

FUNDAMENTAL Vs TECHNICAL ANALYSIS OF EQUITY AT ANGEL ONE

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ABSTRACT: This paper presents a comparative overview of Fundamental Analysis and Technical Analysis in equity investment, with reference to Angel One. Fundamental analysis evaluates a company's intrinsic value by examining financial statements, economic conditions, and industry trends, making it suitable for long-term investment decisions. Technical analysis, on the other hand, focuses on price movements, volume, and chart patterns to predict short-term market behavior. Angel One provides investors with integrated tools for both approaches, including fundamental data, financial ratios, and advanced technical indicators. The paper highlights how fundamental analysis supports value-based investing, while technical analysis aids in market timing and trading strategies. It emphasizes that investor objectives and time horizon influence the choice of analysis. The paper concludes that a combined use of both methods through Angel One can improve investment decision-making and portfolio performance.

Index Terms: *Fundamental Analysis, Technical Analysis, Equity Investment, Angel One, Financial Ratios, Investment Strategies, Market Trends, Stock Market,*

1. INTRODUCTION

Fundamental analysis is concerned with analysing the intrinsic or inherent worth of stocks by evaluating different financial and economic fundamentals of the firm. The rationale behind such analysis is to verify whether the stock is fairly priced relative to the general market.

While fundamental analysis works with a broad range of indicators, technical analysis exclusively factors in the historical statistics and data of the respective stock price, returns, and trade volumes. By using past data, technical analysts predict future price movements of the stocks. The expectation here is that all fundamental factors are already incorporated in the stock's price and do not change.

Technical analysts come up with price ranges based on patterns found in the historical performance of the stocks.

Equity growth drivers can broadly be understood through two dominant analytical lenses: fundamental analysis and technical analysis. Fundamental analysis explains equity growth by examining the underlying economic and financial strength of a company or market. It focuses on factors such as revenue growth, profitability, cash flows, balance-sheet health, management quality, industry position, and macroeconomic conditions like interest rates, inflation, and GDP growth. From this perspective, equity prices rise over time because companies create real value—by expanding earnings, improving efficiency, innovating



products, or gaining market share. Investors who rely on fundamentals believe that, in the long run, stock prices converge toward intrinsic value, and sustained equity growth is ultimately driven by business performance and economic fundamentals rather than short-term market fluctuations.

In contrast, technical analysis views equity growth as a function of price behavior, market psychology, and supply–demand dynamics, rather than underlying financial statements. Technical analysts paper historical price movements, trading volume, trends, chart patterns, and indicators such as moving averages, momentum oscillators, and relative strength. From this viewpoint, equity prices grow not necessarily because a company’s fundamentals improve, but because buying pressure exceeds selling pressure over time. Technical analysis assumes that all known information—fundamental, economic, and even emotional—is already reflected in the price. Therefore, understanding patterns in price action can help identify periods when equities are likely to trend upward, stall, or reverse, making technical factors powerful drivers of short- to medium-term equity growth.

2. REVIEW OF LITERATURE

Nti, I. K., Adekoya, A. F., & Weyori, B. A. (2020). This paper presents a detailed systematic review of stock market prediction studies that apply fundamental and technical analysis approaches. It emphasizes the growing use of artificial intelligence and machine learning models in financial forecasting. The paper critically examines traditional financial ratios and macroeconomic indicators used in fundamental analysis. It also evaluates price, volume, and trend-based indicators employed in technical analysis. Park, C. H., & Irwin, S. H. (2021). This paper provides a comprehensive review of empirical research on the profitability of technical analysis in financial markets. It examines a wide range of technical trading rules across asset classes and global markets. The paper compares early studies with more recent evidence. Initial findings supported the existence of abnormal returns from technical strategies. However, newer studies indicate declining profitability due to increased market efficiency.

