

## Drop-down ratio of selected stocks

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### Abstract

*Because of some surprising conditions, a few stocks may give any kind of returns. Indeed, even in such conditions some are might be less compelling. In this specific situation, we will gauge the arrival of the stock in destruction time by drop-down proportion.*

**Keywords:** Absolute return, PyCode, SS-Ratio-I

### 1. Introduction

As we as a whole mindful that, market can go here and there because of different reasons. At the point when it is in top, we will get incredible returns. Clearly, we can make misfortune in falling. At the point when it is in top, practically all will give incredible returns and some may give no benefit or no misfortune when it showcases closes around the same time. At the point when it is falling, barely any will fall insignificant of sum and others can free more. Strikingly, even it is falling, hardly any stocks may give better returns. Why this occurs, nobody can compose exactly.

Additionally, we realize that the stocks cost expanding and diminishing are completely founded on demand and supply. Indeed, even market isn't going ahead, scarcely any financial specialists can purchase great number of shares of their preferred organizations. At the point when more individuals are purchasing or any player is paying more and purchasing great number of stocks, at that point stock cost will go up. And then market will move forward in worst conditions.

By expecting the above explanation, we have chosen hardly any equivalent sorts of stock whose nature of the business is same. During the terrible states of the market, we make certain at any rate one out of our choice of the stocks gives some extraordinary returns. We might want to catch such stock with the assistance of [1]. To do this, we have chosen fours stocks to be specific, Ambuja Cements, Shree Cements, ACC Cements and UltraTech Cements.

Since we are neither referencing and nor examining the fundamentals and financials of each stock, we are searching for value change of each stock from most recent one year. The purpose behind choosing from most recent one year is, the Indian govt has actualized the lockdown like different nations. Around then, Indian markets like others seen base. Indeed, even in such an awful time, we need to measure the best performed stocks.

Along these lines, we are going to quantify drop-down comes back to know the best during most noticeably awful time. For this, we have discovered SS-Ratio-I [2] which will give some thought of stock moment and commitment. We at GITAM [3], registered the entirety of the proportions and drop-down come back to assist the speculators with knowing the best contributed stock in all methods.

Obviously, we ought to have value change details of each stock from most recent one year. In this way, we need historical data sets of each stock. Every one of these data sets with cost

changing details are accessible at [4] or [5]. We have chosen the referred to above stocks out of numerous such stocks due to [6]. Notwithstanding, we are focusing just on drop-down return. In this way, we are not composing a lot of details of the choice.

All the calculations are delineated as far as figures according to [7]. Notwithstanding, the estimation parts carefully executed according to given system in the following area of this paper.

## 2. Methodology

Since we have every single value change on that day of exchanging and from most recent one year, we can make an information outline with the assistance of [1]. From this, we have discovered total returns. From the supreme returns we have estimated mean returns and deviations. For flawlessness, we have measure SS-Ratio-I to know the best stock in generally speaking execution as we contrast and others. Be that as it may, we have concentrated about negative comes back to quantify drop-downs. From drop-down, we can think the best stock in most noticeably terrible time. Every one of these calculations we have gotten according to the accompanying flow-chart.

### 2.1 Flow chart

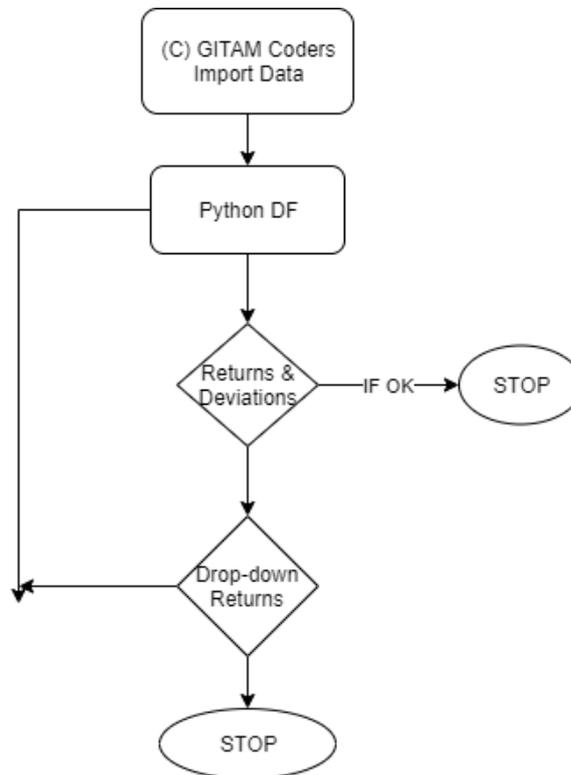


Figure #1

### 3. Computation(s), Results and Discussions

With the assistance of PyCode, we have gotten the accompanying figure.

