

REPORT
ON
“EQUITY RESEARCH USING TECHNICAL ANALYSIS
WITH FOCUS ON AUTOMOBILE SECTOR”

FOR THE PARTIAL FULFILLMENT OF THE REQUIREMENT
FOR THE AWARD OF
MASTER OF BUSINESS ADMINISTRATION

UNDER THE GUIDANCE OF
Prof. (JYOTI KUMARI JYOTSHNA)

Submitted By
UTKARSH
GUPTA

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School of Business
Galgotias University

CERTIFICATE

This is to certify that the Master's Thesis "**Equity Research Using Technical Analysis With Focus On Automobile Sector**" has been prepared by MR Utkarsh Gup under my supervision and guidance. The project report is submitted towards the partial fulfillment of 2-year, Full time Master of Business Administration.

Name & Signature of Faculty
Prof. Jyoti Kumari Jyotshna

Date

DECLARATION

I, **UTKARSH GUPTA** Roll No. **20GSOB2010009**, student of School of Business, Galgotias University, Greater Noida, hereby declare that the Master's Thesis on "Equity Research using technical analysis with focus on automobile sector" is an original and authenticated work done by me.

I further declare that it has not been submitted elsewhere by any other person in any of the institutes for the award of any degree or diploma.

Name and Signature of the Student

Utkarsh Gupta.

Date

ACKNOWLEDGEMENT

Before we get into think of think. I would like to add a few words for appreciation of people who have been a part of this project right from its inspection. This writing this project has been one of the significant academic challenges I have faced and without the support, patience, and guidance of the people involved, this task would been completed. It is to them owe my deepest gratitude.

It gives Immense pleasure are presenting the project report on “**Equity Research Using Technical Analysis With Focus On Automobile Sector**”.”

It has been privileged to have a team of project guide who have assisted me from ‘the commencement of this project. The success of this project is a result of sheer hard work, and determination put in by me with the help of my project guide.

I hereby take this opportunity to take a special note of thanks for **Prof. (JYOTI KUMARI JYOTSHNA)** who undertook to act as my mentor deposit her many other academic and professional commitments Her wisdom knowledge or commitment to the highest standard inspired and motivated without her insight, support, and energy, this project wouldn’t have kick-standard, and neither would have reached fruitfulness.

I also feel heartiest sense of obligation to my library staff member & senior. Who helped me in collection of data & resource material & also in its processing as well as drafting manuscript. The project is dedicated to all those people, who helped me while doing this project.

EXECUTIVE SUMMARY

Stock market is always a mysterious place for Indian investors. Most of the Indian investors are traditional and conservative when it comes to investment options. Stock market is never an option for most. Reason for this is we Indians do not have in hand experience in stock market. Stock market is considered to be the riskiest and dangerous place to invest, a common misconception.

This project deals with technical analysis of selected companies of automobile sector. Technical analysis of stock can be the best way to analyse the stocks on the basis of various strategies and candlestick pattern to attain great profit from any investments in stock exchange. This project tries to give a brief information about stock market and a in depth view of technical analysis tools like Moving Average Convergence Divergence and Relative Strength Index. Both the tools are well used alone among investors. This project tries to analyse the results using various candlestick patterns and RSI.

This project gives a researcher's version of conclusion to all the analysis that have been done during the research period. Analysis shows how an investor can trade with stocks and how to predict market direction. This can help potential investors to take informed and rational investment decision.

Stock market is the most potent way of earning high profit than any other investments, risk involved with trading in stock market is also very high if traded blindly. Deal it with great research and analysis, stock market could bring fortune to an investor.

TABLE OF CONTENT

CHAPTERS	PARTICULARS	PAGE NO
I	Introduction i. Technical Analysis ii. Literature Review iii. Research Objective	8-19
II	Research Design and Methodology a) Data Analysis and Interpretation	20-37
III	Limitations	38
IV	Conclusion and Recommendation	39
V	References	40
VI	Appendices	41-49

ABSTRACT

Every investor always wishes to have a decent return on his/her investments because they invest the part of their income. Among the various schemes of investment, equity is considered the most rewarding even though it involves higher risk. In order to mitigate the risk and increase the return, investor need to get involved in analyzing the stocks on the basis of either technical or fundamental analysis. Technical analysis is based on the analysis of charts and patters based on the historical data of the company. It also involves analyzing the momentum of price trend and volume while doing technical analysis.

In this research, a study has been undertaken to analyze the equity shares of companies on the basis of technical analysis. By using the techniques appropriately, potential investors can take informed and rational investment decision. This study is conducted on the sample companies of automobile sector. Candlestick pattern and strategies are being explained in the research to help the potential investors.

Keywords: - Risk, return ,candlestick pattern

INTRODUCTION

Most of the investors commonly make poor investment decisions by mental health and biasness. They invest in the market but are not aware about when to take entry and exit from the market. All the investors invest to increase their wealth. Investing in stock market increases the wealth but it also involves high risk. In order to mitigate the risk, investors need to do equity analysis. There are two categories to take investment decision. It involves, technical analysis and fundamental analysis. The main focus of research is on technical analysis. Technical analysis uses various candlestick patterns and strategies to purchase the shares of the company.

In this background, research has been administered to review the equity shares of sample companies in industry in Indian stock exchange. The contribution of the automobile sector to the overall GDP of India stands at 7.1 per cent and 49 per cent of the manufacturing GDP and it has strong export growth presumption in the near future. The main company that are present in Indian Stock Market include Mahindra and Mahindra Limited, Tata Motor Limited, TVS motor Limited, Maruti Suzuki Limited, Eicher Motors Limited, Bajaj Auto Limited and Hero MotoCorp Limited, etc.

TECHNICAL ANALYSIS

Technical Analysis is a study of price and volume. Or Technical analysis is a trading discipline employed to evaluate investments and identify trading opportunities by analyzing statistical trends gathered from trading activity, such as price movement and volume.

