

A Comprehensive Study of Performance of Indian Automobile Industry - A stock Market Perspective

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Abstract

The automotive industry in India is one of the larger markets in the world. It had previously been one of the fastest growing globally, but is currently experiencing flat or negative growth rates. India's passenger car and commercial vehicle manufacturing industry is the sixth largest in the world, with an annual production of more than 3.9 million units in 2011. The paper is an attempt to understand the trends, overbought and oversold situations of the selected auto stocks in automobile sector in Indian stock market context. No company can survive in vacuum; it gets affected by the macro and micro environment of the globe. Therefore it is vital to do the top down analysis i.e. economic, industry and company analysis. In this paper top down approach has been used to understand the overall performance of the auto sector. This paper also aims to understand the circulation of funds of these companies work and comparing as to what are they doing to differentiate themselves from each other. The results of the report have shown that the auto sector is correlated to the market index and how the performance of one stock is out performs the others players and may help the player with attracting more investors.