

“A STUDY ON TECHNICAL ANALYSIS ON SELECTED COMPANIES OF BSE”

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ABSTRACT

TECHNICAL ANALYSIS ON SELECTED COMPANIES OF BSE. The objective of the study is mainly focused on determining share price of the selected company of previous five years. The data collected is secondary data. The RSI shows the range of volatility influence of the price to now the investors to buying, selling and holding of the stocks. So it shows which company is better to invest the price to buy the shares. moving averages suggest the investors to track the price movements of a security. this study helps to get knowledge about when to enter and exit from the stock market. the technical skills are required to trade in the market to predict the price movements and determining the trends when to invest and when to exit the market all those things should be taken into consideration.

Key words: technical analysis, RSI, MOV AVG, VOLUME, TREND LINE.

1.1 INTRODUCTION

Technical analysis is learn of financial market moves. It's the method of examining a securities historical price in order to determine possible future prices. This quite carried out through analysis current fee with comparable historical prices motion to the prediction of future results. The devout technician defines this procedure as the truth that history repeats itself whilst others would suffice to assert that we will have to be taught from the history. Here the price moves in economic market will take into account instead of essential motives that impacts the market

1.2 STATEMENT OF THE PROBLEM

Traders engage in trading without using an appropriate strategy. Traders get mislead by price patterns. Accurately anticipating strike rates is a challenging task for traders and investors. The performance evaluation of stocks is examined in the current study.

1.3 OBJECTIVES OF THE STUDY

- To analyze the importance of technical analysis in the formulation of trading strategies.
- To analyze and evaluate the selected automobile stocks are overbought and oversold.
- To understand the movement and performance of selected stocks to take investment decisions.

2. LITERATURE REVIEW

1. Dr. Bhaskar v patil , mrs Manjushree A Kadam (2022), conducted a study on technical analysis for gaining profitability on large cap stocks. in this study intends to concentrate on strategically deciding on buying and selling of growth-oriented stocks. **2. Srushti Dongery (2022)**, conducted a study on market indicators used for technical analysis. The purpose of this research is to demonstrate the value of using market indicators for technical analysis to forecast changes in the prices of large-, mid-, and small-cap stocks. **3. Kelvin lee yong ming, Mohamad jais, Ling pick soon (2022)**, Conducted a study on new approach for e-commerce stock prices prediction by combination of machine learning and technical analysis. in the paper In order to anticipate the stock price of the five largest market capitalization e-commerce stocks. **4. Shabana gul (2021)**, Conducted a study on relevance of technical analysis as a predictive tool: an empirical study from Indian stock market. this study is analytical in nature and solely dependent on secondary information obtained through NSE. **5. Aman Bhatia (2021)**, conducted a study on technical analysis and its use in stock markets. The aim of the study is to determine whether traditional price patterns and Japanese candlesticks are effective for small- and mid-cap company charts. **6. Mr. Rahul Chauhan, Mr. Neel rajpurohit (2021)**, conducted a research study on the technical analysis of NSE towards its stocks with reference to Indian stock market. study concludes that Technical analysis does not differentiate between capital gains and current income. **7. Mrs. B Kishori, K. Divya (2020)**, conducted a study on technical analysis of selected companies of BSE. this study intends to concentrate on strategically deciding on buying and selling of growth-oriented stocks.

8. Dr. Girija Nandini, Dr. Ratidev Samal (2020), conducted a research on technical analysis of selected industry leaders of Indian stock market under the cloud of covid-19. In This paper emphasizes the many entry and exit points for distinct companies as well as whether to pursue long or short positions.