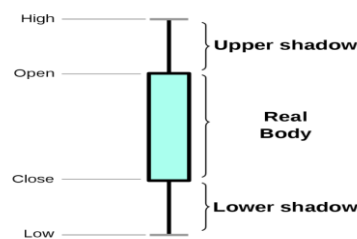
In technical analysis price and volume are the leading factor which describes the trend of the market.

Technical Analysis includes:-

1. Candlestick Pattern
2. Strategies to buy and sell stocks
3. Line Chart
4. Bar Chart
5. Volume Bar Chart

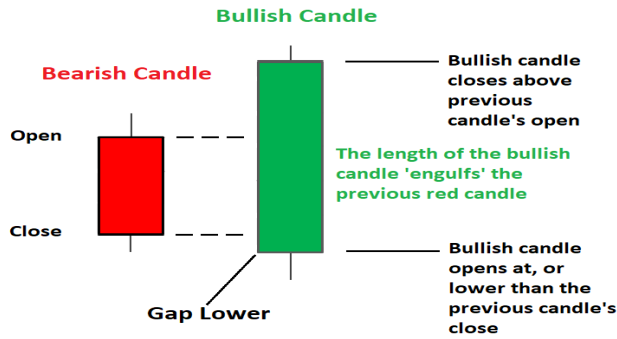
CANDLESTICK PATTERN

A candlestick is a type of price chart used in technical analysis that displays the high, low, open, and closing prices of a security for a specific period



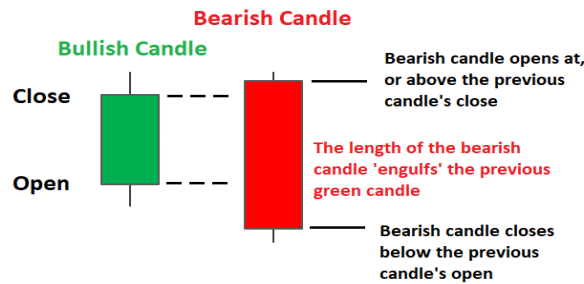
BULLISH CANDLESTICK

A bullish candlestick forms when traders (also called bulls) try to push prices up. As a result, the close of the candle is higher than its opening price. They are typically either green or white on the price chart.



BEARISH CANDLESTICK

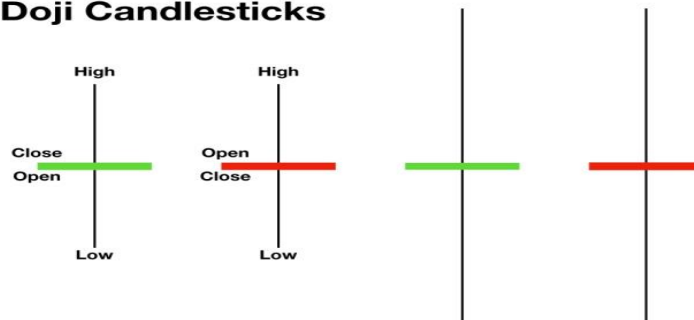
A bearish candlestick from when traders try to down the price. As a result the opening of the candle is higher than its closing price. They are typically red on price chart.



DOJI CANDLESTICK

A Dragonfly Doji is a type of candlestick pattern that can signal a potential reversal in price to the downside or upside, depending on past price action. It's formed when the asset's high, open, and close prices are the same. The long lower shadow suggests that there was aggressive selling during the period of the candle, but since the price closed near the open it shows that buyers were able to absorb the selling and push the price back up.

Doji Candlesticks



HAMMER CANDLESTICK PATTERN

The hammer candlestick is found at the bottom of a downtrend and signals a potential (bullish) reversal in the market. The most common hammer candle is the bullish hammer which has a small candle body and an extended lower wick – showing rejection of lower prices.

After hammer candlestick there is 65% chances to market go on upward direction.

Prerequisite of this candle is:-

- Market should be in a downtrend.
- Shadow must be 2x of body.
- Volume must be rising
- Target price : 2% of closing price
- Stop loss: Low of hammer candlestick



Bullish Hammer

SHOOTING STAR

The Shooting Star candlestick formation is viewed as a bearish reversal candlestick pattern that typically occurs at the top of up trends.

After these candle formation there is 65% chances of market goes down.

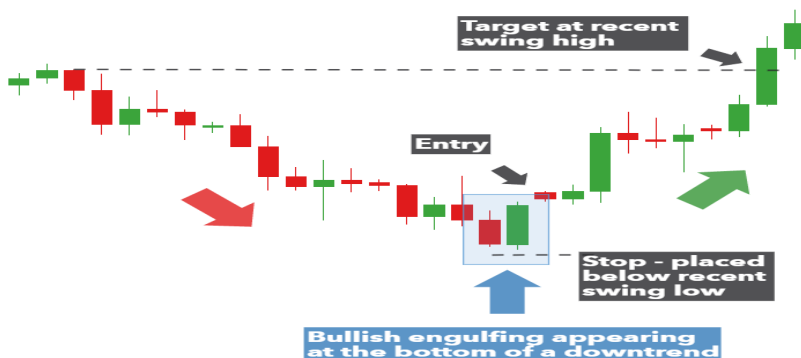


Prerequisite of this candle is :-

- Market should be in a uptrend.
- High of the candle is 2x of body
- Volume must be rising
- Stop loss: High of shooting star candlestick pattern

BULLISH ENGULFING

- The bullish engulfing candle appears at the bottom of a downtrend and indicates a surge in buying pressure.
- The bullish engulfing pattern often triggers a reversal in trend as more buyers enter the market to drive prices up further. The pattern involves two candles with the second candle completely engulfing the body of the previous red candle.
- Accuracy of these candle is 80 %



Prerequisite of this candle is :-

- Market must be in a downtrend.
- Green candle body must observe the red candle body.
- Target: 3-5% after the formation of pattern.
- Stop loss: Low of last candle/green candle.

