# Technical Analysis on Selected BSE Stocks

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*Abstract* - TECHNICAL ANALYSIS ON SELECTED BSE STOCKS the objective of the study is mainly focused on determining share price of the selected company of previous year in 1<sup>st</sup>jan 2017- 31<sup>st</sup>dec 2017. The data collected both primary data and secondary data. We are also calculating financial tools weekly wise. 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 showswhich company is better to invest the price to buy the shares. Angel broking suggest the clients to future long term holding the shares automotive sectors and the other company is improve future days their performance and invest the further investment to the banking sectors.

Key words: technical analysis, RSI, MOV AVG, ROC.

### I. INTRODUCTION ABOUT THE TOPIC

Technical analysis is learn of financial market moves. It's the method of examining a securities historical price is 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. This has some assumptions like, price discounts everything, history itself over time, price normally moves in trends.

#### **II. STOCK BROKER**

The first stockbroking began in Rome, where the first recorded buying and selling of shares occurred in the 2<sup>nd</sup> century BCE. After Rome fell, stockbroking did not become a realistic career until after the Renaissance, when govt bonds traded in Italian city states such as Genoa or Venice. New stock exchanges opened their doors in the 16<sup>th</sup> and 17<sup>th</sup> centuries, including the London stock exchange, which was opened at a coffee shop in 1698. In the 1800s, in the United states, the New York stock exchange opened its doors under a buttonwood tree in the New York city. 24 stockbrokers signed the buttonwood agreement, agreeing to trade five securities under that buttonwood tree.

The **Securities and Exchange Board of India** (**SEBI**) is the regulator for securities market in India. It was established in the year 1998 and given statutory powers on 30 January 1992 through SEBI Act, 1992.Articles of Association of the Exchange and the Stock Exchange was formally established in

Bombay on 3rd day of December, 1887. The Association is now known as "The Stock Exchange".

The entrance fee for new member was Re.1 and there were 318 members on the list, When the Exchange was constituted. The number of members increased to 333 in 1896,362 in 1916 and 478 in 1920 and the entrance fee was raised to Rs.5 in 1877, Rs.1000 in 1896, Rs.2500 in 1916 and Rs.48000 in 1920. At present there are 23 recognised stock exchanges with about 6000 stock brokers. Organisation structure of stock exchanges varies.

#### **III. LITERATURE REVIEW**

1. Risk Dimensioning Through Technical analysis on the forex market, Author: Hadateodor: Adamut Bogdan this study represents a enormous desideratum for investor within the economic market. 2. Technical analysis selected stocks of Indian company, Author: C Boobalan Technical evaluation is the old efficiency of shares and market are indictors of future performance. 3. Technical analysis for selected companies if Indian I T sector, Author: Hemalpandya Investing is one of the most important resolution that earning charter has to make at one factor of time or other spend money on share and securities of corporation investment is high danger but also totally rewards.4. The users of technical analysis by fund managers international evidence, Author: Lukas menkh off in this study the monetary market reputable will not be good beneath stood survey proof from 692 fund managers in 5 countries.

5. Foundation of technical analysis, Author: Andrew W Lo, Harry Mamaysky Extra normal strategy the sort of important analysis it is geometric shapes of historic costs charts in eyes of beholders. 6. Price trends and patterns in technical analysis, Author: Gevffrey C friesen, paul a weller and lec M dunham Technical buying and selling ideas are founded upon pattern in asset costs why this pattern arise and why buying and selling rules established on technical analysis and rewarding. 7. Research on the effectiveness of technical indicators with the volume, Author: Gang L I and J in zhu The study technical indicators deciding on the volume of weighted moving average (VWMA) and likewise consist of simple moving average (SMA) it established on the 2139 stocks from jan 1 2013. 8. Market efficiency and the returns to technical analysis, Author: Hendrik bessem binder and kalokchan Provide the understanding for the

interesting for intriguing broke lakonishok and lebaron 1992 discovering that straight forward. **9.** An asset allocation perspective on the use of moving average, Author: Yingzizhu, Guofu Zhou We analyse the usefulness of technical evaluate widely worker moving average buying and selling ideas from asset allocation point of view when stock return are predictable the customer the allocation fixed profession of wealth in stock.

