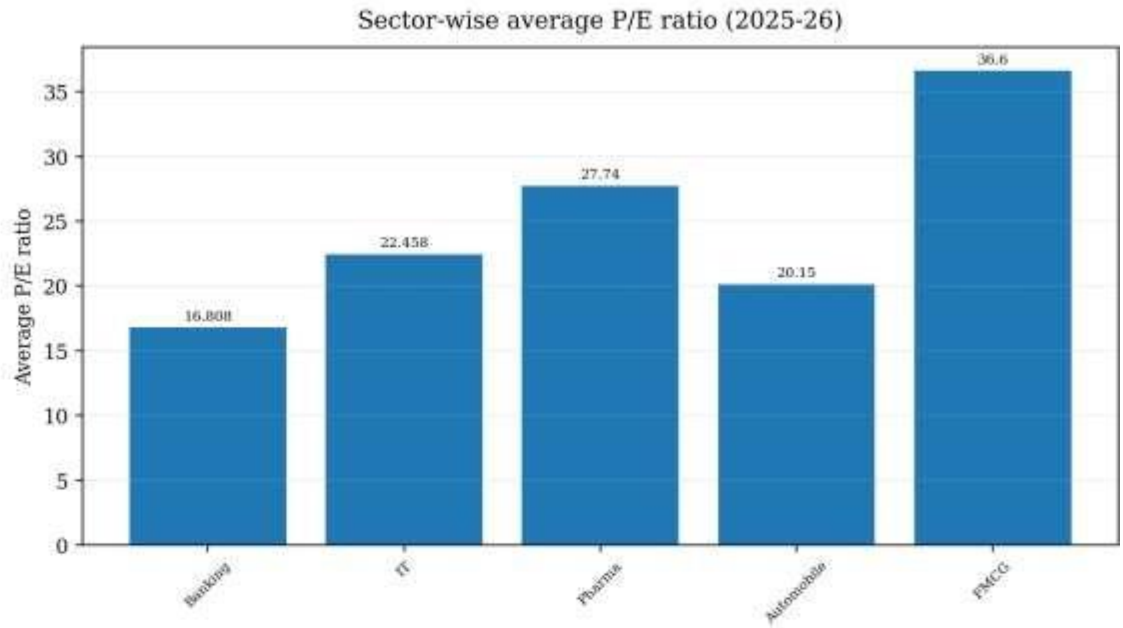

Fig. 4: Sector-wise average P/E ratio *(2025-26)*

VIII. FINDINGS

The study found that banking companies recorded steady earning growth and remained important for investors seeking financial sector exposure. IT companies such as TCS, Infosys and HCLTech showed stronger consistency, while some companies faced pressure due to global market conditions. Pharmaceutical companies showed improving profitability supported by generic medicine demand and healthcare expansion. Automobile stocks were influenced by demand recovery, product launches and technology changes. FMCG companies showed defensive and stable performance because consumer demand for daily-use products remains comparatively steady. The study also found that technical indicators provide useful timing signals, but they should be interpreted along with fundamental strength.

IX. SUGGESTIONS

Investors should avoid selecting shares only by observing price movement or only by reading financial ratios. A combined approach is better because it reduces the weakness of using one method alone. Long-term investors may give more weight to EPS, ROE, net profit margin, debt-equity ratio and business stability. Short-term investors may give more weight to RSI, moving averages, support-resistance and volume confirmation. Conservative investors may consider stable banking and FMCG companies, while investors with higher risk appetite may consider IT, pharmaceutical and automobile companies after checking valuation and trend signals.

X. LIMITATIONS OF THE STUDY

The study is based only on secondary data and selected companies. The findings depend on historical financial and market information. Market conditions, policy changes, interest rates, inflation, global events and company-specific news may affect future stock performance. Technical indicators may not always provide accurate signals, and future stock prices cannot be predicted with complete certainty.

XI. CONCLUSION

The study concludes that fundamental and technical analysis together provide a more complete understanding of selected NSE companies. Fundamental analysis explains financial soundness, earning capacity and valuation, while technical analysis explains price trend and investor behaviour. The selected banking, IT, pharmaceutical, automobile and FMCG companies showed different performance patterns according to their sector characteristics. Banking and FMCG sectors showed more stable characteristics, IT and pharmaceutical sectors showed growth potential, and automobile stocks showed cyclical opportunities. Investors should select stocks based on their financial goals, risk capacity, time horizon and the combined signals from both fundamental and technical analysis.

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