SOP for Preparation of Technical Research Reports

1.0 Purpose:

This Work Instruction describes how various activities of Technical Research Department is performed. The purpose of this document is to ensure smooth error free operation which results in customer satisfaction and for avoiding one-person dependability.

The work instruction is a self-study. The Equity research Analyst is responsible for ensuring that members who are involved should be familiar with the objectives of and properly trained on each step of work instructions.

2.0 Scope:

This is a mandatory document and shall be implemented by Equity research Department to ensure reliability and validity of procedure. It gives detailed description about the working of equity technical research department.

Equity Research Department is responsible for following 4 processes:-

- Preparation and distribution of reports
- Generation of calls
- Solution of Client Query
- Management of Arihant Messenger

3.0 Definition :

Nil

4.0 Responsibility:

4.1 The overall responsibility of the procedure lies with the Technical Research Head

4.2 Individual responsibilities are given against each of the activities.

SOP for Preparation of
Technical Research Reports

1. Process for preparation and distribution of reports

1.1 Inputs

Input Required	Source	Associated Formats
Preparation and Distribution of Reports (Technical Software and other related websites and magazine.)	Technical Software (IRIS, FALCON)	E - Mail /Arihant Website / Fttp Folders (File – Imp Research Website.doc)

1.2 Process

S.N.	ACTIVITY	RESPONSIBILITY	REF.DOC.
1.2.1	Research Department is responsible for preparation of Following Reports: ▪ Daily Market Update Report **(Ref. to snap shot)** ▪ Monthly News letter. ▪ Chart Busters reports. ▪ Optionizer reports ▪ Morning Stock Pick	Research Analyst	
1.2.2	Preparation of Daily Reports: Compilation of data from various websites (NSE India, BSE, Money Control, Capital Market Fundamental Software, Technical Software). The report contained market commentary, Technical Support-Resistance levels of stocks and indices, etc.	Research Analyst	
1.2.3	Distribution of daily Reports: ▪ Through e-mails. ▪ Uploading of reports on Arihant website and fttp folders, whatsapp.	Research Analyst	http://arihantcapital.com/admin/auth/login
1.2.4	Preparation of Monthly news letter (Value Plus). Report prepared by the Research Department on pre-decided format. Compilation of data from various websites (NSE India, BSE, Money Control, Capital Market Fundamental Software, Technical Software, Reports Forwarded by other Departments). It contains EIC Analysis and News, Experts Comment on market (Monthly View), Commodity Reports (prepared by Commodity research Department), Stock Recommended (monthly view) and Mutual Fund Report (prepared by Mutual Fund Department).	Research Analyst	
1.2.5	Send the report to designer for formatting and editing.	Research Analyst	

1.2.6	Distribution of Monthly News Letter Reports: • Through e-mails. • Uploading of reports on Arihant website and fttp folders, whatsapp.	Research Analyst	

1.3   Output

Output	Customer	Associated Formats
Reports Generated	Branch, Sub- broker and Individual Client.	Reports generated in pdf files and sent to retail clients and uploaded on company's websites.

1.4   Process Measurement Parameters:-

Sr. No.	Parameter	Measurement Criteria
1.4.1	Parameter of the process is based on TAT (Turned Around Time)	Daily Report forwarded to the clients before the market opens at 9:05 A.M.

A. Preparation of Daily Market Update Report

Daily market update report –

Step 1) Open the Pre-defined word Format of daily market update report.

Step 2)

- Make analysis of the market on the basis of fundamentals, news, technical analysis and international market.
- Compilation of BSE & NSE Indices, Global Indices, Bulk Deal, Technical of key companies, FII's & DII's trading activities. The information available on various website & technical software such nseindia.com, bseindia.com, & Iris software.

Step 3) Compile the information gathered into the predefined format and attach the disclaimer below the report.

Step 4) Report uploads on FTP & circulates through the arihant messenger, mail, whatsapp & upload web site before 9:15 AM.

