

### Major Fundamental Factors to be noted before investing

- Price to earnings ratio- it should be less than xxx. Current Market price/EPS.
- PEG ratio-Compares the P/E ratio with growth rate of earnings.  $PE/Annual\ EPS\ growth$ .
- Earnings Yield- Inverse of PE. If EY is less than xx– year Govt securities it is good for investment.
- Profitability of a company is calculated using OPM (Operating profit margin) and Net profit margin. Operating profit Margin –  $Operating\ profit / Net\ Sales$  and Net profit margin-  $Net\ profit / Sales$ . NPM should be greater than 8%.
- Interest coverage-  $Operating\ profit / Interest\ expense$ . It should be greater than xx.
- Debt to equity ratio- It should be less than xx.

### Technical analysis:

The stock should be above xx MA , xxx EMA and 100 –day MA.

RSI should not be more than 75.