BEARISH ENGULFING

- A bearish engulfing pattern is a technical chart pattern that signals lower prices to come. The pattern consists of an up (white or green) candlestick followed by a large down (black or red) candlestick that eclipses or "engulfs" the smaller up candle.
- The pattern can be important because it shows sellers have overtaken the buyers and are pushing the price more aggressively down (down candle) than the buyers were able to push it up (up candle).

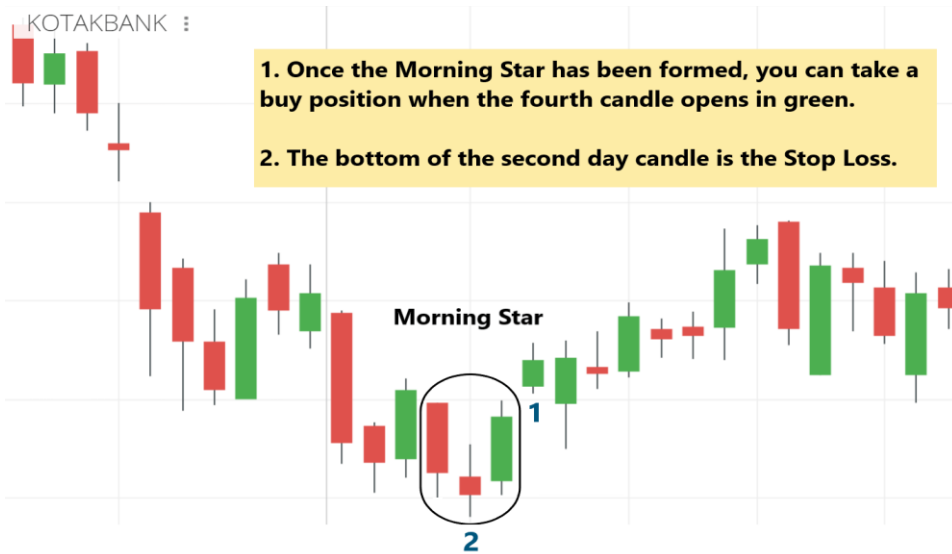


Prerequisite of this candle is :-

- Market must be in a uptrend.
- Red candle body must observe the green candle body.
- Target: 3-5% after the formation of pattern.
- Stop loss: Low of last candle/red candle.

MORNING STAR CANDLESTICK PATTERN

A morning star is a visual pattern consisting of three candlesticks that are interpreted as bullish signs by technical analysts. A morning star forms following a downward trend and it indicates the start of an upward climb. It is a sign of a reversal in the previous price trend. Traders watch for the formation of a morning star and then seek confirmation that a reversal is indeed occurring using additional indicators.



Prerequisite of this candle is :-

- Market must be in a downtrend.
- Candle 1 should be a bearish candle.
- 2nd candle should be either bearish or bullish.
- 3rd candle should be bullish candle
- Body of Candle 1st and 3rd can overlap but body of 1st and 2nd candle and 2nd and 3rd candle can't overlap.
- 2nd candle should be formed after a gap down and 3rd candle should be formed after a gap up.
- Target: Either 5% of 3rd candle or after the 3rd candle covers the 50% of 1st candle.
- Stop loss: Low of 2nd candle.
- Buying signal is when 50% of 1st candle is covered by 3rd candle.

EVENING STAR CANDLESTICK PATTERN

An evening star is a stock-price chart pattern used by technical analysts to detect when a trend is about to reverse. It is a bearish candlestick pattern consisting of three candles: a large white candlestick, a small-bodied candle, and a red candle.

Evening star is opposite of Morning star and its accuracy is almost 95%



Prerequisite of this candle is :-

- Market must be in a uptrend.
- Candle 1 should be a bullish candle.
- 2nd candle should be either bearish or bullish.
- 3rd candle should be bearish candle
- Body of Candle 1st and 3rd can overlap but body of 1st and 2nd candle and 2nd and 3rd candle can't overlap.
- 2nd candle should be formed after a gap up and 3rd candle should be formed after a gap down.
- Target: Either 5% of 3rd candle or after the 3rd candle covers the 50% of 1st candle.
- Stop loss: High of 2nd candle.
- Buying signal is when 50% of 1st candle is covered by 3rd candle.

STRATEGIES TO BUY AND SELL STOCKS

DOUBLE TOP STRATEGY



This strategy is used for selling the stocks. Double tops are made with a good support. When the support level is broken, its known as breakdown. When breakdown occurs, we can sell the stocks.

HIGHER HIGH, HIGHER LOW STRATEGY

HIGHER HIGHS HIGHER LOWS STRATEGY



This strategy is used for buying the stocks. When two higher highs and higher lows are formed with high volume then we can purchase the stocks.