C. Preparation of Chart Busters Report -

Step 1) Open the Pre-defined word Format of Positional Call Report.

Step 2) Search for the stocks on the basis of various technical tools (Chart Pattern, Candlestick Pattern).

Step 3) Compile the information gathered into the predefined format and attach the disclaimer below the report.

Step 4) Circulate through the arihant messenger & whatsapp.

D. Preparation of Optionizer Report

Step 1) Open the Pre-defined word Format of Optionizer report.

Step 2) Search for the stocks on the basis of various technical tools (Chart Pattern, Candlestick Pattern).

Step 3) Compile the information gathered into the predefined format and attach the disclaimer below the report.

Step 4) Circulate through the arihant messenger & whatsapp.

E. Preparation of Monthly News Letter (Value Plus) -

Step 1) Open the Pre-defined word Format of Value Plus.

Step 2) Gather the reports from various departments (Equity, Commodity, and Marketing, Mutual Fund department)

Step 3) Send the different articles for editing.

**Step 4)** Send the edited material for designing.

Step 5) Send the final Value Plus to all the branches and sub-brokers.

Step 6) Upload Value Plus on Arihant's website.

F. Work Instruction to access the technical software of equity (IRIS):
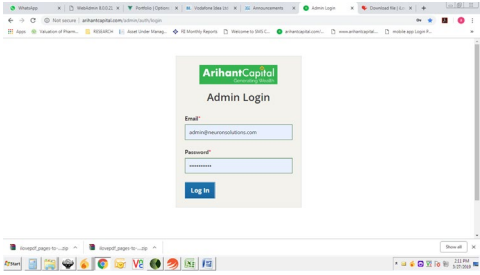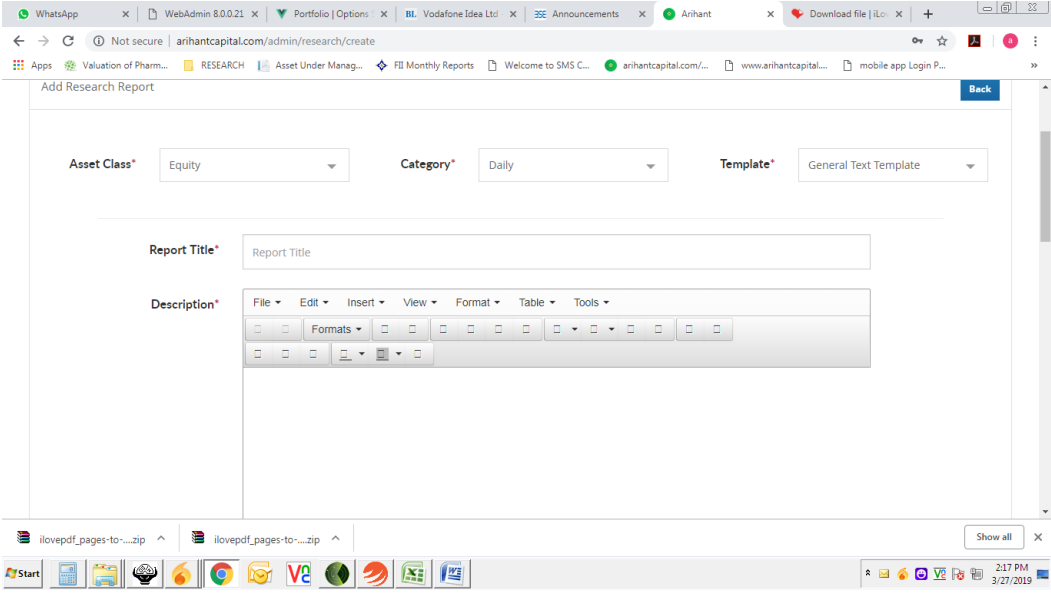
Step 1) Click on the Iris Software folder on the desktop of a system on which the Iris Technical software is down loaded ➔ A blank screen will open ➔ Click on "Chart Menu" and select the exchange to open the stock chart.
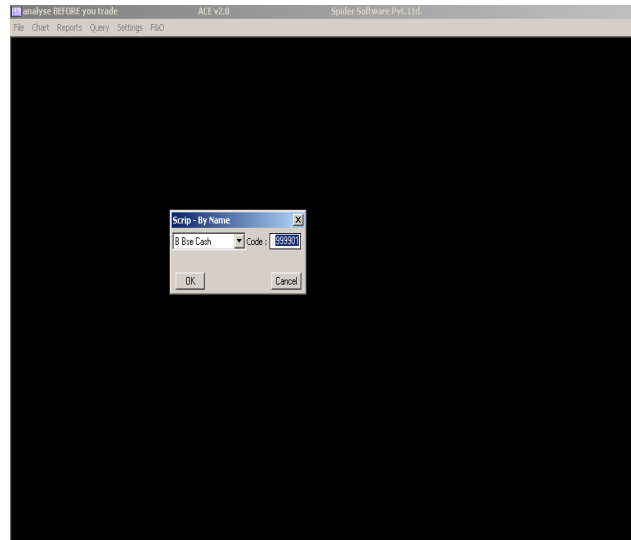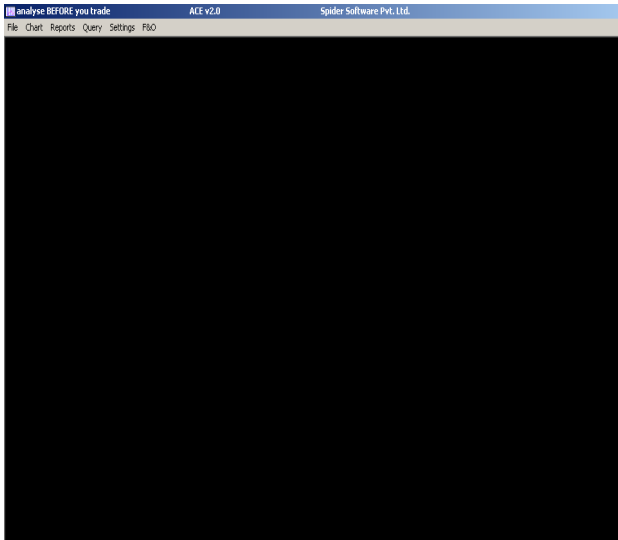
G. Distribution of reports

