

CHAPTER 1

INTRODUCTION

INTRODUCTION

Introduction

The term technical analysis refers to analysing data, it includes price and volumes, and forecast the future with the help of past data by using Quantitative and behavioural economics. This analysis is very useful to evaluate Investments and identify hidden trading opportunities with the help of some statistical technical tools.

The main aim of the technical analyst is to predict the current trend by using specialised tools and make some strategies to prevent loss or to encash the situation along with this traders also use technical tools to forecast the entry and exit points for their daily trade.

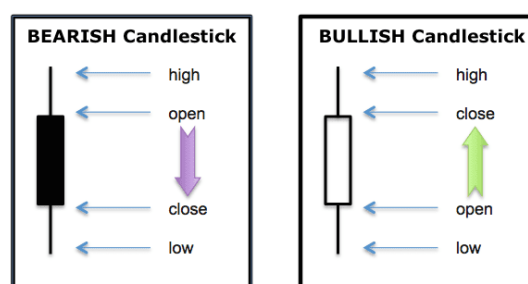
Generally, Technical analysis can be done through 2 forms

- a) Chart patterns and trends
- b) Statistical Technical tools

Chart patterns and trends

Generally, Technical analysts use different types of models

1. Key Reversals
2. Head and shoulders tops and bottoms
3. Rounding top and bottoms
4. Rising and falling wedge
5. V formation spikes



Among the chart patterns, The Japanese candlestick chart is a famous technical tool in technical analysis. This name resembles candles and wicks. This technical tool introduced by the Japanese. It is more commonly used the technical tool in throughout the world.

Famous technical analysis tools

RSI

RSI (Relative strength index) is the renowned momentum indicators for evaluating overbought or overvalued and oversold or undervalued. It has boundary of 0 to 100

Traditional Approach – Generally RSI calculation is based on 14 days period, If the value of RSI is above 70 indicates overbought and below 30 is oversold.

RSI formula - $RSI = 100 - (100 / (1 + RS))$

$RS = 1 + \text{average gain} / \text{average loss}$

MACD- Moving average convergence and divergence also called as macd and it is one of a good indicator for understanding strengthening or weakening of particular stock price and also help the investors to know the strength or weaken movement of the stock

It is calculated by deducting the 26days period EMA (Exponential moving average) from 12 days EMA

MACD give technical indication when it crossed above the histogram signal line is to buy and if it is below signal to sell or exit.

Bollinger Band

Bollinger band is a leading technical indicators it is formed by a set of lines or we can call it as bands (upper band and lower band). These bands are plotted according to deviations away from moving average of a stock price.

It mainly used for Short term purpose or day trade purpose.

Twenty days period is a popular simple moving average for Bollinger band. If the price passes closer to the upper band, it indicates overbought market and vice versa.

Volumes and open interest

The amount is a measure of supply and demand of stock price, or otherwise, we can call it a test of strength or weakness. Public Interest is the number of contracts that are trading for a particular commodity or stock

Increasing volumes indicates that the current trend is going to continue either it can be uptrend or downtrend. Similarly, decline volumes suggest that the present trend is going to be reversal either it can be uptrend or downtrend.

Table1.1

PRICE	VOLUME	IMPLICATION
Increasing	Up	Bullish
Increasing	Down	Bearish
Decreasing	Up	Bearish
Decreasing	Down	Bullish

CHAPTER -2

INDUSTRY PROFILE

THE BROKERAGE INDUSTRY

In India, many large numbers of private, public and unorganised companies are running the brokerage industry. In this industry, we can see a monopolistic competition among brokerage companies.

Indian stock broking industry has a great history, and it always revolutionised. Now we can look on 3 phases of the Indian brokerage industry and its significant changes: one is pre-2000, next one is between 2001 to 2008 and after 2009.

Stages of the brokerage industry in India

Before 2000

- Before the liberalisation period in India.
- This brokerage industry has a lot of restriction; mostly this business happens between friends and relatives.
- Before 2000 settlement had taken more than 15 days.
- Government has not allowed derivatives trading and deficient business volume.
- Lack of technology; we cannot see prompt actions for punching orders and risk management techniques.