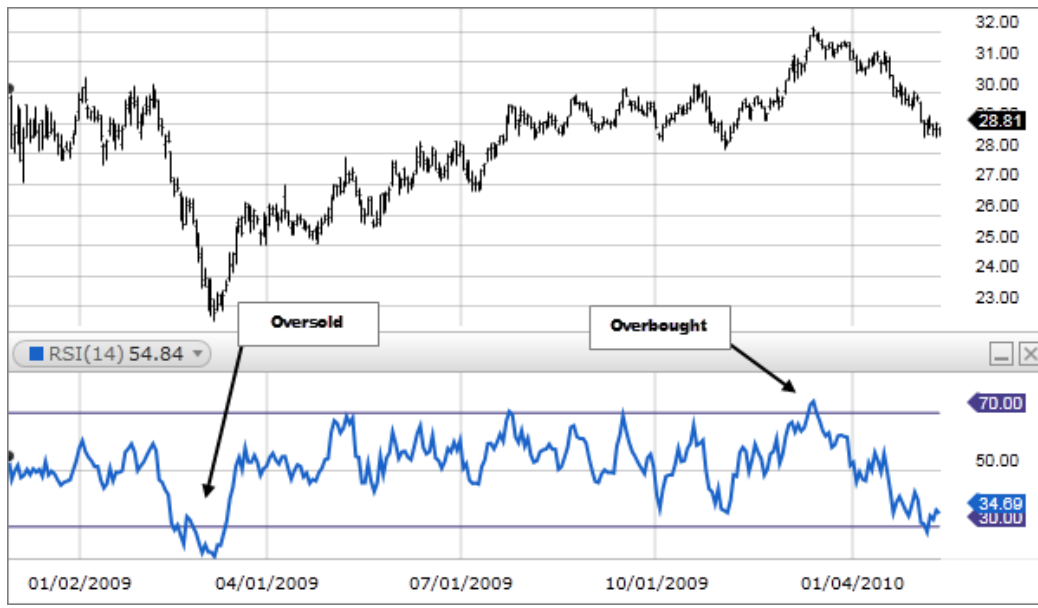
WEEKLY BREAKOUT STRATEGY



This type of strategy is found very easily in so many stocks. When the resistance level is broken with high volume then we can buy the shares. Also, we can get the confirmation of buying the stocks when blue line cuts the signal line i.e., yellow line from bottom, this indication is from Moving Average Convergence Divergence (MACD).

RELATIVE STRENGTH INDEX

The Relative Strength Index (RSI), developed by J. Welles Wilder, is a momentum oscillator that measures the speed and change of price movements. The RSI oscillates between zero and 100. Traditionally the RSI is considered overbought when above 70 and oversold when below 30. Signals can be generated by looking for divergences and failure swings. RSI can also be used to identify the general trend.



LINE CHART

A line chart is a graphical representation of an asset's historical price action that connects a series of data points with a continuous line. This is the most basic type of chart used in finance, and it typically only depicts a security's closing prices over time. Line charts can be used for any timeframe, but they most often make use of day-to-day price changes.

A line chart gives traders a clear visualization of where the price of a security has travelled over a given time period. Because line charts usually only show closing prices, they reduce noise from less critical times in the trading day, such as the open, high, and low prices. Line charts are popular with investors and traders because closing prices are a very commonly viewed piece of data related to a security.

BAR CHART

Bar charts consist of multiple price bars, with each bar illustrating how the price of an asset or security moved over a specified time period. Each bar typically shows open, high, low, and closing (OHLC) prices, although this may be adjusted to show only the high, low, and close (HLC).

A bar chart is a collection of price bars, with each bar showing price movements for a given period. Each bar has a vertical line that shows the highest and lowest price reached during the period. The opening price is marked by a small horizontal line on the left of the vertical line, and the closing price is marked by a small horizontal line on the right of the vertical line.

If the closing price is above the open price, the bar may be colored black or green. Conversely, if the close is below the open, the price dropped during that period, so it could be colored red. Color coding the bars helps

traders see trends and price movements more clearly. Color coding is available as an option in most charting platforms.

Technical analysts use bar charts—or other chart types such as candlestick or line charts—to monitor price action, which aids in trading decisions. Bar charts allow traders to analyze trends, spot potential trend reversals, and monitor volatility and price movements.

VOLUME BAR CHART

A price by volume (PBV) chart is a horizontal histogram plotted on a security's chart, showing the volume of shares traded at a specific price level. Often times, price by volume histograms are found on the Y-axis and are used by technical traders to predict areas of support and resistance.

Price by volume charts are used to illustrate high buying and selling interest at specific price levels, which can be indicative of support and resistance in a given security. It's common to see the price of a security face little resistance when traveling between levels that have small PBV bars, but the price may experience difficulty moving above or below areas with large PBV bars. Some price by volume charts also delineate the difference between buying and selling volume by shading sections green or red. These insights can be especially useful for characterizing price points as either heavy resistance or heavy support levels rather than generic levels.

REVIEW OF LITERATURE

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- Dr. Ayyappan& Mr. Sakthivadivel, 2012: The study is on the private investment sector are increasing their service area and product into different part of country and there are actual competition to public sector bank. The study analysed that development and movement of certain financial parameter of public and private bank sector.
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- Archana Mishra2012: It would be depend on both fundamental and technical analysis which indicates the trading and other one indicate the technique adapted to analysis of their trading stocks. It has used diverse method of techniques to measure the value in this research paper.
- MohdNaved 2012: The study has been used to analyse the technical analysis to evaluate the market nifty stock of India, they are used to examine the average moving of stocks in nifty market to know profit from their trading. The measures which have been used in this study are Moving Averages, Moving Averages cross rules and Moving Averages Convergence/Divergence. Later this study also includes the usage and application of Moving Average on Nifty stocks.
- Hemalatha, 2013: the study is conducted about the equity holding in canara bank. To know the price movement in market they were used future analysis trend which may collect data from secondary information. The research analysis the price movement of company and compare between the market price in future.
- Jayakumar&Sumathi, 2013: In this research the banking company are spread across the country to make their affects the share market. It will analysis the share price through trend analysis for price movement and also gives information about the trend. 19.

- RajatSingla 2014: In this study the researcher was use two different tools are relative strength index and exponential moving average and then there was take decision regarding market stocks. Conclusion of the study claims that the markets can be predicted if proper and timely decisions are taken by using EMA and RSI. Key Words: - RSI, EMA, Brock t statistics, Alpha ratio, Sharpe ratio.
- Sahana Jaen, Afghan Jabeen 2017: The main objective of this paper is to identify the performance of pharmaceutical's stock which is listed in National Stock Exchange (NSE) and risk involvement has been predicted on account of applied technical indicators. It would be researcher who make analysis of day to day earn if their potential investor which the price factors are fluctuate day to day in the market. This attempt to know each stock in NSE and their average moving price per day.

RESEARCH OBJECTIVE

Indian Automobile Sector is the fastest growing sector post pandemic. This industry is (including component manufacturing) is **expected to reach Rs. 16.16-18.18 trillion (US\$ 251.4-282.8 billion) by 2026**. The Indian auto industry is expected to record strong growth in 2022-23, post recovering from effects of COVID-19 pandemic. As per the data, if growth is expected then risk will also be involved. In order to mitigate the risk, various candlestick pattern and buy sell strategies should be made for taking a rational decision for investment. The research in technical analysis in Indian Stock Market with the special focus on automobile sector will provide sufficient information to the potential investors in taking rational and informed investment decision.