Equity research analyst is responsible for the distribution of research report prepared by the equity research department. Final reports (approved from the Research Head) are attached in the e-mail in the pdf (unreadable) format and forwarded to the email id's of individual clients via Arihant mail.

H. Uploading Reports on Arihant's Website:

| S.N.	ACTIVITY	RESPONSIBILITY	REF.DOC.
1.	Go to: http://arihantcapital.com/admin/auth/login and login using the administrator login details	Research Analyst	
2.	Upon Login, click on Upload Reports Section on top (From the main navigation), a new page will open: - Select the asset class (Currency, Commodity, Equity, etc) - Under Category, select desired Report option from the drop down menu - When the category is selected, click on template drop down and select the general text template. - Give the Title of the report (make sure the exact report name is typed in here without any typo as this name will appear to the client) - Give a short description of the report or add 1-2 lines from the report's intro or conclusion (if required or instructed) - Add all the tags that are mentioned in the report and then set the publication date. - Click on Add File and then browse the file on your computer and select the file. - Once the file is located, click on the Save button (at the bottom) The file is uploaded		

ArihantCapital
Generating Wealth

I. Uploading files on *fttp server*

Step 1) Equity research analyst uploads the research report prepared by the equity research department.

- Prepared reports are uploaded on the fttp server in acrobat pdf (read only) format from where sub-brokers or clients can download the reports.
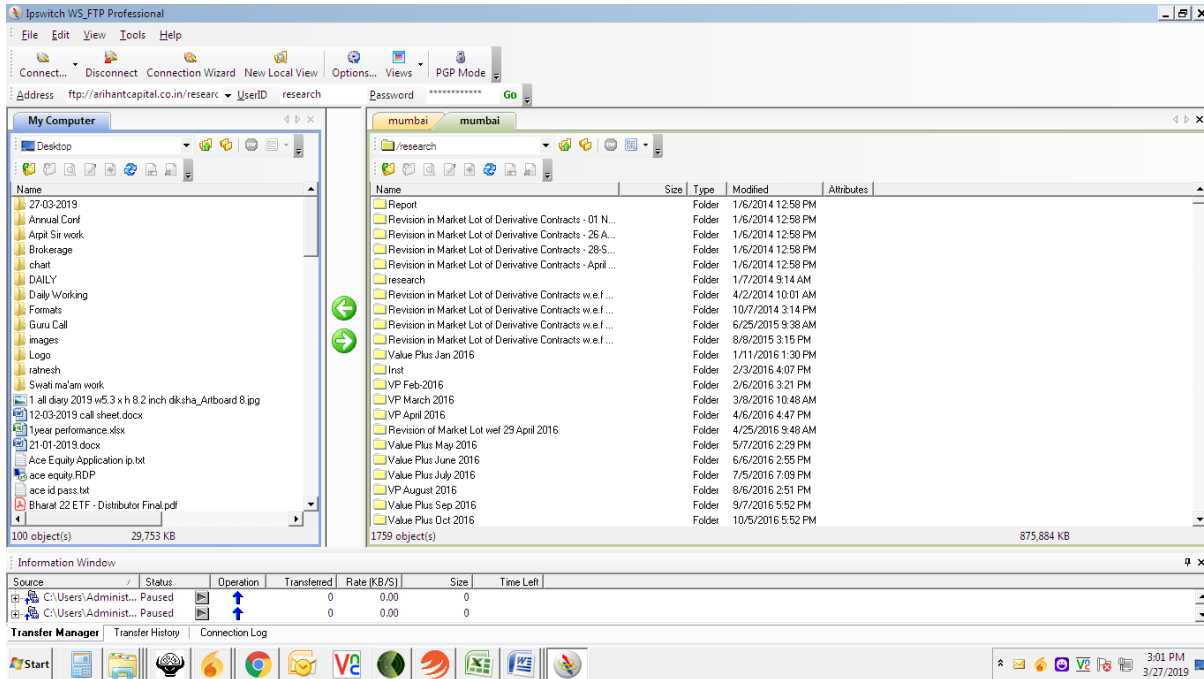
Snap shot of arihant fttp on which the reports are uploaded.
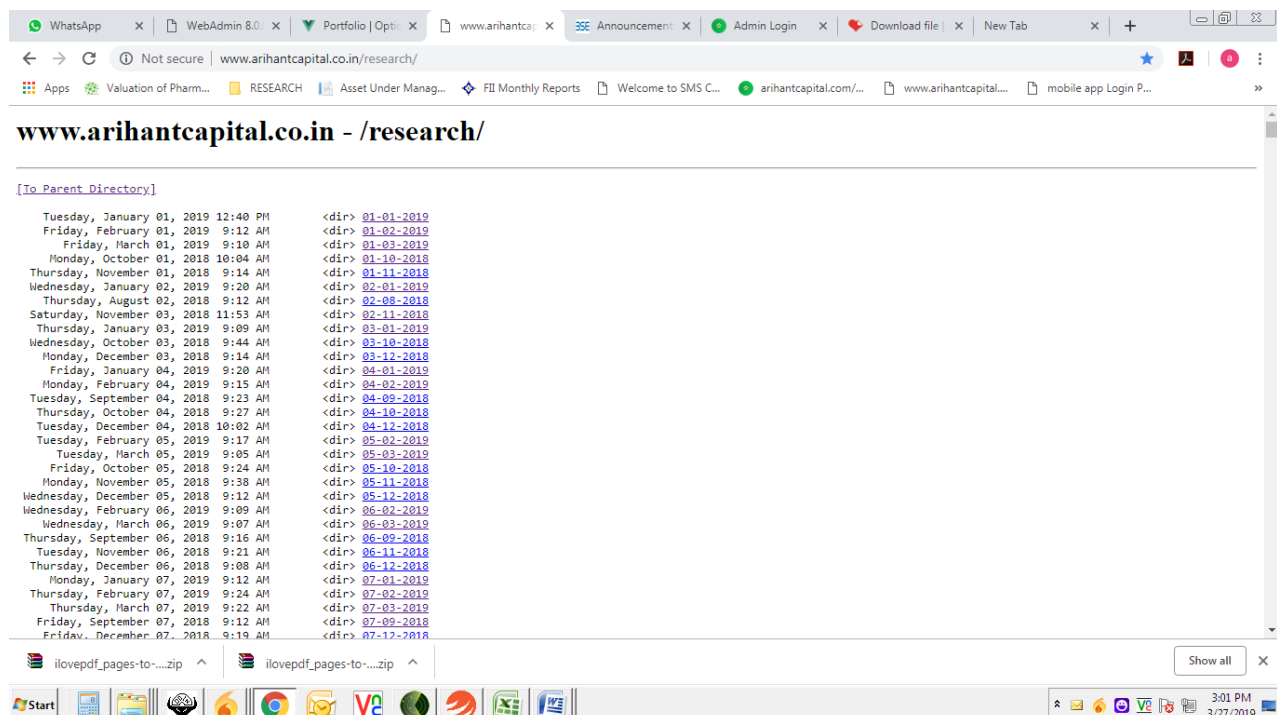
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Snap shot of http://www.arihantcapital.co.in/research/ from where files can be downloaded.