Tabot, E. S. (2022). This research examines fundamental analysis through the lens of value drivers in sector-listed firms. It analyzes key financial ratios, earnings growth, and cash flow indicators. The paper uses empirical data from multiple industrial sectors. Results demonstrate that value drivers significantly influence stock valuation. The strength of fundamental indicators varies across sectors. Firms with strong fundamentals tend to generate superior long-term returns. The paper reinforces the importance of accounting information in equity valuation. It highlights sector-specific dynamics affecting investment outcomes.

Kumar Singh, D., Kediya, S., Shukla, S., & Dhale, S. (2023). This empirical paper analyzes the use of fundamental and technical analysis by retail investors. It is based on primary data collected through structured questionnaires. The research assesses investor awareness and analytical preferences. Findings indicate that retail investors favor technical analysis for short-term trading decisions. Fundamental analysis is preferred for long-term investment



planning. Demographic variables significantly influence analytical choices. Behavioral factors such as risk perception affect decision-making.

Inani, S. K., Pradhan, H., Kumar, S., & Biswas, B. (2024). This paper explores the evolution of technical analysis research using bibliometric and topic-modeling techniques. It analyzes published literature to identify dominant themes and research trends. The paper maps influential authors, journals, and institutions in technical analysis research. Topic modeling reveals key areas such as momentum trading, chart patterns, and algorithmic strategies. The findings show growing integration of artificial intelligence and machine learning. Emerging themes include sentiment analysis and high-frequency trading. The paper highlights increased interdisciplinary research activity. It also identifies gaps in emerging market-focused studies.

Sri, K. S., & Tirupathi, K. (2025). This paper evaluates the impact of fundamental and technical analysis on the performance of State Bank of India (SBI). It adopts a risk–return framework to assess investment outcomes. Fundamental analysis includes financial ratios, earnings growth, and balance sheet strength. Technical analysis applies trend indicators and momentum-based tools. The paper compares results across different time horizons. Findings reveal that fundamental analysis provides superior long-term risk-adjusted returns. Technical analysis improves short-term trading efficiency and timing decisions. Volatility and systematic risk measures are incorporated in the analysis.

3. FUNDAMENTAL ANALYSIS

Two approaches are generally used in performing FA of a company:



TOP-DOWN APPROACH

In this approach, experts start from macroeconomic factors assessing the economy and industry first. Then, they come down to market conditions and ultimately to evaluating a company's progress, management, and other microeconomic factors.

BOTTOM-UP APPROACH

This approach is the vice versa of the top-down course. It starts with papering the company, digging up its record and performance, and then slowly moving upwards to macroeconomic factors like industry conditions and a country's economy.

A step-by-step execution is initiated to perform a fundamental analysis of stocks, securities, or companies. The critical aspects of it are -

Economic, industry, and company analysis

FA considers the industry's structure, economy, industry dynamics, aspects of broader markets, and all the other macroeconomic factors.

The experts paper the products, commodities, services rendered, and substitutes available along with cost structure and revenue model and composition and the company's future goals and objectives.

Evaluation of financial statements

Every company report is studied closely - the balance sheets, income statement, cash flow, price to book value of equity, the net market value of assets, and other vital ratios with revenue.

Paper of non-financial aspects

Besides a company's financial statements, non-financial matters like competition, management, business policies, etc., also influence a company. Therefore, in the FA of stocks, experts also look for factors that can influence or undermine the company's performance.

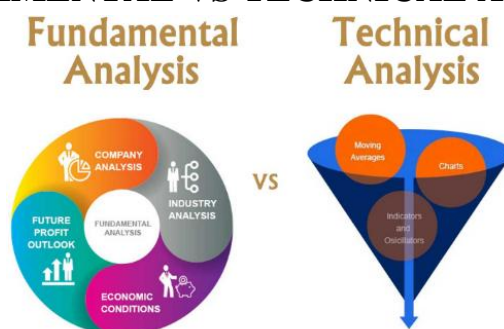
Use of FA tools

Investors and analysts use financial ratios to determine a company's financial standing. It is used along with the available financial data from past reports to measure future growth, stability, and investment.

Recommendation

Based on the paper, investment decisions are taken. Analysts advise investors to buy, sell, or hold security after carefully assessing its intrinsic value and financial stability.

