

# **The study of Dilip Buildcon Ltd.'s equity share price behavior.**

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## **Abstract:**

The growth of the corporate sector is the primary driver of the Indian economy. A deeper comprehension of the stock market trend will make it easier to allocate funds to the more lucrative investment opportunity. The fair rate of return on investment in any shares makes all investors happy and encourages them to purchase shares from the stock market. Only when they are able to select the appropriate share from the appropriate sector at the appropriate time will investors be content. Investors are encouraged to trade and purchase the specific firm share when they enter and exit at the appropriate times. The purpose of this study paper is to comprehend the Dilip Buildcon Ltd. share price behavior during the last five years in order to help investors make profitable investments.

## **Introduction:**

The stock market is one of the most important factors in a nation's overall and economic development, but a number of other factors can have a direct or indirect impact on its performance. It also has a big impact on dividing up the funding sources, figuring out how much the company is worth, and how much it may borrow.

Based in Bhopal, India, Dilip Buildcon Limited (DBL) is a construction and infrastructure development company. Dilip Suryavanshi created it in 1987, and on June 12, 2006, it was officially registered with the Ministry of Corporate Affairs. Since August 2016, the company has been listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE). The company also worked in the oil and gas sector, designing and building structures. When the new central government announced its plan to build roads throughout the nation at the close of the 1990s, DBL decided to get into road building and began with a modest road project. From 2012, the company started pursuing bigger road projects across the country. In the meantime, the government came the PPP model for highways, attracting the interest of other industries in the field. DBL made an investment to buy equipment for building roads from around the globe. Applying equities share price behavior research to Dilip buildcon Ltd. can undoubtedly broaden investors' perspectives when making investment decisions.

## **Goals for the Research**

1. To examine the selected company's share price behavior.
2. To research the selected company's present trend and its degree of strength.
3. To give conclusions and make recommendations to investors.

## Review of Literature

(Karthikeyan & S., 2016) Using a simple moving average, examined the construction company's equity share price behavior from July 2014 to July 2016. His specific recommendation regarding DLF Company has undoubtedly benefited stakeholders.

(Prakash, Ashwini, Gunasekaran, Namasivayam, 2015) examined a deeper comprehension of how the trend in the stock market enables the distribution of financial resources to the more lucrative investment opportunity. He used a basic moving average approach in a few banking and pharmaceutical industries, which would provide an investor with a buy or sell signal. He came to the conclusion that the banking and pharmaceutical industries will grow quickly in the foreseeable future. The banking industry is expected to beat the market with an average return of 20%, according to Analyst. The investors do gain from his aggressive words.

(Vimla, Saranya, & Saranya, 2014) used the relative strength index and simple moving average techniques to conduct a study of the top five IT and healthcare organizations. Additionally, they discovered that technical analysis is a potent component that investors should carefully consider before making any kind of stock market investment.

(Sias & Bennett, 2001) have carried out research on the topic of "can money flow predict," which is defined as the variation in dollar trading volume between an up stick and a down stick. The report claims that the metric has grown in popularity as a technical indication on its own, despite the fact that there hasn't been any published research on its efficacy. The study's key conclusion, which is that money flow seems to predict cross-sectional volatility in future returns, is summarized here.

### Scope of the Study

Technical knowledge of stock market trends increases the likelihood of finding the most profitable investment option for available funds. A deeper comprehension of the equity market's oscillations is provided by this research study on the behavior of Dilip Buildcon Ltd.'s equity share price. This study demonstrates how an investor's purchase or sale of a certain stock on the basis of simple moving average and Demand - supply zone. Making better selections while purchasing equity shares is another benefit.

### Data Collection Sources and Study period covered

The NSE official website was one of the secondary sources from which the data were collected. Dilip Buildcon Ltd., a company listed on the National Stock Exchange, had its monthly average

closing prices for the previous five years taken for the period of January 2019 to January 2024. The price fluctuations of the company are computed and examined.

### **Tools used for Analysis:**

To accomplish the goals of the current study simple moving average, trend analysis and technical analysis are used.

#### **1 Simple Moving Average:**

A barometer that shows the average price of an asset over time is called a moving average. A mathematical study of the security's average value over a predefined time period is performed while calculating a moving average. The average price of securities fluctuates with changes in price. In this study 30 day moving average and 50 day moving average are used.