Between 2000-2008

- The new way of funding in brokerage companies like funding under the name of venture capital.
- These brokerage firms had invested in technology and research.
- Every brokerage firm has maintained an integrated risk management team.
- Introduction of derivatives; they play a vital role in the stock market. Finally, it impacts the volumes of the company.
- Companies also started margin funding for retail clients to reduce their cost.

2009 onwards

- a research team has played an essential role in 2009 onwards, doing Research for every trade and appointing wealth advisory team
- The brokerage firm has also started promoting their business by franchising
- Another most significant advantage of these brokerage firms able to access international trade.
- Trade has become exceedingly more comfortable by using mobile etc

In summary, This industry has shown moderate growth of competitive advantage, and the main disadvantage is customer lock-in here customer act very sensitive they brokerage firm according to brokerage rates. The only competitive advantage for companies is to leverage it also helps to reduce the average cost. Due to lock in customers, there is always see a constant pressure on brokerage rates.

CHAPTER 3

COMPANY PROFILE

Edelweiss

Edelweiss is one of the leading financial service provider company in India with the core though of Idea create, value protect. It has incorporated in the year 1995 by two IIT graduates, namely Mr Venkat Ramaswami and Mr Rakesh shah and it has listed in stock exchange in the year of 1996. This company deals with investment banking, securities broking, and investment management.

About Edelweiss Broking Limited:

Edelweiss Broking limited initially started mutual fund business for that they have received approval from SEBI on 07-Feb-2018, and then they started stockbroking firm by acquiring anagram capital limited in Jan 2010. At finally it has listed in NSE on 12 DEC 2012

➤ Edelweiss broking firm mainly deals with

1. Wealth management
2. ESOP (Employee Stock Ownership Plan)
3. Dealing
4. Sales

ESOP: ESOP is Employee Stock Option Plan. If any company provide ESOP to their Qualified employees if these employees are suffering from subscribing this option, then edelweiss will help them to fund the employees.

ESOP Funding: company provide two ways of funding

1. provide 50% of the current market price also called as half funding
2. provide 75% of the current market price also called full funding

❖ DEALING:

Dealing department also called as relationship department, and these departments help the clients where to invest, how much invest, which company to invest and balancing their portfolios according to research calls these calls are given by the research department in edelweiss

- In this department mutual fund, Equity, Derivatives, commodities, Currencies, Fixed Income all handles.

❖ SALES:

The main work of the sale team is to acquire new clients and open demat accounts to do trade.

If anyone already does with other company they have to convince them to trade with edelweiss.

➤ Products offered

1. Equities
2. Mutual Funds
3. IPO – Initial Public Offer
4. Commodities
5. Derivatives



CHAPTER4

OBJECTIVES OF THE STUDY

OBJECTIVES OF THE STUDY :

- To study the procedure of technical analysis
- To identify and analyse the chart and trend patterns
- To identify and assess the risk part by applying statistical tools
- To identify hidden opportunities for the traders and investors
- To research and implement derivative-strategies to mitigate the risk or to encash the situation

CHAPTER 5

PROCESS DESIGN AND METHODOLOGY

PROCESS DESIGN AND METHODOLOGY

Source of data

To do technical analysis, Most of the data has extracted from Bombay stock exchange and National stock exchange (NSE) Official websites.

Tools used: Tools used for the purpose is MS EXCEL

Process Design

Introduction

Technical analysis is a systematic disciplinary trading system. According to most of the research papers, Technical analysis has a high success rate on top large-cap companies (Sensex 30 companies). So three companies are selected from the Sensex index.

As we have seen in introduction types of charts, patterns and popular statistical technical tools, here, we will discuss these elements involved in technical analysis after we will make target price and stop-loss, once we assign the target it would be a good idea to enter in derivative to encash the opportunity. If it reaches the target price, it generates the exit point.

Technical analysis detailed Process

Step1- Select top large-cap companies from Sensex index with a duration of 1 year and make resistance & support level points basis on 1-year data.