PROBLEM STATEMENT

Risk is involved in every investment decision which may be very high or low. But each equity share carries a different risk. Therefore, before taking any rational investment decision, it's good for the investors to analyze the candlestick patterns in the charts. Also, it should be clear in the mind of investors that for how much tenure they are ready to hold their money in the particular stock.

CHAPTER 2

RESEARCH DESIGN AND METHODOLOGY

- There are various methods which I've use while making the company's technical analysis for the Futures. Those Methods are Listed Below:
 - Hammer Candlestick
 - Shooting Star Candlestick
 - Bullish Engulfing and Bearish Engulfing
 - Morning Star and Evening Star Candlestick Pattern
 - Double top Strategy
 - Moving Average Convergence Divergence (MACD)
 - Weekly Breakout Strategy
 - Relative Strength Index
-
- These are the 7 Major Methods which are used for analysis in the report.
 - For analysis, Experimental Design is the Research Design I've used in this report.
 - The primary sources of collection of the data would be from National Stock Exchange (NSE)
 - Charts are collected from the trading view.
 - Study the emergence of stock market method of trading in the world and in India.
 - Studying the impact of stock market trading on the Indian Financial.

DATA INTERPRETATION

HAMMER CANDLESTICK PATTERN



TVS MOTOR CO - 1D - NSE - TradingView 📉 O741.00 H742.00 L719.50 C723.85 -15.85 (-2.14%)

615.45 0.65 616.10

Vol 1.834M



MAHINDRA & MAHINDRA - 1D - NSE - TradingView 📉 O926.40 H930.25 L893.70 C900.85 -22.85 (-2.47%)

895.30 1.70 897.00

Vol 3.731M





INTERPRETSTION

1. We take the buying decision using this candlestick pattern when price is in downtrend and post that hammer is formed which is double of candle body.
2. After hammer candlestick is formed, post that one bullish candlestick is formed in the gap up.
3. Gap up candle formation with high volume from the previous day gives us the confirmation of uptrend
4. We can hold the share in short term basis.

SHOOTING STAR CANDLESTICK PATTERN







INTERPRETATION

1. We take the decision to short sell using this candlestick pattern.
2. This candlestick pattern is formed when the market is in uptrend and post the shooting star is formed, downtrend starts.
3. Upper wick of the candle is 2x of the body of candle.
4. Using this candlestick, investor firstly sells then buys the shares.

BULLISH ENGULFING



FORCE MOTORS LTD - 1D - NSE - TradingView ● O1236.20 H1242.05 L1210.00 C1212.80 -23.35 (-1.89%)
 1098.60 2.50 1101.10
 Vol 17.551K



MARUTI SUZUKI IND - 1D - NSE - TradingView ● O9315.00 H9413.95 L9260.00 C9317.50 -29.55 (-0.32%)
 7438.90 1.00 7439.90
 Vol 508.241K





INTERPRETATION

1. We take the buying decision using this candlestick pattern.
2. This candlestick is formed when the market is in downtrend and post the candlestick is formed, the uptrend starts.
3. Investors take entry in the market once the bullish candle completely engulfs the body of bearish candle and the bullish candle is closed.
4. Using the MACD indicator we take the buying confirmation
5. In the MACD indicator, when blue line cuts yellow line from behind its giving a buying confirmation and when blue line cuts yellow line from above it's a sell signal
6. Stop loss is the low of candle which is just above the sell signal.

BEARISH ENGULFING





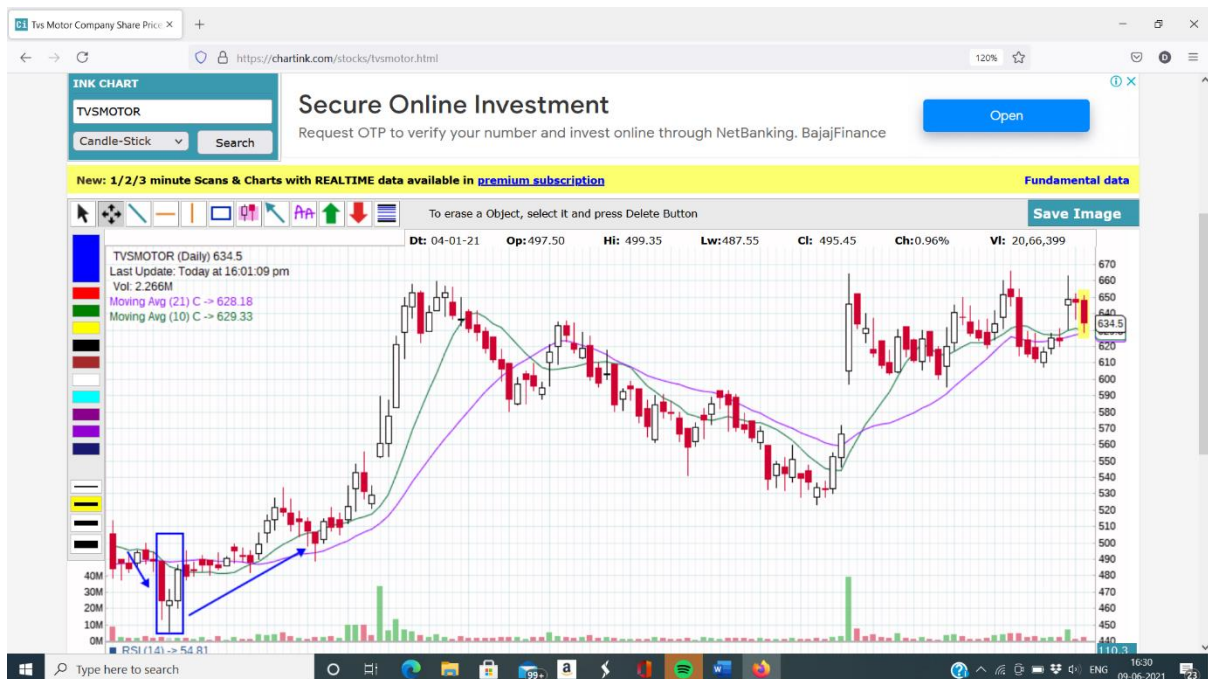


INTERPRETATION

1. This candlestick pattern is used to sell the shares.
2. This candlestick is formed when the market is in uptrend and post the candlestick is formed, downtrend starts.
3. Downtrend starts when bearish candle completely engulfs the body of bullish candle.
4. Stop loss is high of bearish candle.