10. Technical analysis in commodity markets: risk, returns and value, Author: Matthew C. Roberts Despite the fact that there may be little educational examination that helps the practicality of technical evaluate, its use leftovers popular in commodity markets.11. Study on use of technical analysis in forecasting price moments of selected companies of NSE & BSE, Author: Rahul Berry & Dr. Sulochna Technical study has roots courting back to the 18<sup>th</sup> century period when Munehisa Homma, very positive rice from Japan, originated footage merchant price and selling pastime. 12. Illusory movement/buying profitability of technical analysis in emerging foreign exchange markets, Author: P. Kuang, M. Schgroder, Q. Wang We conduct an board examination of profitability of technical evaluation in 10 emerging imported exchange markets. 13. A study of the EURO and U.S dollar in the foreign exchange market using technical analysis tools, Author: M.Ganga Bhavani, Anatharaman Pichai The main goal of this article is to evaluate the price actions of EURO and USD currencies to recognize the development of forex market. 14. Profitability of oscillators used in technical analysis for financial market, Author: Mohd Naved and Prabhat Srivastava This study paper aim to examine the profitability of more than a few types of oscillator utilized in technical evaluation on fair index of NSE (countrywide inventory alternates) S & P CNX nifty 50 in the course of 2004-2014.

15. Predicting movement of stock of apple Inc. using suttee indicator, Author: Ansari Saleh Ahmar The intent of this learning is to apply technical evaluation e.g. Suttee indicator in inventory market in order to assistance within the funding resolution making method to purchase or sell of stocks. 16. Technical analysis of Indian financial market with the help of technical indicators, Author: Mohd Naveed The learn entails the description of symptoms which can used for technical analysis of Indian market Nifty shares. The symptoms which had been used in the study are moving average, moving averages move rules and moving averages convergence/divergence. 17. Technical analysis uncertain predictive power: the effects on portfolio choice, Author: Tyler Tszwang Kwong Deviation from a conventional statistical test procedure, we analyze the economic relevance of the technical evaluation. Primarily, we verify how the uncertainty of the analytical force of technical evaluation influences the operator's portfolio option. 18. Is technical analysis profitable for individual currency traders, Author: boris S. Abbey and john A. DoukasThis be taught examines whether technical foreign exchange by man of woman forex merchants is rewarding. The results show analysis negatively associated technical is with performance. 19. Re-examining the profitability of technical analysis with white's reality check. Author: Po-Hsuan Hsu, Chung-Ming Kuanin In this paper, we're evaluate the productivity of technical evaluation using the truth determine of White (2000, Econometrical) that alters the information snooping bias. 20. Application of moving average as technical indicator to predict stock market direction, Author: Dr. G. Ramadoss, Dr. G. Muthuvel The stocks and securities fee movements as analysed generally through to key techniques particularly major method and practical procedure. The major method emphasis greatly on the development forecasts of financial system, stability of presidency.

## IV. OBJECTIVES OF THE STUDY

- To understand the concepts of technical analysis at selected stock.
- To analyse and evaluate the stock to make buy/ sell/ hold decision.

## V. RESEARCH METHODOLOGY

## Descriptive research:

Descriptive research is used to refer the characteristics of population. In this case the problem of the study is obviously defined. It based on the problem this study generally focused on descriptive research. So the all sources of data collected from the secondary source like articles, journals books, social media and magazines to analysis the performance of statistical tools, company share prices, financial tools and mutual funds are been used.