Step 2 – Once We make chart we need to look at the current trend, 52 weeks price band and industry growth after trend identifies we need look patterns along with conditions (volumes and candlesticks)

Step 3- On the other side, we need to analyse the statistical technical tools for the last 1-year data Tools are like Moving averages, Moving average convergence and divergence, Relative strength Index, Volume patterns

Step 4 – Make sure that technical tools and models must support one direction Either upside or downside, If both are the same direction we need to make stop loss and target price based on next best support level price and resistance level price.

Step 5 – Once we made targets, we need to enter in derivatives to encash the opportunities After it reaches our goal exit the derivatives with a reasonable profit.

NOTE – Every time while deciding the target price, it would be a great idea to look at market sentiment, movement of particular stock and news.

CHAPTER 6

DATA ANALYSIS

Most of the research papers have proved that reliable technical analysis will give great result in top large companies

TECHNICAL ANALYSIS

sivareddy955 published on TradingView.com, June 16, 2019 13:07:07 IST

NSE:MARUTI, D 6747.40 ▼ -37.30 (-0.55%) O: 6775.00 H: 6839.00 L: 6727.35 C: 6747.40



Created with TradingView

Chart 6.1 Overview of Maruti

MARUTI SUZUKI

Maruti Suzuki India Limited

It is also known as Maruti Udyog Limited it deals with the manufacturing automobile. In the year 2018, it had a market share of 53% in manufacturing automobiles.

The above chart represents the last 1-year chart of Maruti Suzuki. Resistance level and support level has created based on this chart.

A resistance level is **9922** and Support level for 6420. Technical acceptable for last one year in Maruti Suzuki. In June month 2018 it has formed a rising wedge chart pattern

Situation 1- Rising wedge



Chart 6.2 Rising wedge

Price action – Generally wedges are formed between two boundary lines that we can observe in the above chart. These converging lines were made from June to August in 2018

For rising wedge, both tracks are shown upward direction, but the lower boundary is steeper than upper limit And break out take place at more than 70% of the way of the apex of converging boundary lines.

Technical Indication – The Rising wedges Indicates that stock is going to be weaker from the professional view. Once price falls from the lower line of Rising wedge, it usually falls in earnest and sells signal has generated. This situation is more accurate in bearish markets. In the above diagram break, out has taken place at 9623

Time duration – 1 to 3 months

Volumes - Volumes are gradually decreasing until reach the apex of wedge and then dramatical rise we can observe on the breakout. In the above diagram break, out has taken place at 9623 Generated sell signal.

Other technical tools implication

INDICATORS	INDICATION	IMPLICATION
MACD	Under Redline and below signalline	Macd gave bearish signal it will continune further days
RSI	53.29	Indication of bearish and sell signal had generated
VOLUMES	Gradually increased	Volumes indicates strong bearish
CANDLESTICKS	Bears hold the the stock (bearish marubuzo)	Strong bearish movement

Table 6.1 Other technical tools Rising wedge

All Technical tools had shown downtrend to encash this indication as an analyst; it is the right time to enter in **PUT option**.

Current market price 9623 (break out point)
At the money option
Exercise price 9600 expiry on 30 Aug 2018
Option Premium 320 on July 26, 2018, and stop-loss for the share price is 9816

Target price is 9007 which next support level for Maruti

Derivative-Put Option

Suppose one rational person who has 1,00,000 entered into a put option

Purchased two put option expiry on 30 Aug 2018

Total payable Premium $75 \times 2 \times 320 = 48000$ Target price 9007

This target price has reached on 9 Aug 2018 we can sell off the contract

560 is Premium on 9 Aug 2018

Total Premium receivable on $75 \times 2 \times 560 = 84000$

Total Profit = 3600

Situation2 -Bearish Movement

The strong bearish movement we can observe on 30 Aug 2018 This Movement has initiated by the strong bearish marubozu candle

Technical Indication - Bearish Marubozu indicates great amount of bearishness. In this pattern, the open price of the stock is equal to the high and close price is equal to low.. This downtrend is carry forward a few more days it is highly effective in downside

Volumes – Before this pattern volumes were gradually decreased that indicates a trend is going to be reversal Once this pattern has formed we can see a dramatical rise in selling pressure