Link of the website (on which the report is uploaded) is broadcasted in the arihant messenger and whatsapp by the equity research analyst by shorting the link using the bitly website.
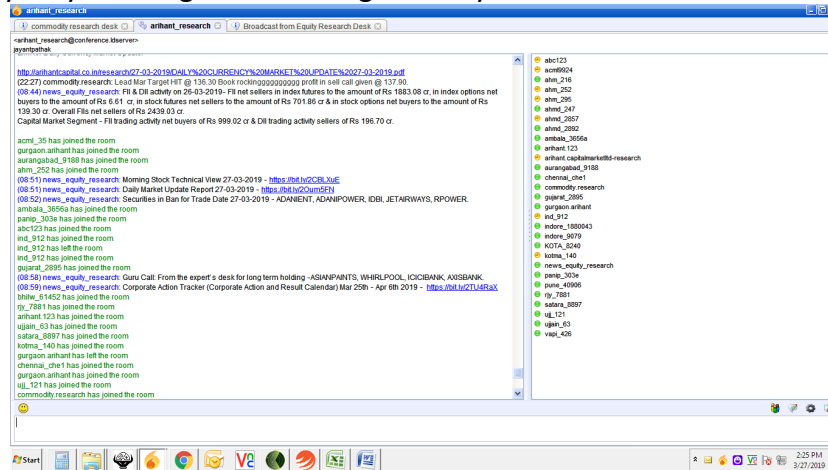
Snap shot of Arihant messenger on which the Equity reports are broadcasted before the equity market opening 9:15 AM.

2. Work Instructions for Generation of Calls

2.1 Inputs

Input Required	Supplier / Source	Associated Formats
World Market, FII Figures, MF Figures	Technical Software (*IRIS, Meta Stock and Falcon*)	Arihant Messenger, Email, Whatsapp, Mobile app, Twitter, Odin and Telephone Calls.

