

Equity Research Career Book



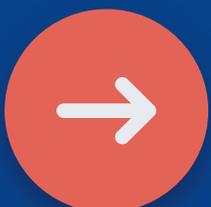
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Overview of Equity Research Analysis:

Equity research is a field in finance that involves analyzing companies and providing insights to investors and clients. The goal of equity research is to evaluate a company's financial health, industry trends, and competitive landscape to determine whether an investment in the company's stock is attractive.



Equity research Analyst Salary Details

- The salary for an equity research analyst can vary depending on experience and the firm.
- According to Glassdoor, the 0–2 years of experience salary for an equity research analyst in India is INR 5,00,000 to Rs 8,00,000 per annum.
- The salary range for 2–5 years of experience is typically between Rs 8,00,000 to Rs 15,00,000 per year.
- The range for 5–10 years of experience is typically between Rs 15,00,000 – Rs 25,00,000 per year.



Roles of an Equity research Analysts?

Analyzing financial data: Equity research analysts analyze financial statements, earnings reports, and other financial data to evaluate a company's financial health. They may use financial ratios, such as the price-to-earnings ratio or return on equity, to determine the company's valuation and profitability.

Conducting industry research: Equity research analysts research industry trends and dynamics to identify companies that are well-positioned for growth. They attend earning calls / presentations or trade shows to gather information and insights.

Developing financial models: Equity research analysts create financial models to forecast a company's future earnings and revenue. They may use historical data, industry trends, and macroeconomic factors to create these models.



Roles of a Equity research Analysts (Contd)-

Writing reports: Equity research analysts write reports that summarize their analysis and provide recommendations to clients or investment managers. These reports may include financial data, industry research, and the analyst's opinions and insights.

Communicating with company management: Equity research analysts may communicate with company management to gather information and insights. They may ask questions about the company's financial performance, growth prospects, and competitive landscape.

Making recommendations: Equity research analysts make recommendations to clients or investment managers based on their analysis and insights. They may recommend that clients buy, hold, or sell a particular stock based on their analysis of the company's financial health and industry trends.



Top Skills That Are Valuable for Equity research Analysts?

- **Microsoft Excel** – MS Excel is an evergreen tool for financial data analysis or numerical calculation. It provides important features to clean the raw data, summarize the data, and make the data more understandable and visual for everyone. Today every industry requires MS Excel knowledge in the candidate due to managing the large quantity of numerical data.
- **Financial Ratio Analysis** – Financial ratios are one of the important parts of equity research analysis. There are various specific ratios for equity analysts that they analyze to make the decision, and every ratio comes with a threshold (It is a limit or the industry benchmark that the company set to analyze and make the resolution). Knowledge of financial ratios is intensely beneficial, in equity research analysis.



- **Market research** – Analysts must have solid market research skills to uncover important data for analysis so that they can make decisions based on their study. Market research helps analysts become aware of interest rates, different rates, currency exchange rates, and so on.
- **Report writing** – Analysts must have a flair for writing reports, earnings notes and should be able to describe company situations. Analysts are required to write reports in a crisp and professional language.
- **Communication skills** – Communication skills are one of the most important skills to have in any industry. Equity research analysts need to interact with their clients to learn about their history and other information, so communication must be excellent so that analysts can effectively interact with customers.



- **Presentation skills** – Presentation skills are also essential in the equity analysts profession due to the large amount of data presented to management and other stakeholders.
- **Basic Accounting skills** – Accounting skills help to analyze all three financial statements efficiently. A detailed understanding of financial statements and accounting principals helps analysts in growing in this career.



Top Sectors That Are Actively Looking for Equity research Analysts:

1. Investment Companies

2. Asset Management

3. Research Firms

4. Securities Firms

5. Fund Houses



FAQs related to entry-level equity research analyst salary

1. Can a non-commerce student become an equity research analyst?

Yes, Non-commerce students can apply for the equity research analyst role with requisite skills such as accounting skills, financial statements, and financial ratios analysis. There are various certifications and professional courses which help to build a career in equity research analyst roles such as **Investment Banking Course (CIBR)**.

Visit www.cfieducation.in for more information

2. Can I go for an equity research role after B.com?

Yes, you need skills like writing research reports, and financial modeling here FM/IB certification can help.



3. Which companies offer the role of Equity research analyst?

Most KPOs offer Equity research analyst roles as they provide research reports to the clients.

Moreover, Asset Management companies and Mutual fund companies also require equity research analysts for reporting writing and Industry or sector analysis.

4. What is the salary range of entry-level Equity research analyst jobs?

In India, the salary of an equity research analyst depends on years of experience and the skills/knowledge that candidates carry in their hands. The entry-level range of salary is 5 lakh to 8 lakh however it depends on company to company.



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