MORNING STAR CANDLESTICK PATTERN





INTERPRETATION

1. Morning Star candlestick is used to buy the stocks.
2. This candlestick is formed when market is in downtrend and post its formation uptrend starts.
3. There is 95% chances of uptrend when this candlestick is formed.

EVENING STAR CANDLESTICK PATTERN



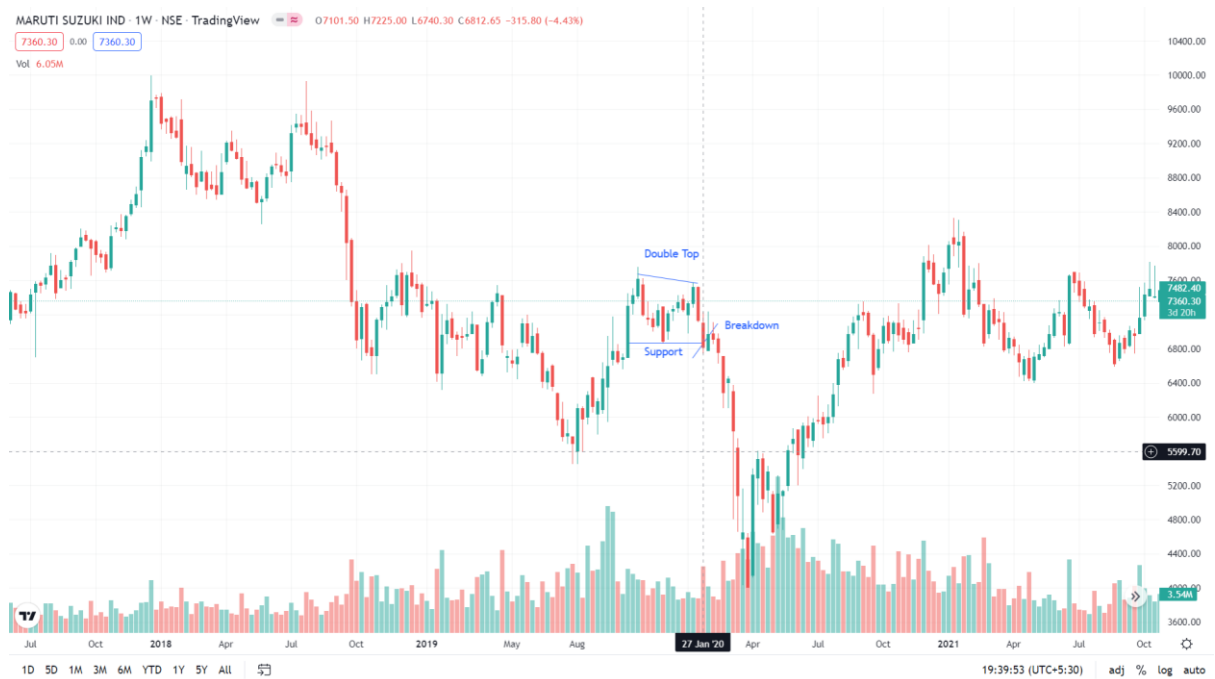
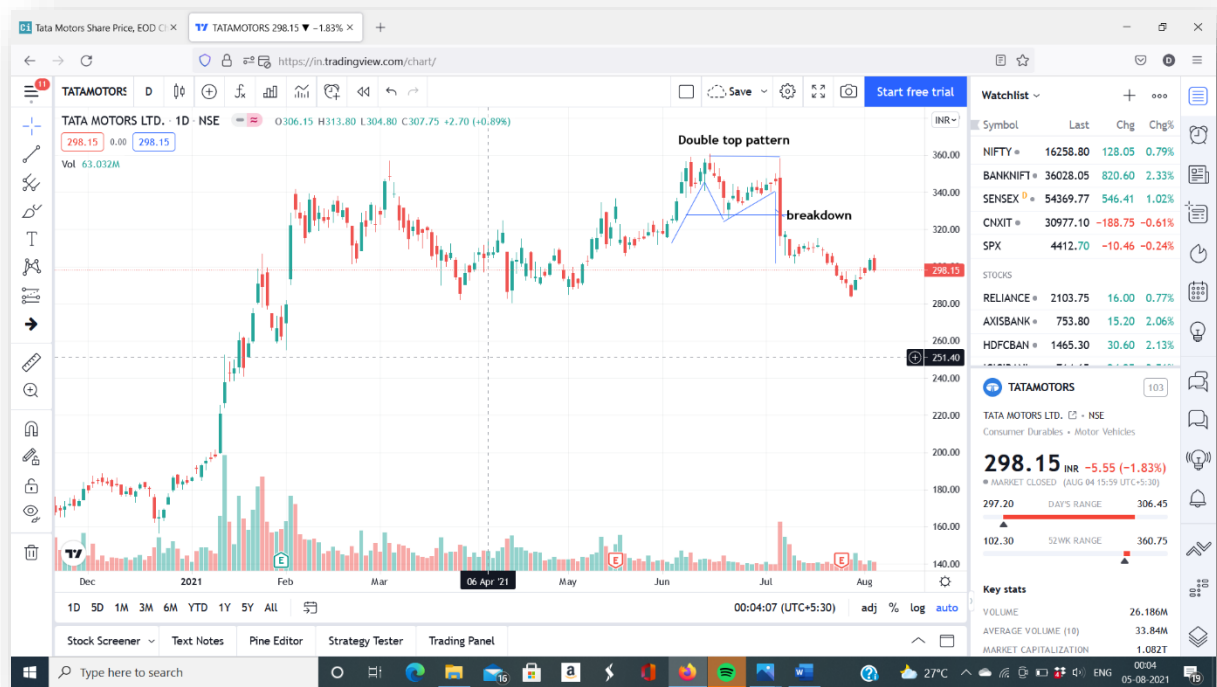


INTERPRETATION

1. Evening Star is used to sell the stocks.
2. Price is in uptrend before the formation of candle and after the candle is formed , downtrend starts.