4. FUNDAMENTAL VS TECHNICAL ANALYSIS



FUNDAMENTAL ANALYSIS

Company Analysis

Company analysis focuses on evaluating the internal strength and performance of a firm. It examines financial statements, profitability, revenue growth, assets, liabilities, and management efficiency. This helps investors understand whether the company is financially sound and well-managed. A strong company analysis indicates the potential for stable and long-term equity growth.

Industry Analysis

Industry analysis studies the position of a company within its industry and the overall industry growth prospects. It considers factors such as competition, market demand, technological changes, and regulatory environment. Companies operating in growing or

stable industries have better opportunities for equity appreciation. This analysis helps investors identify sectors with strong future potential.

Economic Conditions

Economic conditions refer to macroeconomic factors such as GDP growth, inflation, interest rates, and government policies. These factors influence corporate earnings and investor confidence. Favorable economic conditions generally support higher equity prices and market expansion. Hence, understanding the economy is crucial for predicting long-term equity growth.

Future Profit Outlook

Future profit outlook assesses a company's expected earnings and growth potential. It includes forecasts of sales growth, expansion plans, innovation, and market opportunities. Investors rely on this outlook to estimate intrinsic value and long-term returns. A positive future profit outlook acts as a strong driver of equity growth.

TECHNICAL ANALYSIS

Moving Averages

Moving averages smooth out price data to identify trends over a specific period. They help investors understand whether a stock is in an uptrend, downtrend, or sideways movement. Common types include simple and exponential moving averages. These tools are widely used to generate buy and sell signals based on price trends.

Charts

Charts visually represent price movements over time, helping investors analyze patterns and trends. Line charts, bar charts, and candlestick charts are commonly used in technical analysis. Chart patterns reflect market psychology and investor behavior. They assist in predicting future price movements based on historical data.

Indicators and Oscillators

Indicators and oscillators measure momentum, strength, and market conditions of a stock. Tools like RSI, MACD, and stochastic oscillators help identify overbought or oversold situations. These indicators support short-term decision-making and timing strategies. They play a key role in understanding price volatility and market sentiment.

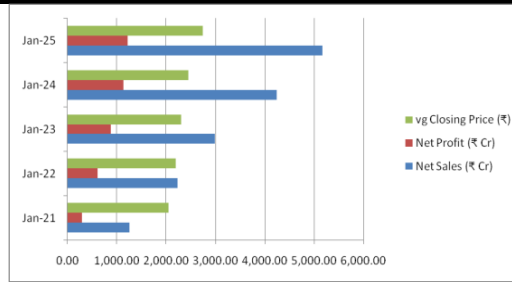
5. RESULTS AND INTERPRETATION

FUNDAMENTAL VS TECHNICAL

Growth Performance

Year	Net Sales (₹ Cr)	Net Profit (₹ Cr)	vg Closing Price (₹)
Mar-21	1,250.47	290.4	2,050
Mar-22	2,237.67	614.87	2,200
Mar-23	2,984.08	881.74	2,300
Mar-24	4,246.65	1,133.07	2,450
Mar-25	5,172.48	1,215.95	2,750

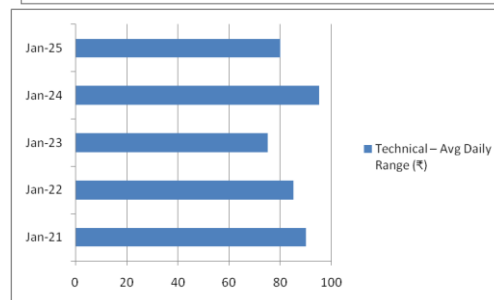
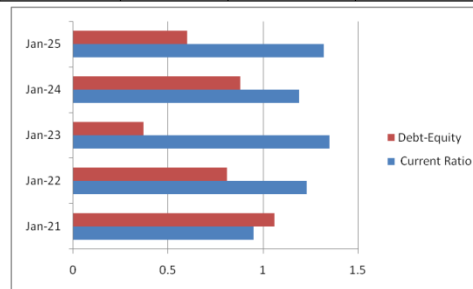