Time duration -1 week to 4 weeks



Chart 6.3 Bearish Movement

Other Technical Tools

INDICATORS	INDICATION	IMPLICATION
MACD	Under Redline and below signalline	Macd gave bearish signal it will continue further days
RSI	44.26	Potent bearish signal generated RSI less than 50
VOLUMES	Gradually plunged	Volumes indicates strong bearish
CANDLESTICKS	Bears hold the the stock (bearish marubuzo)	Strong bearish movement

Table 6.2 Other Technical Tools 3 Bearish Movement

Derivative-Put Option

Current Market Price is 9205 (30 Aug 2018)

Purchased two put option expiry on 27 Sept 2018

Option Premium = 140 Stop loss is next resistance level =9459

2 Put option= $2 \times 140 \times 75 = 21,000$ Cost

Target Price next support level =8159 scrip has breached target and reached the lowest price at the end of the month or on expiry date scrip quoting at 7517

Premium on 27 sept 2018 is =1657, **2 put option receivable amount = $2 \times 1657 \times 75 = 2,48,550$**

Total profit = $2,48,550 - 21,000 = 2,27,550$

OR else we can go for **Straddle Position**

Taking long as well as short option simultaneously to mitigate the loss

Long call (Call Option)	Short call (Put Option)
Exercise price 9200	Exercise price 9200
Premium =238	Premium =140
2 options total cost =35,700 ($2 \times 75 \times 238$)	2 option total cost = $2 \times 75 \times 140 = 21,000$

Expiry Premium = 0	Expiry Premium = 1657
Total loss =35700	Total receivable amount =248550
Final total loss =35700	Final profit for this option =227550

Total profit for this situation = $227550 - 35700 = 1,91,850$

Situation-3 Head and shoulders Top Pattern

It is one of the most common and most reliable chart patterns. It is formed by the Left shoulder, head and Right-hand shoulder



Table 6.4 Head and shoulders Top Pattern

Identification – In this pattern first we can see uptrend After prices drop from the peak of the left-hand shoulder and once it starts a rally to a new high and after it will start decline it reaches lower point than left shoulder bottom. This we call it as head for the chart. A final advance to peak more economical than that followed by a decline in prices from the right-hand shoulder.’

A Neckline has drawn from the bottom of the Left shoulder, head, and Right Shoulder. When Neckline has breached will receive a confirmation for decline price

Estimated price down according to some research papers

Neckline price is 7166 and top of head price is 7965. If neckline breaches, Scrip will down by $(7965-7166) 799$ points from Neckline price (it move a same distance from the neckline)

Volumes-Volume is heavy on the left shoulder after that Volume declined when left shoulder dips from the peak, and again volumes rally up to the top of head similarly trend will continue till right shoulder ultimately. Between each rally, Volumes will gradually diminish and the neckline is also broken with low volume. This would indicate a negative signal (downside).

Duration – 2 to 3 months

INDICATORS	INDICATION	IMPLICATION
MACD	Under Redline and below signalline	It is Below signal line and histograms Strong bearish signal it will continue few more days
RSI	34.38	Potent bearish (RSI near to 30)
VOLUMES	Gradually decline	Volumes indicates strong bearish
CANDLESTICKS	Bearish	Strong bearish movement

Table 6.3 Other Technical Tools Head and shoulders Top Pattern

To encash this situation better to enter input option **Stop loss is 7355** (Neckline breached day high price)

Derivative-Put Option

AT the money option exercise price 7200 pe Market Price on broken 7233 (21-Jan-2019)

Option premium on 21 Jan 2019 (Expiry on 31 Jan 2019)=152.05

The target price has made according to the next best support level 6654

Entered in 2 put options = $75 \times 152.05 \times 2 = 22,807.05$

Total Paid =22,807.05

On 25 Jan 2019, it has reached the target level we can exit before expiry

Option premium on that day = 672

Total receivable amount = $672 \times 75 \times 2 = 1,01,250$ Final profit=78,442.95.

Situation 4- Rounding bottom and V-bottom

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NSE:MARUTI, D 6747.40 ▼ -37.30 (-0.55%) O:6775.00 H:6839.00 L:6727.35 C:6747.40



Table6.5 situation 4 Rounding bottom and V bottom



Rounding Bottom

This Pattern form as a result of a very gradual shift in supply and demand. This indicates the prior trend is going to reversal. Once it reaches trend reversal low or high, then it starts rally opposite side High or low.

