

**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**

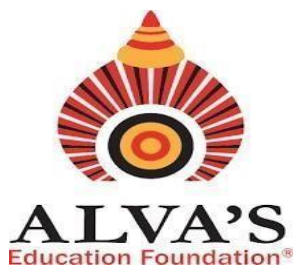
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# ALVA'S INSTITUTE OF ENGINEERING & TECHNOLOGY

(A Unit of Alva's Education Foundation @ Moodbidri)

Affiliated to Visvesvaraya Technological University, Belagavi

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Date: 01-09-2023

## 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.

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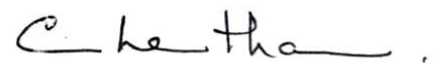
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### **DECLARATION**

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 Business Administration 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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## **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.

## TABLE OF CONTENT

<b>CHAPTER NO</b>	<b>CHAPTERS</b>	<b>PAGE NO</b>
<b>1</b>	<b>INTRODUCTION</b>	<b>2</b>
1.1	Introduction about Nifty	
<b>2</b>	<b>CONCEPTUAL BACKGROUND AND LITERATURE REVIEW</b>	<b>4-13</b>
2.1	Background	
2.2	Literature review	
<b>3</b>	<b>RESEARCH DESIGN</b>	<b>15-17</b>
3.1	Statement of the Problem	
3.2	Needs of the Study	
3.3	Objectives	
3.4	Scope of The Study	
3.5	Research Methodology	
3.6	Limitations	
3.7	Chapter research	
<b>4</b>	<b>ANALYSIS AND INTERPRETATION</b>	<b>19-37</b>
4.1.1	Reliance Industries RSI	
4.1.2	HUL's RSI	
4.1.3	JSW Steel RSI	
4.1.4	Dr. Reddy's Laboratory RSI	
4.1.5	VRL Logistics RSI	
4.1.6	Bank of Baroda RSI	
4.1.7	Adani Green Energy RSI	
4.1.8	UltraTech Cement RSI	
4.1.9	Tata Motors RSI	
4.1.10	Indian Oil Corporation Limited RSI	
4.2	Coefficient of correlation of RSI	
4.3	Descriptive statistics of RSI	
4.4	Coefficient of correlation of DVM	
4.5	Descriptive statistics of DVM	
<b>5</b>	<b>SUMMARY OF FINDINGS, CONCLUSION AND SUGGESTIONS</b>	<b>39-49</b>
5.1	Findings	
5.2	Suggestion	
5.3	Conclusions	
<b>6</b>	<b>BIBLIOGRAPHY</b>	<b>44</b>

**TITTLE OF GRAPH**

NO.	TITTLE	PAGE NO.
4.1.1	Reliance Industries RSI	19
4.1.2	HUL's RSI	20
4.1.3	JSW Steel RSI	21
4.1.4	Dr. Reddy's Laboratory RSI	22
4.1.5	VRL Logistics RSI	23
4.1.6	Bank of Baroda RSI	24
4.1.7	Adani Green Energy RSI	25
4.1.8	UltraTech Cement RSI	26
4.1.9	Tata Motors RSI	27
4.1.10	Indian Oil Corporation Limited RSI	28
4.2	Coefficient of correlation of RSI	29
4.4	Coefficient of correlation of DVM	34