2.2 Process

S.N.	ACTIVITY	RESPONSIBILITY	REF.DOC.
2.2.1	Research Department is responsible of Generation of calls in cash and future and option markets including Intraday Calls, Positional Calls, Spread Strategy Calls, BTST and STBT Calls.	Technical Analyst	
2.2.2	Calls are generated after evaluating and analyzing: ▪ Market Trend ▪ Global Market Trends ▪ Latest News and its implications ▪ Chart Patterns and candle Stick pattern ▪ Application of technical tools	Technical Analyst	
2.2.3	Once the calls are generated, the analyst distributes or publishes the call through: ▪ **Arihant Messenger**: the calls are broadcasted on Arihant's messenger, by Research analyst, so that clients who are log in to the Arihant messenger can access the calls. ▪ **Whatsapp, Mobile App, Odin.**	Technical Analyst	
2.2.4	After the calls are generated, at the end-of-the-day an analysis of the calls is done by preparing the Intraday and Positional Call Performance Report on a daily basis.		

2.3 Output

Output	Customer	Associated Formats
Calls Generated	Branch, Sub- broker and Individual Client.	Arihant Messenger, Whatsapp, Mobile App, Odin

2.4 Process Measurement Parameters:-

Sr. No.	Parameter	Measurement Criteria
2.4.1	Research Department Performance is measured on the basis of Intraday call Success Ratio and Positional Call Success ratio.	Research success ratio should be maintained at the average ratio of 65%.

SOP for Preparation of
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Process to generate calls:

Step 1) Calls are generated on the basis of various technical and fundamental parameters (this is a subjective area).

- Study the local market news and trend of the market.
- Looks for the international market trend.
- Study the technical chart by applying various studies and tools I .e. chart pattern , candle stick pattern and other tools such as RSI, MACD and stochastic etc.
- See the resistance and support levels in the chart.

Sample of a chart pattern into the NSE MGL chart:

Source : www.SpiderSoftwareIndia.Com

A sample of how the call is published:

INTRADAY CALL: BUY BATA@1377 SL 1364 TGT 1400-1415 CMP(1377)

3. Solution of Client Query

3.1 Inputs

Input Required	Supplier / Source	Associated Formats
Stock Query (Technical Software and other related websites.)	Branch / Sub- Broker/Client	Mail / verbally / telephonic communication.

3.2 Process

S.N.	ACTIVITY	RESPONSIBILITY	REF.DOC.
3.2.1	Queries on the Stock is received by the research department from the Branch/sub broker or Clients through email or Verbal Request	Research Analyst	
3.2.2	Query is categorized: Short term, medium term and long term	Research Analyst	
3.2.3	Run Queries in the Technical Analysis Software. Analysis of Chart (Daily, Weekly and Intraday).	Research Analyst	

3.3   Output

Output	Customer	Associated Formats
Query Solution	Branch, Sub- broker and Individual Client.	

3.4   Process Measurement Parameters:

| S. N.	Parameter	Measurement Criteria
3.4.1	Parameter of the process is based on satisfaction level of client.	Clients satisfaction

4. Work Instructions of Arihant Messenger

Preparation of Positional Call Report -

Step 1): Gather the information (Branch ID, Branch Turnover, Branch code, sub- broker Name through Mail, phone and verbal communication).

Step 2) Creation of ID and Password for the Branch/Sub-broker.