Sampling size:

Sector	Companies		
	TVS Motor Co., ltd		
Auto motives	Mahindra & Mahindra ltd		
	Tata Motor ltd		
	Canara Bank		
Banking	SBI		
	ICICI Bank		
	Infosys		
Information Technology	HCL		
	TCS		
	L&T ltd		
Conital acada	BEML		
Capital goods	Crompton Greaves		

Sources of Data:

## 1. Primary data:

The accumulated data which have not been previously collected such data are called primary data. The technique

adopted to accumulate the concerns in individual discussion means talk made with branch executive other personnel's in the company.

2. Secondary data:

It means the data is already collected someone it is already existed and it is compare to primary data less expensive and source is collected data in the respected company.

Hypothesis:

 $H_0$ :

There is no significance changes in stock prices of selected companies from time duration in the considering companies.

**Data period:** One year data starts from (1<sup>st</sup> January 2017 to 31<sup>st</sup> December 2017)

Statistical tools:

• Simple T-test

Financial tools:

• RSI

Limitations:

• This study consists the 1 year data of selected stocks.

# VI. DATA ANALYSIS AND INTERPRETATION

6.1 RSI of TVS motor company ltd



From the above chart 4.3 shows the monthly to monthly calculation of RSI from the period 1-1-2017 to 31-12-2017. It's indicates the company can have the huge volatility range 98 to 0 and my RSI is resulted with the 40 to 50. So the volatility influence the investors to more return on their investment.

## 6.2 RSI of Mahindra and Mahindra ltd



From the above chart 4.6 shows the monthly to monthly calculation of RSI from the period 1-1-2017 to 31-12-2017. It's indicates the Mahindra and Mahindra company have volatility range is 88 to 0 and it's resulted in 45 to 55. So volatility in more in short time it influence the investors to get more returns of their investment.

# 6.3 RSI of Tata Motor ltd



From the above chart 4.9 shows the monthly to monthly calculation of RSI from the period 1-1-2017 to 31-12-2017. It indicates the Tata Motor can have range is 100 to 0 and the RSI resulted in 40 to 50. This is volatility influences to make profit to the investor of their investment.

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From the above chart 4.12 shows the monthly to monthly calculation of RSI from the period 1-1-2017 to 31-12-2017. It indicates that the Canara bank have range 100 to 0 and the RSI resulted in 45 to 55. So this shows high volatility influence to investor to make more earnings their investment.

6.5 RSI of SBI



From the above chart 4.15 shows the monthly to monthly calculation of RSI from the period 1-1-2017 to 31-12-2017. It indicates volatility that the SBI price range is 100 to 0. So the investor influence the volatility of price to earn the maximum profits.





From the above chart 4.18 shows the monthly to monthly calculation of RSI from the period 1-1-2017 to 31-12-2017. It indicates that ICICI Bank range 99 to 0. The RSI is resulted in 40 to 50. So this volatility influence the investor to get more profit of their investment.





From the above chart 4.21 shows the monthly to monthly calculation of RSI from the period 1-1-2017 to 31-12-2017. Its indicates that Infosys can have the volatility range from +100 to 0. The RSI is resulted in 40 to 50. So this volatility influences the investors to earn more profits of their investment.

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From the above chart 4.24 shows the monthly to monthly calculation of RSI from the period 1-1-2017 to 31-12-2017. It indicates that HCL can have the range from 94 to 0 and the RSI is resulted in 50 to 60. The volatility influences the investor to earn more return on their investment.

6.9 RSI of TCS



From the above chart 4.27 shows the monthly to monthly calculation of RSI from the period of 1-1-2017 to 31-12-2017. Its indicates that TCS can have the range of 100 to 0 and the RSI resulted in 45 to 55. The volatility influences the investor can get the more profits on their investment.

6.10 RSI of L&T ltd



From the above chart 4.30 shows the monthly to monthly calculation of RSI from the period 1-1-2017 to 31-12-2017. Its indicates that the L&T can have the range of 99 to 0 and the RSI is resulted in 40to 50. The volatility influences the investor to get the more profit of their investment.