DOUBLE TOP STRATEGY





INTERPRETATION

1. Double top Strategy is used to sell the stocks.
2. When the support level is broken, its known as breakdown and we sell the stocks.

HIGHER HIGH, HIGH LOW STRATEGY





INTERPRETATION

1. We use this pattern to buy the stocks.
2. When higher highs are made with higher lows, we should purchase the stocks.

WEEKLY BREAKOUT STRATEGY





INTERPRETATION

1. When the resistance and support level is broken with high volume, breakout takes place.
2. MACD indicator is also used as a confirmation to buy the stock. When blue line cuts yellow line from below then MACD indicator gives a buying signal and when the blue line cuts yellow line from above, then it's a sell signal.

RELATIVE STRENGTH INDEX





Interpretation

1. We use the RSI index for selling and buying the stocks.
2. When the RSI is above 70, it's an over brought zone, so the investor should sell the stocks.
3. On the other hand, when RSI is below 30, it's a over sell zone, so the investor should start buying the stocks.

CHAPTER 3

LIMITATIONS

Limitations include:-

1. The analysis is completely based on secondary data. Charts are being collected from tradingview.com, so the analysis of the study depends on the accuracy of data.
2. Different experts have different opinion to analyze the equity shares, therefore the view used in this study can't be taken as the perfect and absolute study.
3. Technical Analysis not always increases or doubles the wealth of potential investors because the increase in profits highly depend on the strategies used by them.
4. It is not a hard and fast rule that history always repeat itself. It only depend on the analysis done by the investors.
5. Technical analysis is limited to study market trends and lacks the ability to deep dive into an industry.
6. Technical analysis works on certain assumptions. So, appearance of a candle cannot judge the price trend.
7. In case of situation like, market crash complete investment plan could be affected badly.
8. More and more candlestick analysis may lead to paralysis. So, investors should focus on limited strategies in order to increase the profit.

CHAPTER 4

CONCLUSION

1. Traders and investors use candlestick charts to determine or predict a possible price movement based on prior patterns.
2. This type of pattern is beneficial in trading since it displays four price points (open, close, high, and low) across the time period specified by the trader.
3. Candlesticks are formed by price changes that go up and down. While price fluctuations can look random at times, they can also establish patterns that traders can utilise for study or trading.
4. It will take time and patience to master the technique of reading candle patterns, but once you do, it will be quite beneficial. There are hundreds of different candlestick patterns, but you can't possibly find them all on one chart.

RECOMMENDATION

1. A Proper in-depth study should be done for investing in a particular stock or share of a company rather than blindly investing in order to increase the wealth.
2. In order to increase the wealth in short term, potential investors should avoid watching social media platforms, rather they should opt for technical analysis courses given by various organisations. One of the organisation is FinSkool and CA Rachna Ranade.
3. Unnecessary rumour should be avoided before investing
4. Beginners should start their investment with small amount and increase the same as and when they gain confidence.
5. Research time should be increases so that in-depth analysis can be done.

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Every investor always wishes to have a decent return on his/her investments because they invest the part of their income. Among the various schemes of investment, equity is considered the most rewarding even though it involves higher risk. In order to mitigate the risk and increase the return, investor need to get involved in analyzing the stocks on the basis of either technical or fundamental analysis. Technical analysis is based on the analysis of charts and patterns based on the historical data of the company. It also involves analyzing the momentum of price trend and volume while doing technical analysis. In this research, a study has been undertaken to analyze the equity shares of companies on the basis of technical analysis. By using the techniques appropriately, potential investors can take informed and rational investment decision. This study is conducted on the sample companies of automobile sector. Candlestick pattern and strategies are being explained in the research to help the potential investors.

Keywords:- Risk ,return ,candlestick pattern

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Before we get into think of think. I would like to add a few words for appreciation of people who have been a part of this project right from its inspection. This writing this project has been one of the significant academic challenges I have faced and without the support, patience, and guidance of the people involved, this task would be completed. It is to them owe my deepest gratitude.

It gives Immense pleasure are presenting the project report on “**Equity Research Using Technical Analysis With Focus On Automobile Sector**”

It has been privilege to have a team of project guide who have assisted me from ‘the commencement of this project. The success of this project may be a results of sheer diligence , and determination put in by me with the assistance of my project guide.

I hereby take this opportunity to take a special note of thanks for Prof. (Jyoti Kumari Jyosthna)

who undertook to act as my mentor deposit her many other academic and professional commitments. Her wisdom knowledge or commitment to the highest standard inspired and motivated without her insight, support, and energy, this project wouldn’t have kick-standard and neither would have reached fruitfulness.

I also feel heartiest sense of obligation to my library staff member & senior. Who helped me in collection of data & resource material & also in its processing as well as drafting manuscript. The project is devoted to all or any those people, who helped me while doing this project.

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Stock market is always a mysterious place for Indian investors. Most of the Indian investors are traditional and conservative when it comes to investment options. Stock market is never an option for most. Reason for this is we Indians do not have in hand experience in stock market. Stock market is considered to be the riskiest and dangerous place to invest, a common misconception.

This project deals with technical analysis of selected companies of automobile sector. Technical analysis of stock can be the best way to analyse the stocks on the basis of various strategies and candlestick pattern to attain great profit from any investments in stock exchange. This project tries to give a brief information about stock market and a in depth view of technical analysis tools like Moving Average Convergence Divergence and Relative Strength Index. Both the tools are well used alone among investors. This project tries to analyse the results using various candlestick patterns and RSI.

This project gives a researcher's version of conclusion to all the analysis that have been done during the research period. Analysis shows how an investor can trade with stocks and how to predict market direction. This can help potential investors to take informed and rational investment decision.

Stock market is the most potent way of earning high profit than any other investments, risk involved with trading in stock market is also very high if traded blindly. Deal it with great research and analysis, stock market could bring fortune to an investor.

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INTRODUCTION

Most of the investors commonly make poor investment decisions by mental health and biasness.

They invest in the market but are not aware about when to take entry and exit from the market. All the investors invest to increase their wealth. Investing in stock market increases the wealth but it also involves high risk. In order to mitigate the risk, investors need to do equity analysis. There are two categories to take investment decision. It involves, technical analysis and fundamental analysis. The main focus of research is on technical analysis. Technical analysis uses various candlestick patterns and strategies to purchase the shares of the company.

In this background, research has been administered to review the equity shares of sample companies in industry in Indian stock exchange. The contribution of the automobile sector to the overall GDP of India stands at 7.1 per cent and 49 per cent of the manufacturing GDP and it has strong export growth presumption in the near future. The main companies that are present in Indian Stock Market include Mahindra and Mahindra Limited, Tata Motor Limited, TVS motor Limited, Maruti Suzuki Limited, Eicher Motors Limited, Bajaj Auto Limited and Hero MotoCorp Limited, etc.

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DATA INTERPRETATION

HAMMER
CANDLEST
ICK
PATTERN
INTERPRET
STION

1. We take the buying decision using this candlestick pattern when price is in downtrend and post that hammer is formed which is double of candle body.
2. After hammer candlestick is formed, post that one bullish candlestick is formed in the gap up.
3. Gap up candle formation with high volume from the previous day gives us the confirmation of uptrend
4. We can hold the share in short term basis.

SHOOTING
STAR
CANDLESTICK
PATTERN
INTERPRETATION

1. We take the decision to short sell using this candlestick pattern.
2. This candlestick pattern is formed when the market is in uptrend and post the shooting star is formed, downtrend starts.
3. Upper wick of the candle is 2x of the body of candle.
4. Using this candlestick, investor firstly sells then buys the shares.

BULLI
SH
ENGU
LFING
INTER
PRET
ATION

1. We take the buying decision using this candlestick pattern.
2. This candlestick is formed when the market is in downtrend and post the candlestick is formed, the uptrend starts.
3. Investors take entry in the market once the bullish candle completely engulfs the body of bearish candle and the bullish candle is closed.
4. Using the MACD indicator we take the buying confirmation
5. In the MACD indicator, when blue line cuts yellow line from behind its giving a buying confirmation and when blue line cuts yellow line from above it's a sell signal
6. Stop loss is the low of candle which is

just above the sell signal.BEARISH
ENGULFING

INTERPRETATION

1. This candlestick pattern is used to sell the shares.
2. This candlestick is formed when the market is in uptrend and post the candlestick is formed, downtrend starts.
3. Downtrend starts when bearish candle completely engulfs the body of bullish candle.
4. Stop loss is high of bearish candle.

MORNING STAR CANDLEST ICK PATTERN INTERPRE TATION

1. Morning Star candlestick is used to buy the stocks.
2. This candlestick is formed when market is in downtrend and post its formation uptrend starts.
3. There is 95% chances of uptrend when this candlestick is formed.EVENING STAR
CANDLESTICK PATTERN

INTERPRETATION

1. Evening Star is used to sell the stocks.
2. Price is in uptrend before the formation of candle and after the candle is formed , downtrend starts.DOUBLE TOP STRATEGY

INTERPRETATION

1. Double top Strategy is used to sell the stocks.
2. When the support level is broken, its known as breakdown and we sell the stocks.HIGHER HIGH,HIGH LOW
STRATEGY

INTERPRETATION

1. We use this pattern to buy the stocks.
2. When higher highs are made with higher lows, we should purchase the stocks.WEEKLY BREAKOUT STRATEGY

INTERPRETATION

1. When the resistance and support level is broken with high volume, breakout takes place.
2. MACD indicator is also used as a confirmation to buy the stock. When blue line cuts yellow line from below thenMACD indicator gives a buying signal and when the blue line cuts yellow line from above, then it's a sell signal.

RELATIVE STRENGTH INDEX

Interpretation

1. We use the RSI index for selling and buying the stocks.
2. When the RSI is above 70, it's an over bought zone, so the investor should sell the stocks.
3. On the other hand, when RSI is below 30, it's a over sell zone, so the investor should start buying the stocks.LIMITATIONS

Limitations include:-

1. The analysis is completely based on secondary data. Charts are being collected from tradingview.com, so theanalysis of the study depends on the accuracy of data.
2. Different experts have different opinion to analyze the equity shares, therefore the view used in this study can't betaken as the prefect and absolute study.
3. Technical Analysis not always increases or doubles the wealth of potential investors because the increase in profitshighly depend on the strategies used by them.
4. It is not a hard and fast rule that history always repeat itself. It only depend on the analysis done by the investors.
5. Technical analysis is limited to study market trends and lacks the ability to deep dive into an industry.
6. Technical analysis works on certain assumptions. So, appearance of a candle cannot judge the price trend.

7. In case of situation like, market crash complete investment plan could be affected badly.
8. More and more candlestick analysis may lead to paralysis. So, investors should focus on limited strategies in order to increase the profit.

CONCLUSION

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Sources	Similarity
How To Read Candlestick Patterns (Candlestick Chart) https://miladfx.com/how-to-read-candlestick-patterns/	3%

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Acceptance Letter

Dated: 11/05/2022

Dear Authors,

We are glad to inform you that your paper has been accepted as per our fast peer review process:

Authors Name: Utkarsh Gupta

Paper Title: Equity Research using technical analysis with focus on automobile sector

Paper Status: Accepted

Paper Id: IJ-1105221019

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to me

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