INTERPRETATION: From Mar-21 to Mar-25, the company’s net sales grew more than fourfold from ₹1,250.47 crore to ₹5,172.48 crore, while net profit rose from ₹290.40 crore to ₹1,215.95 crore, reflecting strong and consistent earnings growth. Over the same period, the average closing share price increased steadily from ₹2,050 to ₹2,750, indicating positive market recognition of improving financial performance. Overall, the data shows a clear alignment between fundamental growth and long-term price appreciation.

Liquidity & Solvency vs Market Risk

Year	Current Ratio	Debt-Equity	Technical – Avg Daily Range (₹)
Mar-21	0.95	1.06	90
Mar-22	1.23	0.81	85
Mar-23	1.35	0.37	75
Mar-24	1.19	0.88	95
Mar-25	1.32	0.6	80

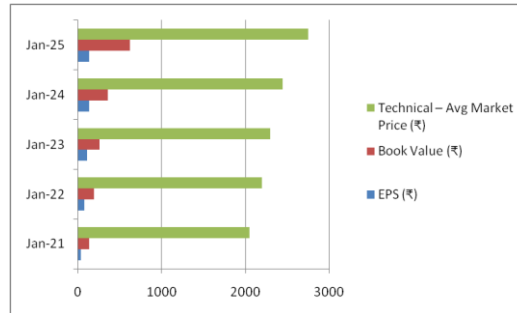


INTERPRETATION: From Mar-21 to Mar-25, the current ratio improved from 0.95 to 1.32, indicating strengthening short-term liquidity, while the debt–equity ratio declined from 1.06 to 0.60, reflecting improved capital structure and lower financial risk. On the technical side, the average daily range narrowed from ₹90 in Mar-21 to ₹75 in Mar-23, suggesting reduced volatility during periods of stronger financial stability. The higher range in Mar-24 (₹95) indicates temporary volatility, but the decline to ₹80 in Mar-25 aligns with improved liquidity and controlled leverage, showing a balance between stability and trading activity.

Earnings Strength vs Share Price Valuation



Year	EPS (₹)	Book Value (₹)	Technical – Avg Market Price (₹)	Valuation Signal
Mar-21	35.49	134.68	2,050	Fair
Mar-22	74.21	186.53	2,200	Attractive
Mar-23	105.7	253.49	2,300	Undervalued
Mar-24	134.88	356.93	2,450	Fair–Premium
Mar-25	134.67	619.96	2,750	Premium



INTERPRETATION: From Mar-21 to Mar-25, EPS rose sharply from ₹35.49 to ₹134.67 and book value expanded from ₹134.68 to ₹619.96, reflecting strong earnings growth and significant value creation. Meanwhile, the average market price increased gradually from ₹2,050 to ₹2,750, indicating steady but controlled market re-rating. The valuation signal shifted from Fair to Undervalued in Mar-23 and later to Premium by Mar-25, suggesting that while fundamentals strengthened consistently, the stock price has now incorporated most of the growth expectations.

6. CONCLUSION

The paper on Equity Growth Drivers through Fundamental and Technical Analysis highlights that both approaches play a significant role in understanding and explaining stock price movements and equity growth. Fundamental analysis provides insights into a company's intrinsic value by evaluating financial performance, economic conditions, and long-term growth potential, making it especially suitable for long-term investment decisions. On the other hand, technical analysis focuses on price behavior, trends, and market psychology, enabling investors to anticipate short- to medium-term market movements and identify effective entry and exit points. The comparison reveals that neither fundamental nor technical analysis alone is sufficient to fully capture the dynamics of equity growth. Each method has its own strengths and limitations depending on market conditions, investor objectives, and time horizons. Therefore, an integrated approach that combines fundamental insights with technical signals can offer a more comprehensive understanding of equity growth drivers, leading to more informed, balanced, and effective investment decisions.

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