6.11 RSI of BEML LTD



From the above chart 4.3 shows monthly to monthly calculation of Relative Strength Index from the period 1-1-2017 to 31-12-2017. It clearly indicates the BEML ltd can give the volatility from 99 to 0 and it resulted in the range of 35 to 45. The more volatility in the short time influences the investors to now the benefits over their investment.



6.12 RSI of Crompton Greaves

From the above chart 4.36 shows the monthly to monthly calculation of RSI from the period 1-1-2017 to 31-12-2017. This indicates that the Crompton greaves can have the range from 97 to 0 and the RSI is resulted in 50 to 60. So this volatility influence the investor to earn the more profit to their investment.

## Statistical tool: T-test table

## 6.2.1 Descriptive Statistic:

Company name	P0		P1		
	Mean	S.D	Mean	S.D	
BEML	1491.38	288.95	1499.80	215.56	
Canara Bank	333.84	38.24	335.16	37.18	
Compton Greaves	152.38 79.91		184.00	67.91	
HCL	858.69	27.37	859.61	26.78	
ICICI Bank	279.32	25.33	280.19	24.85	
Infosys	965.01	39.32	964.72	42.13	
L&T	1125.39	94.93	1130.35	91.72	
M & M ltd	670.61	35.82	672.22	35.70	
SBI	366.28	86.53	365.38	85.32	
Tata	445.86	37.75	443.53	38.41	
TCS	2470.19	120.10	2475.35	123.70	
TVS Company ltd	560.09	121.14	566.72	120.79	

## 6.2.2 Correlation and T-test

Company name	Correlation		T- Test	
	R	Significant	T-value	Significant
BEML	0.923	.000	-0.696	0.490
Canara Bank	0.867	.000	-0.494	0.624
Compton Greaves	0.534	.000	-3.193	0.002

HCL	0.721	.000	-0.330	0.742
ICICI Bank	0.929	.000	-0.669	0.506
Infosys	0.835	.000	0.092	0.927
L&T	0.958	.000	-1.323	0.192
M & M ltd	0.889	.000	-0.698	0.488
SBI	0.983	.000	0.572	0.568
Tata	0.880	.000	0.910	0.367
+TCS	0.879	.000	-0.626	0.534
TVS Company ltd	0.988	.000	-2.627	0.011

Even though there is a significant relationship between the changes in price level of selected companies. T-test resulted 0.002 P-value with respect to Crompton Greaves therefore H0 rejected in the particular company. Further the study found that there is no variation in price level of certain stocks in the considering study period. Overall the study found that there is no change in value level of selected stock due to H0 rejected in all the cases except Crompton Greaves.

### VII. FINDING

- RSI are high volatility in every company.
- RSI are resulted in 35 to 45, 40 to 50, 45 to 55, 50 to 60.
- In every RSI chart it is close to zero which indicates buying signal in right time.

## VIII. SUGGESTIONS

- The investors may go for the buying decision because the prices are goes high in TVS Motor Company ltd, Infosys, TCS, Crompton Greaves.
- The investor may go for the selling decision because the prices going down in Tata Motor, HCL, TVS, BEML, Canara.
- The investor may go for the holding decision M & M, SBI, ICICI, L & T ltd.

## IX. CONCLUSION

The entire market players have possibility to make the investment over the security. So, once they understand the market expertise it is going to support full to them to make the sufficient investment which will results in have longer returns to their investment. Consequently as investor and as a company it the exposure to recognizing the securities by using for the reason that the technical analysis.

The investor have the huge opportunities to invest the investment in the banking and automobile and it will get the more earnings from this industry. In automobiles industries like TVS Motor Co., ltd, M & M, and in Banking industry ICICI. So this all will be increase their annual profitability of the company. The investor who investing before they get to know the whether they are secured investor, aggressive investor, moderate investor. Because if they don't take the proper decision they will defiantly loss their investment its unnecessary investment.

In this study had been considered the one year data and also weekly base price data of the 12 selected company of 4 different sectors. In research design using descriptive research, sampling size, statistical tools and to do the calculation using RSI.

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