

Performance Evaluation of Select Telecom & Energy Stocks-A Comparative Study

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Abstract

NATIONAL STOCK EXCHANGE occupies prominent place in Indian stock exchanges for investors. These stock exchanges are universally acknowledged as knowledge- Driven and globally competitive and one of the largest stock exchanges in developing India. Now a day's there are many stock exchanges in India with various investments Option but investors are in a dilemma to select the best stock exchange. Hence the Performance analysis of IT stocks on NIFTY will help the investor to select a specific type of Stock exchange. In this paper an attempt is made to analyse the performance of select energy & telecom stocks which will help the investors will come to know the best one in these stocks to invest.

Introduction

Investment decisions are influenced by various motives. Some people invest in a business to acquire control and enjoy the prestige associated with it. Some people invest in expensive yachts' and famous villas to display their wealth. Most investors, however, are largely guided by the pecuniary motive of earning a return on their investment. For earning returns investors have to almost invariably bear some risk.

Return

Return is the primary motivating force that drives investment. It represents the reward for undertaking investment. Since the game of investing is about returns, measurement of realized returns is necessary to assess how well the investment addition, historical returns are often used as an important input in, such as divide estimating future returns.

Risk

We cannot talk about investment return without talking about risk because investment Decisions invariably involve a trade-off between the two. Risk refers to the possibility that actual outcome of an investment will differ from its expected outcome. More specifically, most investors are concerned about the actual outcome being less than the expected outcome. The wider the range of possible outcomes, the greater the risk. Risk emanates from several sources. The three major ones are business risk, interest rate risk, and market risk.

Objectives of the Study

- To analyze the performance of two equity stocks in Energy & Telecom sector.
- To make conclusions and suggestion based on the study.

Table 1. Table Showing Return & Risk Values of Telecom & Energy Stocks Compared to Nifty for the Period April-June 2017

| PARAMETER | TELECOM | | ENERGY | | NIFTY |
|---------------|---------|-------|--------|------|-------|
| | AIRTEL | IDEA | BPCL | ONGC | |
| RETURN | 0.11 | -0.05 | 0.49 | 0.48 | 0.20 |
| RISK | 1.58 | 1.88 | 2.58 | 2.51 | 0.96 |

Interpretation

1. The return in AIRTEL is less as compared to NIFTY and risk in AIRTEL is more as compared to NIFTY
2. The return in IDEA is less as compared to NIFTY and risk in IDEA is more as compared to NIFTY
3. The return in BPCL is more as compared to NIFTY and risk in BPCL is more as compared to NIFTY
4. The return in ONGC is more as compared to NIFTY and risk in ONGC is more as compared to NIFTY
5. Comparatively the return of BPCL is better in the period of APRIL-JUNE 2017

Table 2. Table Showing Return & Risk Values of Telecom & Energy Compared to Nifty for the Period July-September 2017

| PARAMETER | TELECOM | | ENERGY | | NIFTY |
|---------------|---------|-------|--------|-------|-------|
| | AIRTEL | IDEA | BPCL | ONGC | |
| RETURN | 0.30 | -0.93 | 0.15 | -0.05 | 0.07 |
| RISK | 1.39 | 1.83 | 1.86 | 1.52 | 0.80 |

Interpretation

1. The return in AIRTEL is more as compared to NIFTY and risk in AIRTEL is more as compared to NIFTY
2. The return in IDEA is less as compared to NIFTY and risk in IDEA is more as compared to NIFTY
3. The return in BPCL is more as compared to NIFTY and risk in BPCL is more as compared to NIFTY
4. The return in ONGC is less as compared to NIFTY and risk in ONGC is more as compared to NIFTY
5. Comparatively the return of AIRTEL is better in the period of JULY-SEPTEMBER 2017

Table 3. Table Showing Return & Risk Values of Telecom & Energy Compared to Nifty for the Period October-December 2017

| PARAMETER | TELECOM | | ENERGY | | NIFTY |
|---------------|---------|-------|--------|-------|-------|
| | AIRTEL | IDEA | BPCL | ONGC | |
| RETURN | -0.23 | -0.16 | -0.01 | -0.28 | 0.08 |
| RISK | 1.30 | 1.76 | 1.77 | 1.62 | 0.85 |

Interpretation

1. The return in AIRTEL is less as compared to NIFTY and risk in AIRTEL is more as compared to NIFTY
2. The return in IDEA is less as compared to NIFTY and risk in IDEA is more as compared to NIFTY
3. The return in BPCL is less as compared to NIFTY and risk in BPCL is more as compared to NIFTY
4. The return in ONGC is less as compared to NIFTY and risk in ONGC is more as compared to NIFTY
5. Comparatively the return of NIFTY is better in the period of OCT-DEC 2017