Volume - Volume decline Throughout the bottom level of Rounding bottom. Once it reaches bottom level volume rally from bottom to top

Rounding bottom is very rare

INDICATORS	INDICATION	IMPLICATION
MACD	Above signal line and redline	It is above the signal line Near to healthy support level Strong Bullish signal it will continue a few more days
RSI	62.38	Strong Bullish RSI above 50
VOLUMES	Followed Pattern	Steady bullish (volumes were gradually declined till reaches bottom and then started rally towards high)
CANDLESTICKS	Bullish marubozu	Strong upside movement

Table 6.4- Other Technical tools Rounding bottom

Derivative - Call option

At the money Exercise price, 6900 Premium on (21 Feb 2019) is 181.7

The market price on that date =6830 **Stop loss is 6702** (lowest price on this pattern)

Suppose if we Enter in 2 call options (expiry on 28 March 2018)

Total amount paid =75*2*181.7 =27,255 Target price 7210(Next Best resistance level according pattern)

Scrip has reached the target price on 12 Mar 2019 Premium on that day =395.5

Total amount receivables =75*2*395.5=59,325

Final Profit = 32,070

V bottom

It is one the top reversal pattern This pattern gradually change the trend with little Indication

Price action – prices fluctuate very quickly either up or down very quickly

Volume – Volumes rally throughout the pattern

Regularly it happens (Especially volatile stocks)

Technical Indication - once it reached to bottom level, It indicates buy signal. Moreover, we need to check candlesticks and other technical tools

Candlestick pattern - In the bottom level, it Hammer candle. Hammer indicates a trend is going to be the reversal

INDICATORS	INDICATION	IMPLICATION
MACD	Above signal and redline	It is above the signal line Near to healthy support level Strong Bullish signal it will continue a few more days
RSI	68.37	Strong Bullish (RSI more than 50 and near to 70)
VOLUMES	Followed Pattern	Steady bullish (volumes were gradually declined till reaches bottom and then started rally towards high)
CANDLESTICKS	Bullish marubozu	Strong upside movement

Table 6.5 Other Technical tools V bottom

To encash this situation, It would be better to enter in call option

Derivative call option

Current Market Price 6479 (Bottom level of **v bottom pattern**) on 26 Mar 2019

Call Option strike price 6400 (At the money option) Expiry on 25 Apr 2019

The premium for that option is 310.5 **Target price 7209** (next best resistance level

Stop loss price is 6480

Suppose we entered in 2 call options

Total premium paid is $2 \times 310.5 \times 75 = 46,575$

The target price has reached on 9 Apr 2019 Premium on that day is 704

Total receivable on that day $2 \times 75 \times 704 = 1,05,600$

Total profit = 59,02

BAJAJ FINANCE

sivareddy955329 published on TradingView.com, June 21, 2019 09:09:33 IST

NSE:BAJFINANCE, D 3597.10 ▲ +14.55 (+0.41%) O:3597.10 H:3597.10 L:3597.10 C:3597.10



Chart 6.7 Bajaj finance overview

BAJAJ Finance- It is a subsidiary company of Bajaj finserv, and it is one of the Indian based NBFC. This company involved in wealth management, SME lending's, and consumer finance

The above chart represents the last one year chart for BAJAJ FINANCE. Resistance level and support level has created based on this chart.

A resistance level is **3582** and Support level for **2005**.

Bajaj finance Bullish rectangle

sivareddy955329 published on TradingView.com, June 21, 2019 10:02:42 UTC

NSE:BAJFINANCE, D 3565.85 ▼ -16.70 (-0.47%) O:3597.10 H:3599.00 L:3550.00 C:3565.85



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Chart 6.8 Bullish rectangle

A bullish rectangle is formed when the price movement has restricted between support and resistance level. Generally, this pattern indicates consolidation phase or indecision. In this phase, the price will fluctuate several times between the resistance and support level before its breaches.

Volumes- Volume decline Throughout the level of a bullish rectangle. Once it breaches bottom level (resistance level), it indicates the rally is going to start, and volumes increase automatically.

