A PROJECT REPORT

A STUDY ON IMPACT OF RELATIVE STRENGTH INDEX AND DIVIDEND VALUATION MODEL ON NIFTY STOCKS

Submitted By

CHETHAN

(4AL21BA023)

Submitted To

Visvesvaraya Technological University, Belagavi

In partial fulfilment of the requirements for the award of the degree of

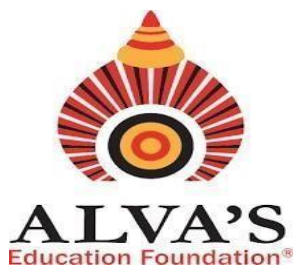**MASTER OF BUSINESS ADMINISTRATION**

Under the guidance of

DR. VISHNU PRASANNA K N

Professor

PG Department of Business Administration

Alva's Institute of Engineering and

Technology, Mijar, Modabidiri

PG Department of Business Administration

Alva's Institute of Engineering & Technology Shobhavana Campus, Mijar, Moodbidri, D.K – 574225

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ALVA'S INSTITUTE OF ENGINEERING & TECHNOLOGY

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CERTIFICATE

This is to certify that **CHETHAN** bearing **USN 4AL21BA023** is a bonafide student of Master of Business Administration course of the Institute in 2021-23, affiliated to Visvesvaraya Technological University, Belgaum. Project report titled **"A STUDY ON IMPACT OF RELATIVE STRENGTH INDEX AND DIVIDEND VALUATION MODEL ON NIFTY STOCKS"** is prepared by him under the guidance of **Dr. Vishnu Prasanna K N, Professor,** PG Department of Business Administration in partial fulfillment of the requirements for the award of the degree of Master of Business Administration of Visvesvaraya Technological University, Belgaum Karnataka.

Signature of Internal Guide

Mrs. Priya Sequeira
DEAN
Dept. of Business Administration
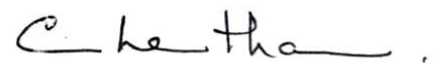Alva's Institute of Engg. & Technology
MIJAR - 574

Signature of Principal
PRINCIPAL
Alva's Institute of Engg. & Technology,
Mijar. MOODBIDRI - 574 225, D.K

DECLARATION

I CHETHAN, hereby declare that the project report entitled **"A Study on Impact of Relative Strength Index and Dividend Valuation Model on Nifty Stocks"** prepared by me under the guidance of Dr Vishnu Prasanna K N, Professor, PG Department of Business Administration, Alva's Institute of Engineering and Technology. I also declare that this project work is towards the partial fulfilment of the university regulations for the award of the degree of Master of BusinessAdministration by Visvesvaraya Technological University, Belgaum. I have undergone a summer project for a period of six weeks. I further declare that this project is based on the original study undertaken by me and has not been submitted for the award of any degree/ diploma from any other University/ Institution.

Place: Mijar

Signature of the student

Date: 04-09-2023

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CHETHAN
4AL21BA023

EXECUTIVE SUMMARY

A study on impact of Relative Strength Index and Dividend Valuation Model on nifty highlights the importance RSI in identifying overbought and oversold conditions in stocks. The DVM is a fundamental valuation tool that estimates the intrinsic value of stocks based on expected dividends. Knowing the impact of DVM on Nifty stocks can guide investors in assessing whether a stock is overvalued or undervalued, helping them make more informed investment decisions. This study aims to explore the relationship between two key factors, the Relative Strength Index (RSI) and the Dividend Valuation Model, and their influence on the performance of stocks within the Nifty index. The Nifty index holds significant importance in the Indian stock market, making it crucial to understand the factors affecting stock valuation and performance.

The monthly closing price of 10 Nifty company is used to calculate the Relative Strength Index dividend valuation model of companies from the listed industry. From January 2020 to December 2022, according to nifty index. Different statistical tools are used to achieve the goal, including descriptive statistics and correlation. To verify the relationship between the RSI and Dividend valuation model with the share price. Among RSI, RIL, Dr. Reddy's laboratory, Adani green and Tata Motors showing positive association between RSI and share price of these company. In dividemnd valuation model Nestle, Ultratech Cement, Cipla, Reliance Industries and Adani enterprises showing a strong positive association between dividend paid and share price of these companies.

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