Table 4. Table Showing Return & Risk Price & Return of Telecom & Energy Stocks Compared to Nifty for the Period January-March 2018

| PARAMETER | TELECOM | | ENERGY | | NIFTY |
|---------------|---------|------|--------|-------|-------|
| | AIRTEL | IDEA | BPCL | ONGC | |
| RETURN | 0.16 | 0.29 | 0.36 | -0.14 | 0.09 |
| RISK | 1.95 | 2.18 | 1.93 | 1.40 | 0.78 |

Interpretation

1. The return in AIRTEL is more as compared to NIFTY and risk in AIRTEL is more as compared to NIFTY
2. The return in IDEA is more as compared to NIFTY and risk in IDEA is more as compared to NIFTY
3. The return in BPCL is more as compared to NIFTY and risk in BPCL is more as compared to NIFTY
4. The return in ONGC is less as compared to NIFTY and risk in ONGC is more as compared to NIFTY
5. Comparatively the return of BPCL is better in the period of JANUARY-MARCH 2018

**Table 5. Table Showing Return & Risk of Telecom & Energy Stocks
Compared to Nifty for the Period April-June 2018**

| PARAMETER | TELECOM | | ENERGY | | NIFTY |
|-----------|----------|----------|----------|----------|----------|
| | AIRTEL | IDEA | BPCL | ONGC | |
| RETURN | 0.09 | -0.09 | 0.16 | 0.027849 | -0.01294 |
| RISK | 1.540729 | 1.877167 | 1.711981 | 1.670152 | 1.020732 |

Interpretation

1. The return in AIRTEL is more as compared to NIFTY and risk in AIRTEL is more as compared to NIFTY
2. The return in IDEA is less as compared to NIFTY and risk in IDEA is more as compared to NIFTY
3. The return in BPCL is more as compared to NIFTY and risk in BPCL is more as compared to NIFTY
4. The return in ONGC is more as compared to NIFTY and risk in ONGC is more as compared to NIFTY
5. Comparatively the return of BPCL is better in the period of APRIL-JUNE 2018

**Table 6. Table Showing Return & Risk of Telecom & Energy Stocks
Compared to Nifty for the Period July-Sep 2018**

| PARAMETER | TELECOM | | ENERGY | | NIFTY |
|-----------|----------|----------|----------|----------|----------|
| | AIRTEL | IDEA | BPCL | ONGC | |
| RETURN | -0.38 | -0.39 | 0.01 | -0.51 | -0.11131 |
| RISK | 1.686964 | 1.576151 | 1.847567 | 1.803879 | 1.269772 |

Interpretation

1. The return in AIRTEL is LESS as compared to NIFTY and risk in AIRTEL is more as compared to NIFTY
2. The return in IDEA is less as compared to NIFTY and risk in IDEA is more as compared to NIFTY
3. The return in BPCL is more as compared to NIFTY and risk in BPCL is more as compared to NIFTY
4. The return in ONGC is less as compared to NIFTY and risk in ONGC is more as compared to NIFTY
5. Comparatively the return of BPCL is better in the period of JULY- SEPTEMBER 2018

**Table 7. Table Showing Return & Risk of Telecom & Energy Stocks
 Compared to Nifty for The Period Oct-Dec 2018**

| PARAMETER | TELECOM | | ENERGY | | NIFTY |
|-----------|-----------|--------|--------|--------|--------|
| | AIRTEL | IDEA | BPCL | ONGC | |
| RETURN | 0.01 | -0.07 | 0.08 | 0.08 | 0.0018 |
| RISK | 1.3961956 | 1.6618 | 1.2136 | 1.7711 | 0.7507 |

Interpretation

1. The return in AIRTEL is more as compared to NIFTY and risk in AIRTEL is more as compared to NIFTY
2. The return in IDEA is more as compared to NIFTY and risk in IDEA is more as compared to NIFTY
3. The return in BPCL is more as compared to NIFTY and risk in BPCL is more as compared to NIFTY
4. The return in ONGC is more as compared to NIFTY and risk in ONGC is more as compared to NIFTY
5. Comparatively the return of BPCL is better in the period of OCTOBER -DECEMBER 2018

**Table No 8. Table Showing Return & Risk of Telecom & Energy Stocks
 Compared to Nifty for the Period January-March 2019**

| PARAMETER | TELECOM | | ENERGY | | NIFTY |
|-----------|---------|-------|--------|-------|-------|
| | AIRTEL | IDEA | BPCL | ONGC | |
| RETURN | 0.06 | -0.42 | 0.03 | -0.17 | -0.04 |
| RISK | 1.48 | 2.00 | 1.89 | 2.24 | 1.26 |