INDICATORS	INDICATION	IMPLICATION
MACD	Above red line and signal line	It is above the signal line Near to strong support level Strong Bullish signal it will continue a few more days
RSI	66.54	Strong Bullish RSI more than 50
VOLUMES	Followed Pattern	Steady bullish (volumes were gradually declined till reaches breach point and then started rally towards high)
CANDLESTICKS	Bullish marubozu	Bulls hold the market

Table 6.6 **Other Technical tools** Bullish rectangle

It breached at the point 2800 to encash this situation it would be advisable to take a long position on this stock,

Derivative - Call option

At the money Exercise price, 2800 Premium on (11 march 2019) is 66.74

The market price on that date =2780 **Stop loss is 2768** (lowest price on this pattern)

Suppose if we Enter in 10 call options (expiry on 28 March 2019)

The total amount paid = $250 * 10 * 66.74 = 1,66,850$ **Target price is 3000** (Next Best resistance level according to the pattern) Scrip has reached the target price on 28 Mar 2019 Premium on that day = 195.68

Total amount receivables = $250 * 10 * 195.68 = 489200$ **Final Profit =**322350

Pattern 2

sivareddy955329 published on TradingView.com, June 21, 2019 08:27:09 UTC

NSE:BAJFINANCE, D 3564.10 ▼ -18.45 (-0.51%) O:3597.10 H:3599.00 L:3563.00 C:3564.10



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Chart 6.9 V formation spike

V formation

It is one the top reversal pattern This pattern gradually change the trend with little Indication

Price action – prices fluctuate very quickly either up or down very rapidly

Volume – Volumes rally throughout the pattern

Regularly it happens (Especially volatile stocks)

Technical Indication - once it reached to bottom level, It indicates buy signal. Moreover, we need to check candlesticks and other technical tools before taking the position

In the above diagram, Initial v formation has formed at 2660 after It went down to 240 at this price stock has formed spinning top (key reversal candlestick pattern)

INDICATORS	INDICATION	IMPLICATION
MACD	Above Red line and Signal line	It is above the signal line Near to strong support level Strong Bullish signal it will continue a few more days
RSI	58	Strong Bullish RSI more than 50
VOLUMES	Followed Pattern	Steady bullish (volumes were gradually declined till reaches breach point and then started rally towards high)
CANDLESTICKS	Spinning top	Strong up movement

Table 6.7 Technical tools v formation

Derivative - Call option

At the money Exercise price 2500 Premium on (11 Jan 2019) is 76.30

The market price on that date =2501 **Stop loss is 2451** (next best support level)

Suppose if we Enter in 10 call options (expiry on 31 Jan 2019)

The total amount paid =250*10*178.50= 190750 **Target price is 2650** (Next Best resistance level according to a pattern) Scrip has reached the target price on 23 Jan 2019 Premium on that day = 178.50

Total amount receivables =250 *10*178.50= 446250 **Final Profit =255500**

Larsen & Toubro

Published on TradingView.com, July 29, 2019 14:06:28 UTC

NSE:LT, D 1371.50 ▼ -20.65 (-1.48%) O:1393.45 H:1398.00 L:1360.50 C:1371.50



Chart 6.10 Larsen & Toubro overview

L&T Larsen & Toubro Limited- It is an Indian multinational conglomerate company and its headquarters located in Mumbai. This company deals with construction, heavy engineering work, IT and financial service

The above chart represents the last one year chart of L&T. Resistance level and support level has created based on 1 year chart.

The resistance level is **1605** and Support level for **1196**.

At the beginning of 2019 L&T has shown the bearish trend that we can see in the below graph it has formed a double top



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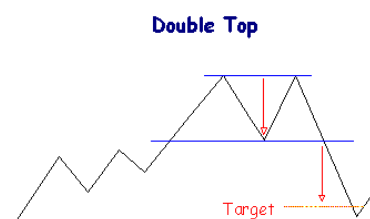
Chart6.11 Double top

DOUBLE TOP- Generally, the double top pattern can be identified by observing two peaks of same level price fluctuations, and the bottom neckline has created on the basis bottoms of double toplines

Technical Indication

Neckline has drawn at the bottom of 2 peaks
 target can we decide with the help of neckline

Target price can be calculated by the difference
 between bottom price(neckline price) and peak
 price



The target is measured vertically from the highest point to the bottom of the trough between the 2 peaks. It is then projected down from the breakout below the neckline.