9. Rayarakula Sravan, J. Kalpan (2019), conducted a study on technical analysis of selected

stocks in banking sector with reference to motilal oswal securities. In this paper it helps investors determine whether to buy shares of a specific company or not. **10. Varshini Venu, Charithra CM, Dr. Bhavya Vikas (2019)**, conducted a study on equity research using technical analysis. In this paper it intends to analyze the trends in the share price movements of twelve firms from three different industries. **11. Rakshith L, Manoj Kumar N V (2018)**, conducted a study on technical analysis on selected BSE stock. The study's primary goal is to see how the price volatility has an impact on their decisions to purchase, sell, and hold stocks. **12. Mohamed Masry (2017)**, conducted a study on the impact of technical analysis on stock returns in an emerging capital market. In this paper the basic buy-and-hold strategy for the Egyptian stock exchange was defeated by simple trading principles. **13. Shalini Singh, Dr. Anindita Chakraborty (2016)**, conducted a study on stock price movements through technical analysis: empirical evidence from the information technology (IT) sector. In this paper in order to analyze IT index firms, this article is developed to use a technical analysis tool. **14. Valarmathi A, Kowsalya P (2016)**, conducted a study on technical analysis of NSE towards its stocks with reference to Indian stock market. In this paper research was carried out using the past values of IT stock. **15. Sudheer V (2015)**, conducted a study on trading through technical analysis: an empirical study from Indian stock market. Investors can analyze stocks using technical oscillators by using technical analysis to help them make profitable investments. **16. Mohad Naved (2015)**, conducted a study on technical analysis of Indian financial market with the help of technical indicators. This study contains a discussion of the indicators that can be used for Nifty stock technical analysis on the Indian market. **17. Ms. Padma (2015)**, conducted a study on technical analysis of listed securities in NSE with reference to banking industries. This paper's primary goal is to conduct a technical analysis of a sample of stocks in the banking sector. **18. Dr. S Umprabha, M. Mala (2015)**, conducted a study on technical analysis on stocks listed in NSE with reference to pharmaceutical industries. This paper aims to examine the technical analysis of a few stocks in the pharmaceutical industry. **19. Jumah Abbad, Bashar Fardousi, Muneer Abbad (2014)**, conducted a study on advantages of using technical analysis to predict future price on Amman stock exchange. In this paper it determines the ability of technical analysis principles to forecast future stock values on the Amman Stock Exchange. **20. Dr. Asha E Thomas (2014)**, conducted a study of technical analysis and its usefulness in Indian stock market. The purpose of this study is to assess technical analysis from an Indian standpoint and determine its applicability to the Indian stock market. **21. J. Nithya, Dr. G. Thamizhchelvan (2014)**, conducted a study on effectiveness of technical analysis in banking sector of equity market. The aim of this study is to perform technical analysis on a subset of the CNX Nifty's listed companies. **22. C. Boobalan (2014)**, conducted a study on technical analysis in select stock of Indian companies. In this paper it says that on the basis of technical analysis skills, one can forecast the ideal stock market investment choice. **23. Hemal Pandya (2013)**, conducted a study on technical analysis for selected companies of Indian IT sector. This paper's objective is to conduct a technical analysis of the securities of a limited group of information technology businesses in order to support investing choices in that industry. **24. B. Sudheer Kumar, Dr. G. Malyadri (2012)**, conducted a study on technical analysis in selected companies in India. In this paper it explains how to choose a specific portfolio based on each security's unique returns. **25. R. Chitra (2011)**, conducted a study on technical analysis on selected stocks of energy sector. The purpose of the current research is to conduct a technical analysis on a few energy sector companies and determine whether to purchase or sell them by using techniques.

3.1 RESEARCH METHODOLOGY

Descriptive research is used to refer the characteristics of the population. In this instance, the study's flaw is clearly identified. Based on the issue, this study primarily utilized descriptive research data is being collected from all secondary sources, including papers, books and journals to analyze how well statistical tools, corporate share prices, and financial tools work. In this study Data has been drawn from BSE website.

SAMPLING SIZE:

5 selected stocks from automobile sector has been considered, and data has been collected for 5 years. 1.TATA MOTORS LTD. 2. MAHINDRA & MAHINDRA LTD. 3.MARUTISUZUKI INDIA LTD. 4. ASHOK LEYLAND LTD. 5.MRF LTD.