Interpretation

1. The return in AIRTEL is more as compared to NIFTY and risk in AIRTEL is more as compared to NIFTY
2. The return in IDEA is less as compared to NIFTY and risk in IDEA is more as compared to NIFTY
3. The return in BPCL is more as compared to NIFTY and risk in BPCL is more as compared to NIFTY
4. The return in ONGC is more as compared to NIFTY and risk in ONGC is more as compared to NIFTY
5. Comparatively the return of AIRTEL is better in the period of JANUARY-MARCH 2019

**Table No 9. Table Showing Return & Risk of Telecom & Energy Stocks
Compared to Nifty for the Period April-June 2019**

| PARAMETER | TELECOM | | ENERGY | | NIFTY |
|---------------|---------|------|--------|------|-------|
| | AIRTEL | IDEA | BPCL | ONGC | |
| RETURN | 0.14 | 0.01 | 0.31 | 0.06 | 0.12 |
| RISK | 1.64 | 2.30 | 1.64 | 1.47 | 0.90 |

Interpretation

1. The return in AIRTEL is more as compared to NIFTY and risk in AIRTEL is more as compared to NIFTY
2. The return in IDEA is less as compared to NIFTY and risk in IDEA is more as compared to NIFTY
3. The return in BPCL is more as compared to NIFTY and risk in BPCL is more as compared to NIFTY
4. The return in ONGC is less as compared to NIFTY and risk in ONGC is more as compared to NIFTY
5. Comparatively the return of BPCL is better in the period of APRIL-JUNE 2019

**Table No 10. Table Showing Return & Risk of Telecom & Energy Stocks
Compared to Nifty for the Period July-September 2019**

| PARAMETER | TELECOM | | ENERGY | | NIFTY |
|---------------|---------|-------|--------|------|-------|
| | AIRTEL | IDEA | BPCL | ONGC | |
| RETURN | -0.27 | -0.45 | -0.59 | 0.24 | 0.05 |
| RISK | 1.45 | 1.94 | 6.80 | 1.46 | 0.73 |

Interpretation

1. The return in AIRTEL is less as compared to NIFTY and risk in AIRTEL is more as compared to NIFTY
2. The return in IDEA is less as compared to NIFTY and risk in IDEA is more as compared to NIFTY
3. The return in BPCL is less as compared to NIFTY and risk in BPCL is more as compared to NIFTY
4. The return in ONGC is less as compared to NIFTY and risk in ONGC is more as compared to NIFTY
5. Comparatively the return of ONGC is better in the period of JULY-SEPTEMBER 2019

**Table No 11. Table Showing Return & Risk of Telecom & Energy Stocks
 Compared to Nifty for the Period October–December 2019**

| PARAMETER | TELECOM | | ENERGY | | NIFTY |
|---------------|---------|-------|--------|-------|-------|
| | AIRTEL | IDEA | BPCL | ONGC | |
| RETURN | -0.07 | -0.12 | 0.03 | -0.35 | -0.10 |
| RISK | 1.57 | 2.15 | 1.52 | 4.59 | 1.31 |

Interpretation

1. The return in AIRTEL is more as compared to NIFTY and risk in AIRTEL is more as compared to NIFTY
2. The return in IDEA is less as compared to NIFTY and risk in IDEA is more as compared to NIFTY
3. The return in BPCL is more as compared to NIFTY and risk in BPCL is more as compared to NIFTY
4. The return in ONGC is less as compared to NIFTY and risk in ONGC is more as compared to NIFTY
5. Comparatively the return of BPCL is better in the period of OCTOBER-DECEMBER 2019

**Table No 12. Table Showing Return & Risk of Telecom & Energy Stocks
 Compared to Nifty for the Period January-March 2020**

| PARAMETER | TELECOM | | ENERGY | | NIFTY |
|---------------|---------|------|--------|-------|-------|
| | AIRTEL | IDEA | BPCL | ONGC | |
| RETURN | 0.21 | 0.33 | 0.04 | -0.05 | 0.18 |
| RISK | 1.97 | 4.59 | 1.60 | 1.06 | 0.63 |

Interpretation

1. The return in AIRTEL is more as compared to NIFTY and risk in AIRTEL is more as compared to NIFTY
2. The return in IDEA is more as compared to NIFTY and risk in IDEA is more as compared to NIFTY
3. The return in BPCL is less as compared to NIFTY and risk in BPCL is more as compared to NIFTY
4. The return in ONGC is less as compared to NIFTY and risk in ONGC is more as compared to NIFTY
5. Comparatively the return of IDEA is better in the period of JANUARY-MARCH 2020

Conclusion

For the period April 2014-March 2020 the performance of BPCL and AIRTEL stocks is better compared to ONGC and IDEA stocks.

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