Article Side
Equity Research Analysis by Kredent Academy

Article published on May 17th 2012 | Investing

Equity research is the study of equities or stocks. Equity Analyst ascertains the fair value of a stock by analyzing various quantitative and qualitative aspects of the stock. They start by critically reviewing the economy, industry and company for which they gathers information from the financial statements like the balance sheet, income and expense statement and cash flow statement and analyze financial ratios and other data to ascertain the value of the stock. The analyst writes reports on company describing the businessâ€™s investment potential by giving a call on companyâ€™s stock su as buy, sell, hold, neutral etc.

To learn equity research one needs relevant qualification and/or related experience. CFA or MBA Finance or specialized Equity Research Analysis Course. Just qualifications promise you a rewarding career.

There are many stocks in the Indian equity market, and different sectors with their own dynamics. Studying a specific stock or sector is a skill which needs to be learned. Additionally, financial markets are getting interlinked with global markets. Understanding the micro and macro factors in these markets, predicting stock market movements and deciding in which stock to invest in has become very confusing and difficult nowadays. Equity research analysis is the best answer to this complex scenario.

You could start practicing/leanings Equity Research from the following

1. Understanding of the business model i.e. product or services offered by the company, management pedigree, business strategy, etc.

2. Financial analysis of the company with the help of different financial statements, ratios, etc.

3. Analysis of the peers of the company (competitor analysis) and its sector (industry analysis)

4. Ascertain the value of company as per different valuation models (DCF, Relative)

5. Recommending Buy/Sell/Hold and writing a report on the entire analysis

There are many career options as an Equity Analyst, some of them are explained below:

1. As an Equity Analyst in Brokerage or Securities firms - One can get a good opportunity in a brokerage firm to work as an equity analyst based on whose reports clients would invest. They are basically known as sell-side analyst

2. As a Fund Manager - Equity Analyst can join banks, mutual funds companies and insurance companies which deal in investing funds in stock market and depend heavily on the analystâ€™s recommendation for investments. They are buy-side analyst

3. As a Personal Investor -. You can analyze the companyâ€™s performance and after that can take decision whether to invest or not in individual capacity. With the help of this you can also make your own portfolio of different companies from various sectors.

4. As an Independent Equity Analyst - After getting the knowledge of equity analysis one can start their personal firm and can guide people about investment in stocks

One of the most famous and successful Research Analysts is Warren Buffett, who is well known for successfully employing fundamental analysis to pick socks. His abilities have turned him into a billionaire. You people can also make this charming career yours.

Article Source:
http://www.articleside.com/investing-articles/equity-research-analysis.htm - Article Side

Kredent Academy - About Author:
This article is written by the research team of Kredent Academy which conducts various trading and research oriented capital market course.

Article Keywords:
Equity Research Analysis, Equity Research Analysis Courses, Equity Research Analysis Training

You can find more free articles on Article Side. Sign up today and share your knowledge to the community! It is completely FREE!