3.2 INSTRUMENT DESIGN:

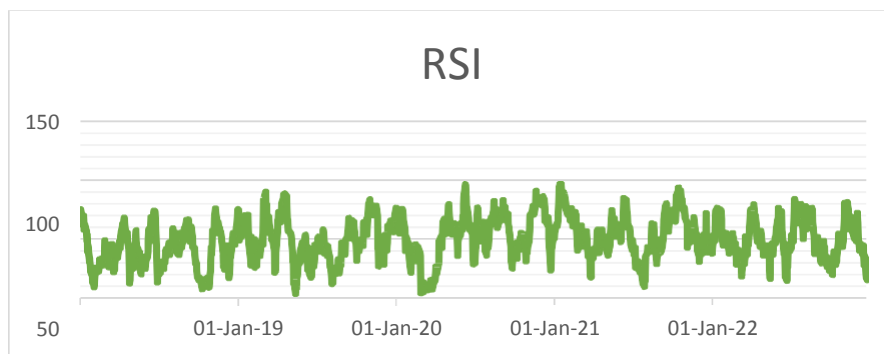
Relative strength index (RSI) & Simple Moving average.

3.3 LIMITATIONS

- This study can be used only for short run decision making.
- Technical analysis is undertaken for only five years.
- Volatility in stock market is always subject to change.

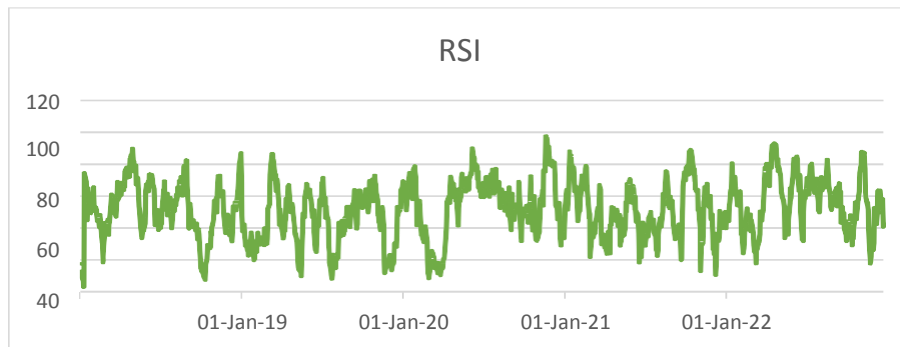
4. DATA ANALYSIS AND FINDINGS

4.1 RSI OF TATA MOTORS LTD



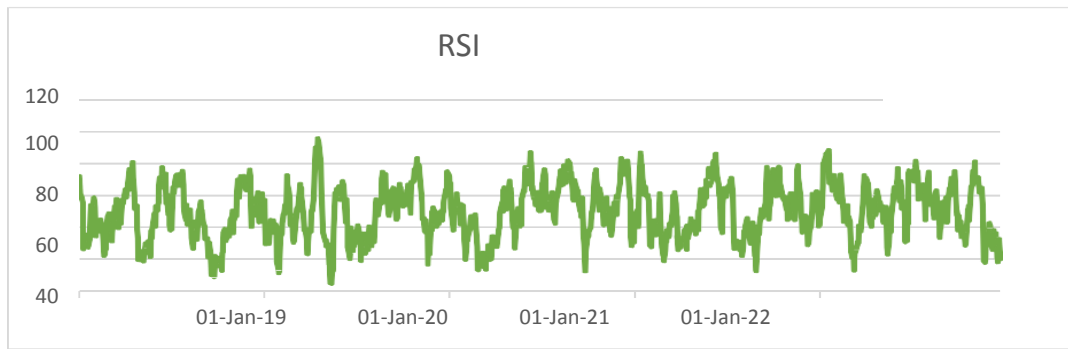
From the above chart it shows the yearly to yearly calculations of RSI from the period 01-01- 2018 TO 22-12-2022.it indicates the company can have the huge volatility range 98 to 5 and RSI is resulted with 40 to 60.so it says that investors would earn more returns on their investment.