|                   | <b>AMBU</b>     | <b>SHRE</b>    | <b>ACC</b> | <b>ULTR</b> |
|-------------------|-----------------|----------------|------------|-------------|
| <b>Mean</b>       | <b>-0.33%</b>   | -0.35%         | -0.41%     | -0.39%      |
| <b>Variance</b>   | 0.00472         | 0.00466        | 0.00467    | 0.00477     |
| <b>STDEV</b>      | 0.06873         | <b>0.06829</b> | 0.06832    | 0.06906     |
| <b>SS-Ratio-I</b> | <b>-0.07530</b> | -0.07938       | -0.08722   | -0.08418    |

Figure #2

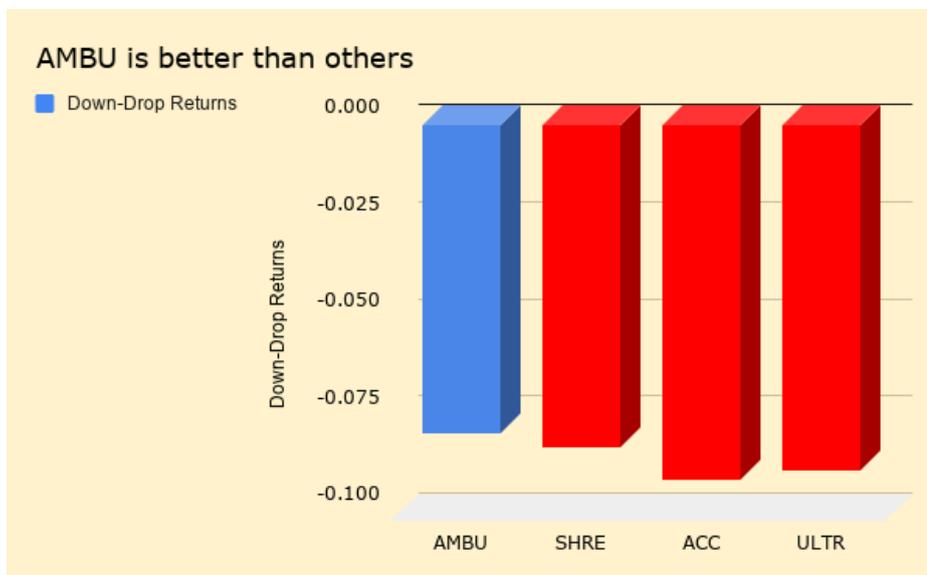
From the above figure, it is obvious that Ambuja Cement has extraordinary mean returns. Be that as it may, there is tight deviation can be found at Shree Cements. In both of the cases, we have two unique options. In this manner, we can call SS-Ratio-I for in general return in a given time. Out of all, Ambuja Cements has most noteworthy proportion which is close to Zero. Along these lines, we can choose the best stock as Ambuja Cements when all is said in done.

How about we discover negative returns during the one year of time. According to PyCode, we can have the accompanying figure as yield of the Drop-down returns.

|                          | <b>AMBU</b>     | <b>SHRE</b>    | <b>ACC</b> | <b>ULTR</b> |
|--------------------------|-----------------|----------------|------------|-------------|
| <b>Mean</b>              | <b>-0.33%</b>   | -0.35%         | -0.41%     | -0.39%      |
| <b>Variance</b>          | 0.00472         | 0.00466        | 0.00467    | 0.00477     |
| <b>STDEV</b>             | 0.06873         | <b>0.06829</b> | 0.06832    | 0.06906     |
| <b>SS-Ratio-I</b>        | <b>-0.07530</b> | -0.07938       | -0.08722   | -0.08418    |
| <b>Down-Drop STDEV</b>   | 0.06513         | 0.06516        | 0.06503    | 0.06538     |
| <b>Down-Drop Returns</b> | <b>-0.07946</b> | -0.08319       | -0.09163   | -0.08892    |

*Figure #3*

From the above figure, the down-drop or drop-down returns esteems are in negative. This is very clear as lockdown was executed in India. Since all are negative, we have to pick the best negative which is near zero. In such case, Ambuja Cements has - 0.07946 is the best stock even in most noticeably terrible economic situations. A similar we can acquire by [7] for better representation.



*Figure #4*

Subsequently, we can comprehend that for a given hazard, Ambuja Cements execution is extraordinary even and after in lock down time.

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