#### **2 Trend Analysis:**

The foundation of trend analysis is the notion that past trading patterns can provide traders with a sense of potential future developments. Fore casting method that makes future predictions mostly on previous time series data.

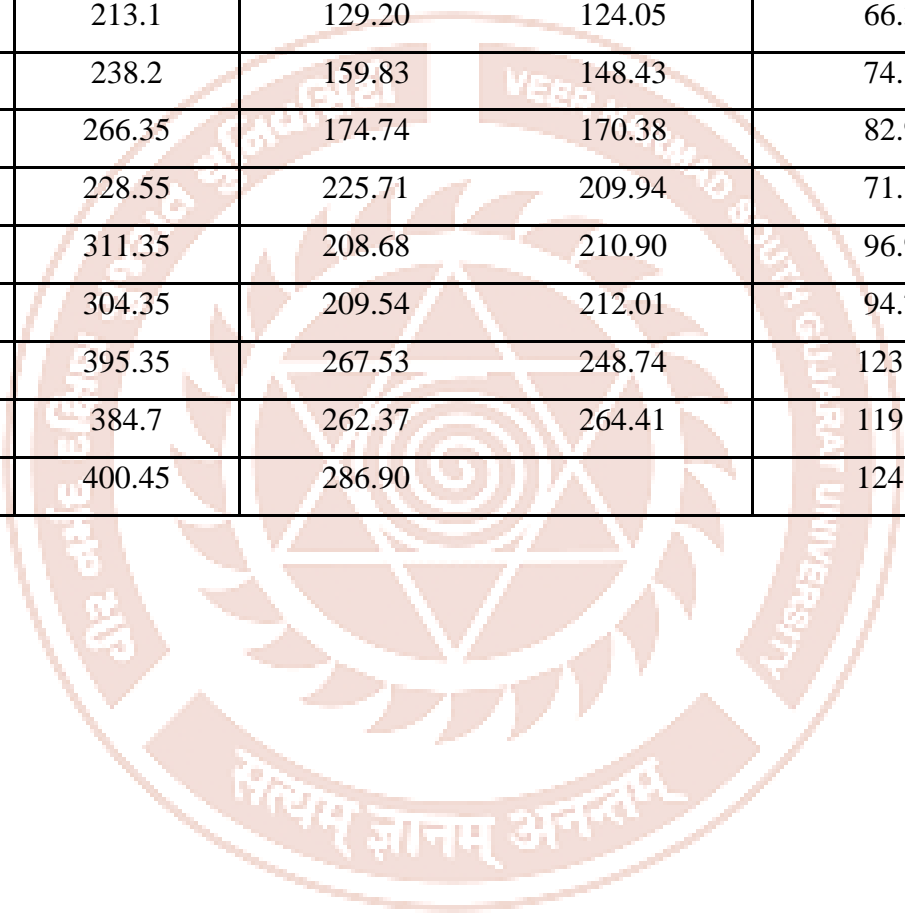
The average closing share price of Dilip Buildcon Ltd. from January 2019 to January 2024 is shown in table 1. The simple moving averages for 30 days and 50 days with trend analysis are shown in the columns. (Amount in Indian Rupees)

**Table 1**

Month- Year	Average Closing Price	30 days moving average	50 days moving average	Trend Analysis
Jan-19	321.1			100
Feb-19	430	247.49	257.48	133.91
Mar-19	641.5	390.44	343.84	199.78
Apr-19	538.85	393.87	416.66	167.81
May-19	579.2	363.88	354.37	180.38
Jun-19	487.25	272.70	315.50	151.74
Jul-19	410.5	331.24	309.91	127.84
Aug-19	359.55	257.83	279.66	111.97
Sep-19	416.3	267.30	259.17	129.65
Oct-19	432.25	263.11	280.36	134.62
Nov-19	409.05	275.37	276.75	127.39
Dec-19	402.65	276.74	279.90	125.40