4.4 RSI OF MAHINDRA & MAHINDRA LTD



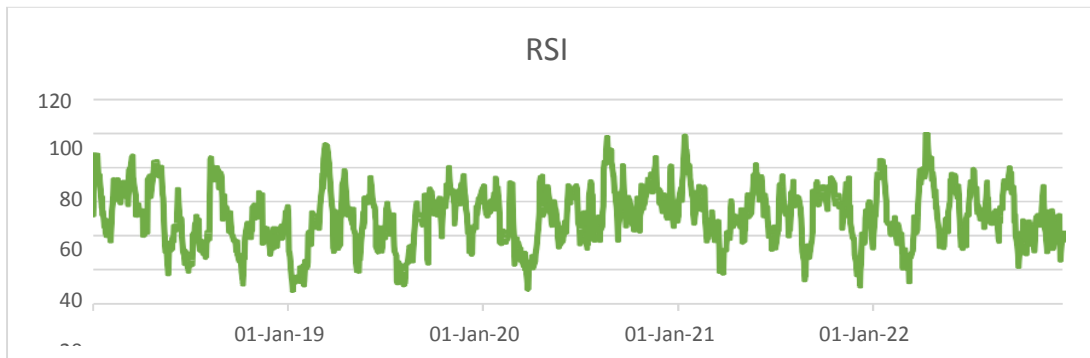
From the above chart it shows the yearly to yearly calculations of RSI from the period 01-01- 2018 TO 30-12-2022.it indicates the company can have the huge volatility range 99 to 0 and RSI is resulted with the 35 to 55 .so it influences investors to earn more returns on their investment

4.3 RSI OF MARUTI SUZUKI LTD



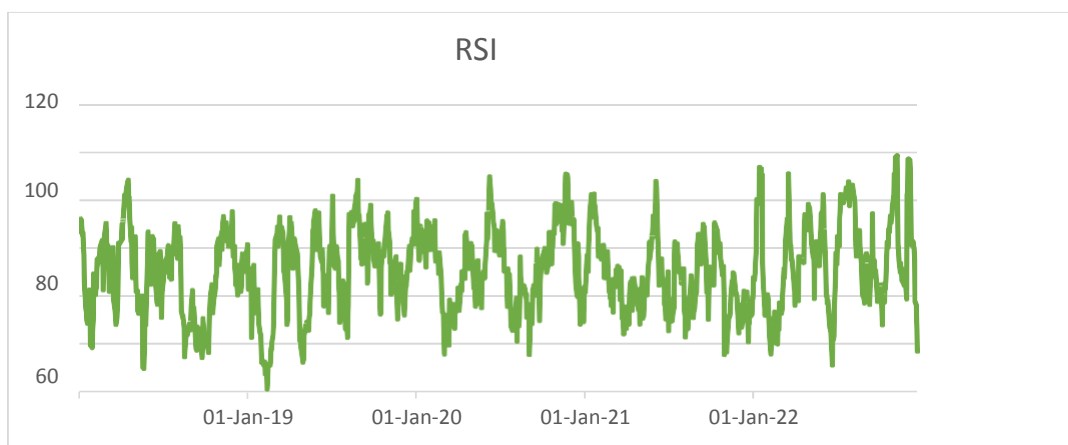
From the above chart it shows the yearly to yearly calculations of RSI from the period 01-01- 2018 TO 30-12-2022.it indicates the company can have the huge volatility range 99 to 0 and RSI is resulted with the 35 to 45. So volatility is more in short period investors would get more returns on their investment.