Here, in this case, the neckline price is 1343, and the top peak price is 1458 difference is =115.
 If second-bottom peak breaches the neckline, then our target price is the price is 1343-
 115=1228

Volumes- volumes are less in the second peak, but once it reaches the level we can see a dramatical increment in sizes Take a short position once it breaks the neckline along with these technical check tools for confirmation. In additions double top stock has also formed bearish candle that we can see in below graph

INDICATORS	INDICATION	IMPLICATION
MACD	Below Redline and signal line	It is below the signal line Near to healthy resistance level Strong bearish signal it will see few more days
RSI	34.3	Bears holds the market RSI less than 50
VOLUMES	Followed Pattern	Strong bearish (volumes were gradually declined till reaches breach point and then started rally towards high))
CANDLESTICKS	Bearish marubuzo	downtrend

Table 6.8 Double top pattern technicals



Chart 6.12 Bearish segment

Derivative – Put option

At the money Exercise price, 1360 Premium on (14 jan 2019) is 25.35

The market price on that date = 1361 **Stop loss is 1370** (lowest price on this pattern)

Suppose if we Enter in 10 call options (expiry on 29 jan 2019)

The total amount paid = $375 \times 10 \times 25.35 = 95062$ **Target price is 1270** (Next Best support level according to the pattern)

Scrip has reached the target price on 29 jan 2019 Premium on that day =90.25

Total amount receivables = $375 \times 10 \times 90.25 = 338438$ **Final Profit =243375**

CHAPTER 7

FINDINGS AND RECOMMENDATIONS

FINDINGS AND RECOMMENDATIONS

Findings :

Biased opinion: most of the research calls of a company is based on fundamental analysis than technical analysis, Even though it shows stable Technical analysis. It negatively impacts the success rate of calls

Example- JUBILANT FOOD (DOMINOS) research department has mentioned call on this stock buy-side target price of 1580 Current market price 1480 apart from the fundamentals all technical indicators have shown downtrend finally at the month end it went down to 1220.

Research report- Research department is not publishing any short term research reports for positional traders. The more keen long term and it is hard to find reports on Sensex index-based companies short term reports

Target price and stop-loss – Target price for research calls are not even close to technical indicators, and most of the values are considering based on fundamental analysis. Stop loss is more near to the current market price. It is easily reachable by fluctuation.

Technical indicators' mixed signals- In some cases, one of the technical indicators will show a buy signal, and another sign will show a sell signal. This confuses trading decisions, so it impacts the success rate of research call.

No proper update – Once they publish calls if it fails they do not conduct a review on previous requests, and they don't update last views

Recommendation

1. It will be significant input for clients or investors if they hold a study on recent applications Under the areas of scope, Market information and sentiment of investors. 2. They need to update their mobile trading app and make it simpler to avoid confusion 3. Terminals have a lot of technical issues it misleads the traders, there is always a mismatch between entered price and exited price 4. It will be a great idea if they work on Structured product for other than HNI clients

CHAPTER 8

LEARNINGS

Learnings

- I explored different types of charts and patterns and its formation view along with volume indicators
- I got know about how to use technical statistical tools to evaluates the stock movement and trends
- I have learned and applied different derivative strategies to mitigate the risk and encash the opportunities.
- I also observed in derivative price movements like gamma and theta fluctuation and worked with client acquisition department.

SUMMER INTERNSHIP PROJECT

Review & Assessment Record (Pre-Submission Stage) – Mentor

Name of student: P SIVARANGAREDDY

Reg. No. : 1827929

Positives of report:

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Areas of Improvement:

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Names of Mentor:

Signature:

Date:

SUMMER INTERNSHIP PROJECT

Review & Assessment Record (Pre-Submission Stage) – Viva panel

Name of student: P SIVARANGAREDDY

Reg. No. : 1827929

Positives of report:

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Areas of Improvement:

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Names of viva panel: 1)

Signature

2)

Signature

Date:

