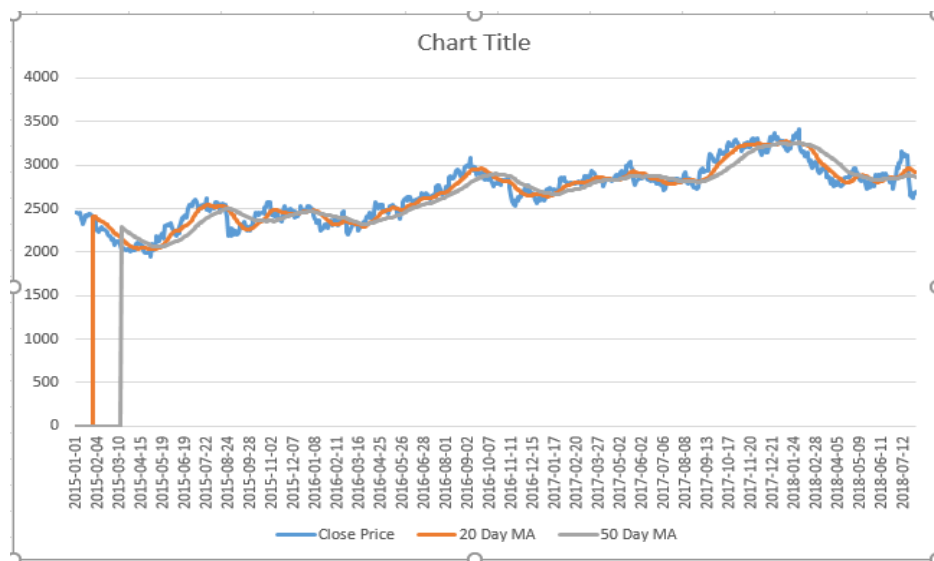


Analysis on Moving average and the stock trend

1. If plotted on a graph, the direction of the moving average can tell the way the price of a stock is moving. If it is
 - angled up, the price is moving up overall;
 - angled down, and the price is moving down overall;
 - moving sideways, and the price is likely in a range or stable.
2. From the sample graph drawn for the Bajaj stock, it can be seen that the 20-day moving average more closely tracks the actual price than the 50-day moving average does.



3. It can be noted from the data that when the Golden cross appeared, the Close price of the stock started increasing in the coming days, hence increasing the 20 Day MA. Which shows why the investor is recommended to buy the stock (because its price is likely to increase).
4. The same observation from point.3 can be observed for Death Cross, showing the decrease in the stock price after the Death cross recommending the investor to sell the stock.
5. From the table screenshot given below for Bajaj stock analysis, it can be noted that the price is swinging back and forth generating multiple trends and tangling up the MA. So the method might not work effectively in predicting the trend in such choppy situations.

1	Day	Date	Close Pric	20 Day MA	50 Day MA	Signal
235	234	2015-12-10	2441.45	2443.1125	2442.364	HOLD
236	235	2015-12-11	2411.9	2441.155	2445.084	SELL
237	236	2015-12-14	2409.75	2442.7925	2448.244	HOLD
238	237	2015-12-15	2435.45	2445.39	2450.758	HOLD
239	238	2015-12-16	2451.65	2449.78	2453.514	HOLD
240	239	2015-12-17	2524.2	2458.7075	2456.31	BUY
241	240	2015-12-18	2481.95	2461.6225	2458.397	HOLD
242	241	2015-12-21	2489.25	2462.66	2459.136	HOLD
243	242	2015-12-22	2476.1	2460.305	2459.954	HOLD
244	243	2015-12-23	2475.6	2460.1425	2460.583	SELL
245	244	2015-12-24	2484.8	2461.2625	2461.772	HOLD
246	245	2015-12-28	2487.45	2463.1925	2462.306	BUY