4.4 RSI OF ASHOK LEYLAND LTD



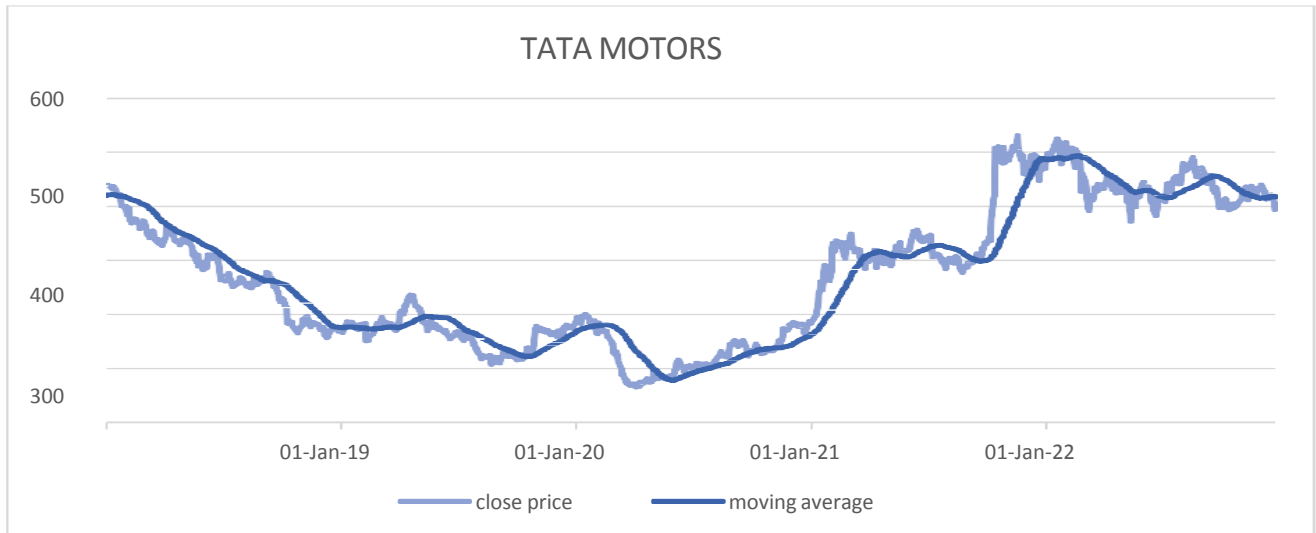
From the above chart it shows the yearly to yearly calculations of RSI from the period 01-01- 2018 TO 30-12-2022.it indicates the company can have the huge volatility range 100 to 10 and RSI is resulted with the 30 to 45. So the RSI is touching 30 it's a bearish sign where the investors would make less profits on their investments.

4.5 RSI OF MRF LTD



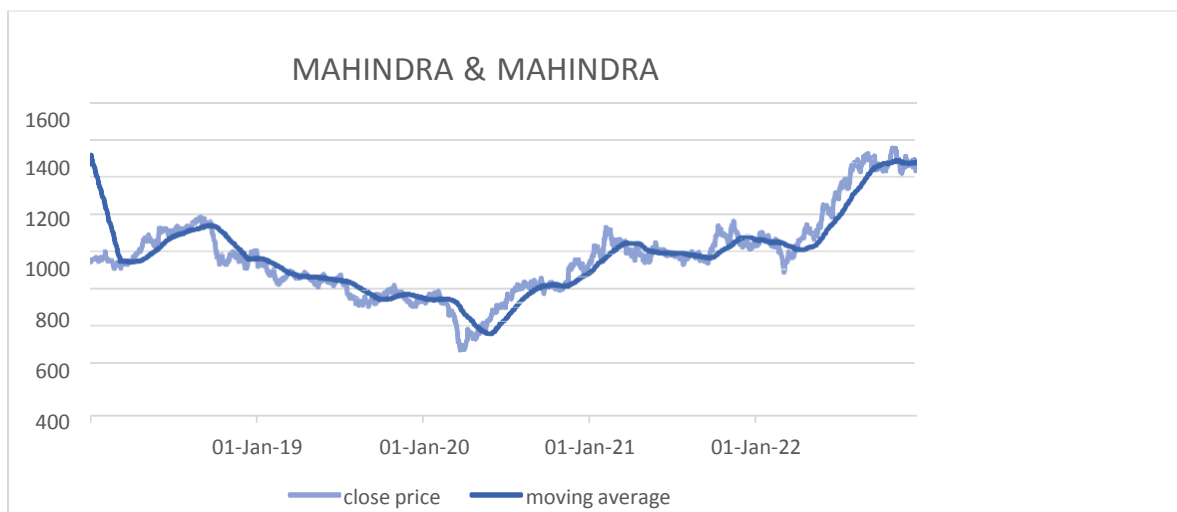
From the above chart it shows the yearly to yearly calculations of RSI from the period 01-01- 2018 TO 30-12-2022.it indicates the company can have the huge volatility range 100 to 0 and RSI is resulted with the 40 to 60.so it says that investors would earn more returns on their investment.