Jan-20	408.85	316.60	301.67	127.33
Feb-20	299.2	301.85	311.94	93.18
Mar-20	211.05	274.87	297.80	65.73
Apr-20	259.8	143.57	161.64	80.91
May-20	260.45	157.65	159.92	81.11
Jun-20	272.8	203.93	192.82	84.96
Jul-20	279.5	219.10	208.93	87.04
Aug-20	369.45	253.61	237.96	115.06
Sep-20	355.55	263.78	278.94	110.73
Oct-20	327.15	234.21	247.57	101.88
Nov-20	355.75	232.89	238.96	110.79
Dec-20	392.7	286.12	264.12	122.30
Jan-21	422.9	277.33	275.36	131.70
Feb-21	679.45	365.46	337.59	211.60
Mar-21	580	439.08	405.94	180.63
Apr-21	546.35	363.10	374.27	170.15
May-21	538.8	360.08	364.56	167.80
Jun-21	573.45	409.24	397.39	178.59
Jul-21	562.35	404.52	398.54	175.13
Aug-21	508.5	371.53	383.22	158.36
Sep-21	568.4	370.39	366.98	177.02
Oct-21	600.55	428.75	407.09	187.03
Nov-21	528.35	381.10	411.64	164.54
Dec-21	442.75	391.22	378.81	137.89
Jan-22	363.3	260.17	303.21	113.14
Feb-22	268.85	211.93	232.07	83.73
Mar-22	241.1	175.53	174.77	75.09
Apr-22	263.75	176.12	175.08	82.14
May-22	227.95	160.92	168.77	70.99
Jun-22	190.4	155.28	160.76	59.30
Jul-22	235.9	148.36	144.93	73.47
Aug-22	241.8	161.58	162.17	75.30

Sep-22	220.8	172.00	165.84	68.76
Oct-22	215.2	139.04	152.64	67.02
Nov-22	235.05	157.26	155.64	73.20
Dec-22	217	167.30	163.83	67.58
Jan-23	214.15	153.04	155.58	66.69
Feb-23	195.65	137.60	143.51	60.93
Mar-23	168.9	131.23	127.71	52.60
Apr-23	180.55	101.46	111.72	56.23
May-23	213.1	129.20	124.05	66.37
Jun-23	238.2	159.83	148.43	74.18
Jul-23	266.35	174.74	170.38	82.95
Aug-23	228.55	225.71	209.94	71.18
Sep-23	311.35	208.68	210.90	96.96
Oct-23	304.35	209.54	212.01	94.78
Nov-23	395.35	267.53	248.74	123.12
Dec-23	384.7	262.37	264.41	119.81
Jan-24	400.45	286.90		124.71



### 3 Technical Analysis:

In finance, technical analysis is an analysis methodology for analysing and forecasting the direction of prices through the study of past market data, primarily price and volume. As a type of active management, it stands in contradiction to much of modern portfolio theory. For this study technical analysis is done with two functions. Moving Average and Demand-Supply Zone.

**Figure 1 : 30/50 SMA**



As per shown in figure1 moving average 30/50 day had given entry at rs 201 rs on 30/5/23 . current price of DBL ltd is 399 and still it is in uptrend. As per 30/50 day average when moving average cross negative one can exit the script.

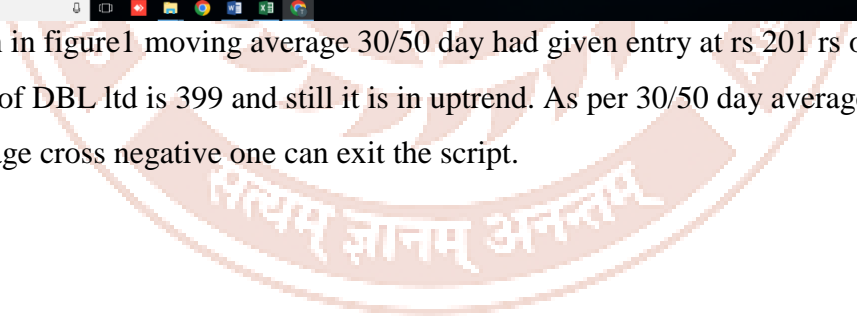


Figure 2



Figure 2 shows the demand

## Conclusion

The fair rate of return on investment in any shares makes all investors happy and encourages them to purchase shares from the stock market. Only when they are able to select the Specific share from the specific sector at the proper time to invest. Investors are encouraged to trade and purchase the specific share when they enter and exit at the appropriate times. Technical analysis is typically employed to identify the best company. They need to keep a close eye on these circumstances because a wide range of factors, including those related to politics, the economy, corporate development, industry profile, returns, and investment risk, can impact share prices. The goal of this research study was to help investors succeed in their investing decisions by helping them the behavior of Dilip Buildcon Ltd. share prices over the course of five years.

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