Step 3) Intimation of ID and Password by mail, phone and verbal communication to Branch and Sub-broker
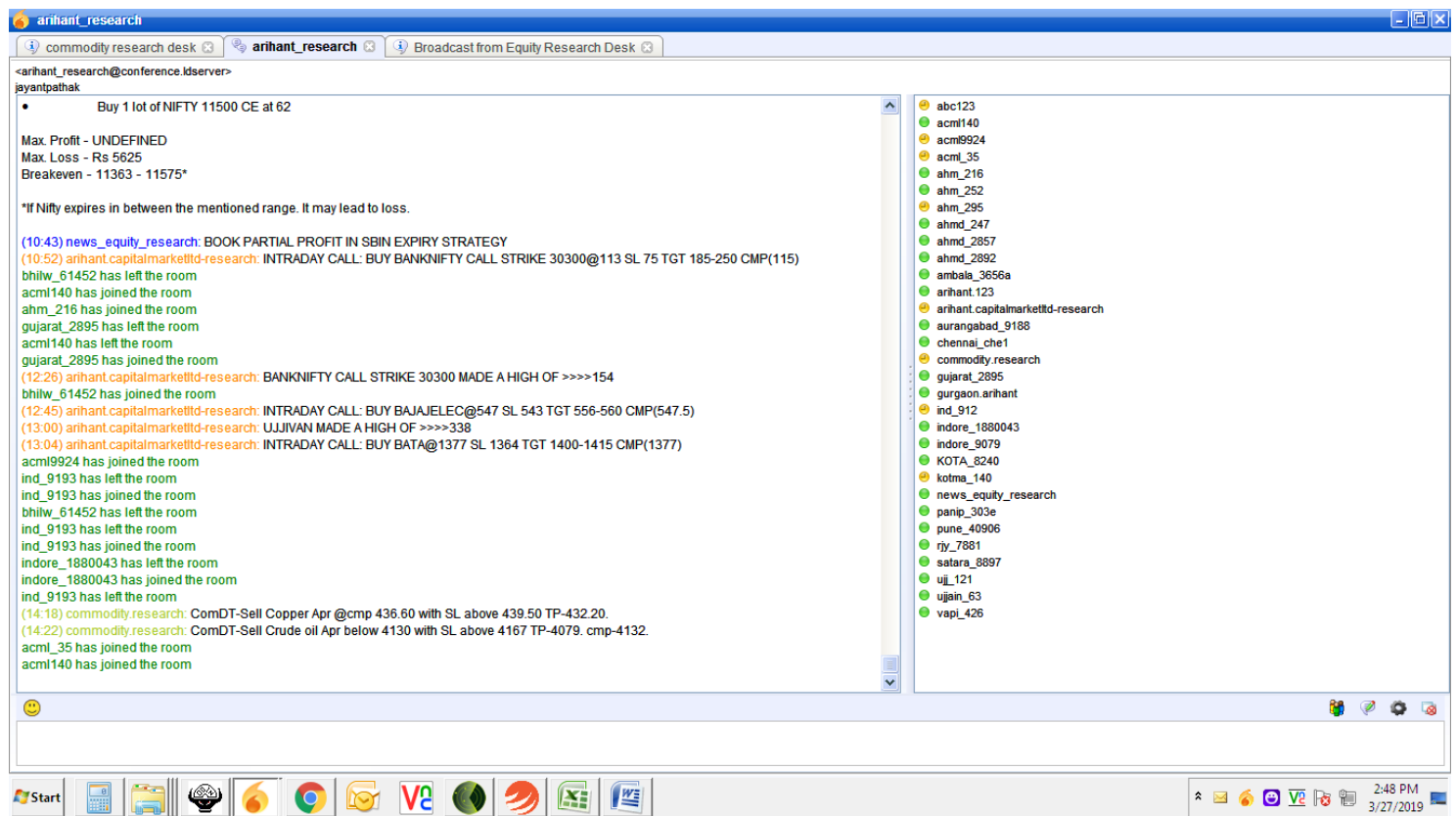
ANNEXURE

List of important websites that are referred for data gathering, preparation of various reports and general reading for analysts:

1. www.nseindia.com – Bulk Deal, Block Deal, Bhav Copy, FII Buying and Selling Figures and other market related data's.
2. www.bseindia.com - Bulk Deal, Block Deal and company specific news.
3. www.moneycontrol.com – 52 week high/low and other market related news.
4. www.capitalmarket.com – Company News
5. www.parsoli.com – Company News and Economy News
6. www.sebi.gov.in – Companies Circular
7. www.timesofindia.com – Company and Industry specific News
8. www.economictimes.com - Company News and Industry specific News
9. www.mcxindia.com – Commodity Market News
10. www.business-standard.com - Company News and Industry specific News
11. www.bloomberg.com – International Market News
12. www.sgx.com – Singapore Nifty Figures