4.2.1 50 DAY MOVING AVERAGE OF TATA MOTORS LTD



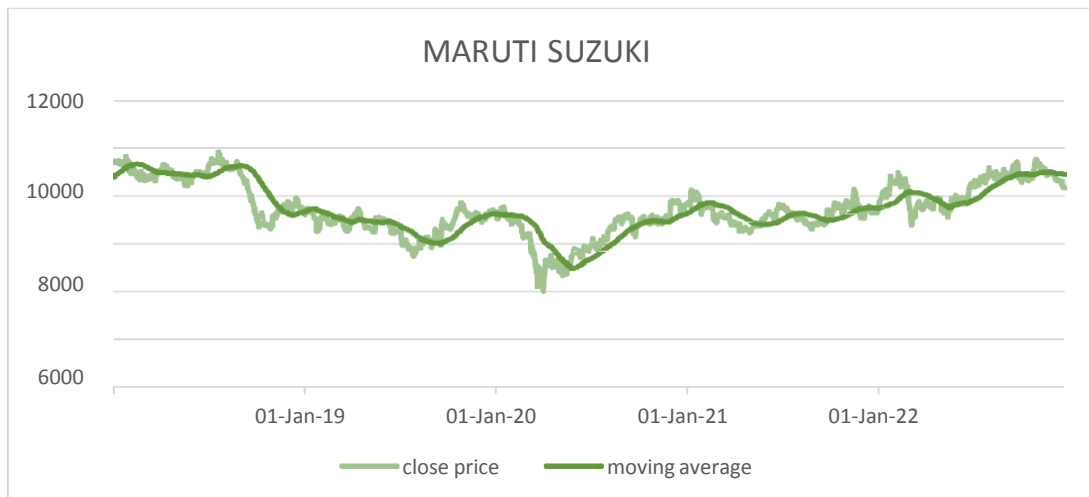
From the above chart it says that where moving average trend line is cutting the close price line from above during the year 01-Jan -2018 it says that investors should sell the shares at that time. the moving average trend line is cutting the close price line from below during the year 01-Jan 2021 from there after the market is in upward trend where the investors would earn more return on their investment.

4.2.2 50 DAY MOVING AVERAGE OF MAHINDRA & MAHINDRA LTD



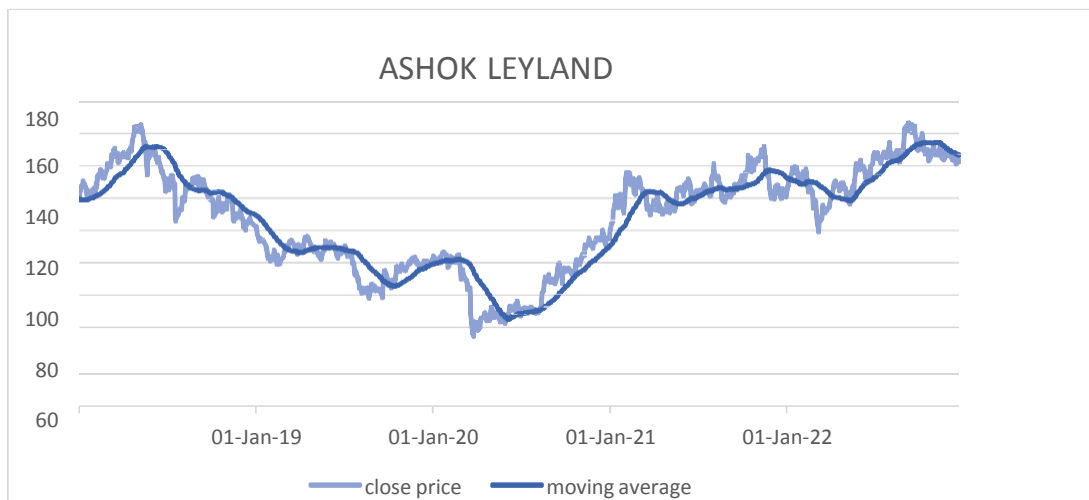
From the above chart it says that where moving average trend line is cutting the close price line from above during the year 01-Jan -2018 it says that investors should sell the shares at that time. the moving average trend line is cutting the close price line from below during the year 01-Jan-21 where there after stock is in upward trend the investors would earn more returns on their investment

4.2.3 50 DAY MOVING AVERAGE OF MARUTI SUZUKI LTD



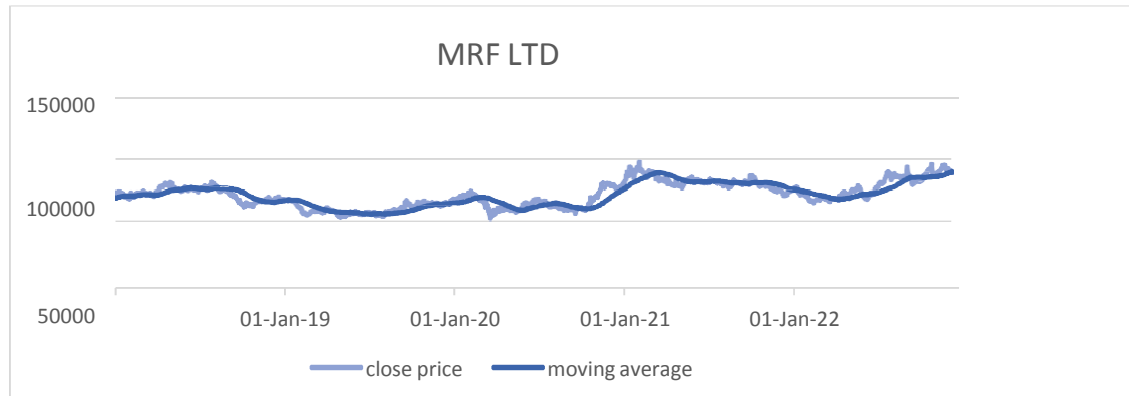
From the above chart it says that stock was yielding positive returns to the investors where the trend line as cut the close price from above as a result there is downward in the market for that particular stock for the subsequent years .during 01-jan-2020 the stock as picked up and its in a upward trend which gives more returns to investors.

4.2.4 50 DAY MOVING AVERAGE OF ASHOK LEYLAND LTD



From the above chart it says that during the year 01-jan-18 the stock performance was high and the investors have earned more profits on their investments. The stock price begins to fall during the year 01-jan-2019 where the stock was under performing with less returns .during the year 01-jan-21 the stock is showing the upward trend the investors would get more returns on their investment.

4.2.5 50 DAY MOVING AVERAGE OF MRF LTD



From the above chart it says that where moving average trend line is cutting the close price line from below during the year 01-Jan-2018 where it shows the upward trend which indicates the investors to buy the stock which would ensure more return on investment

FINDINGS

- Tata motors have the huge volatility range between 98 to 5 and RSI is resulted with 40 to 60. so it says that investors would earn more returns on their investment.
- Mahindra & Mahindra have the huge volatility range between 99 to 0 and RSI is resulted with the 35 to 55. so it influences investors to earn more returns on their investment.
- Maruti Suzuki have the huge volatility range between 99 to 0 and my RSI is resulted with the 35 to 45. So volatility is more in short period.
- Ashok Leyland's RSI is touching 30 it's a bearish sign where the investors would make less profits on their investments.
- MRF have the huge volatility range between 100 to 0 and RSI is resulted with the 40 to 60 where the investors would be earning more returns.
- Tata motors is having more volatility the stock is in upward trend investors can invest in this which would yield more profits
- Mahindra & Mahindra prices move flatly, it also as a more volatility in its price movements.
- Maruti Suzuki is having more volatility the stock is in upward trend investors can invest in this which would yield more profits.

5. CONCLUSION

Trading in the stock market is dependent upon the market risk where the individual who bears the risk and does trading in the stock market will have more returns, also many investors have lost the money in trading, where the technical skills are required to trade in the market to predict the price movements and determining the trends. investments in this study data has been collected for five years of five automobile companies and research design using is descriptive research and the analysis are made using RSI and moving averages. this study helps to get knowledge about when to enter and exit from the stock market.

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