ISBN: 978-93-87793-74-3

A STUDY ON EQUITY MARKET BY USING TECHNICAL ANALYSIS (CONCEPTUAL METHOD)

***Dr. V. Ramesh Naik , **D.Rambabu , ***S.Rajasekhar(MBA Students)**

[1]Assistant Professor, Department of Management Studies,
Gates Institute of Technology, Gooty
[2]PG Student, Department of Management Studies, Gates Institute of Technology, Gooty
[3]PG Student, Department of Management Studies, Gates Institute of Technology, Gooty

Abstract:

A equity market, stock market or share market is the aggregation of buyers and of stocks, which represent ownership claims on business, these may include securities listed on a public stock exchange, as well as equity that is only traded privately. Examples of the letter include shares of private companies which are sold to investors through equity crowd funding platforms. Equity exchanges list shares of common equity as well as other security types, e.g. corporate bonds and convertible bonds. Equity market is the market in which shares are issued bond traded, it is one of the most vital areas of market economy as it provides companies with access to capital and investors with a ownership in the company and the gains based on the company future performance.

In financial markets, equity is the capital raised by a corporation through the issue and distribution of shares. A person or organisation which holds of stocks is shareholder. The aggregate value of a corporation issued shares is its market capitalisation. When one buys a share of a company he becomes a shareholder in that company. Shares are also knows as equities.

Key points: Stock market, Investors, Shareholders, Ownership, Convertible bonds, Capitalisation

ISBN: 978-93-87793-74-3

Introduction

An equity market is a market in which shares are issued and traded, either through exchanges or over the markets, it is one of the most areas of market economy because it gives companies access to capital and investors a ownership in a company with potential to realise gains based on its future performance. Equity markets are the meeting point for buyers and sellers of stocks. The equity market can be either public stock, which are those stock exchange are traded stocks. The traded stocks are traded dealers.Trading in the equity market, investors for stocks by offering a certain cost, sellers ask for specific cost. When the two cost match, many investors on the same stock. A buyer will pay any cost for the stock; seller will take any price for the stock at market value.

Companies sell stock in order to get capital to their business. When a company offers stocks on the market, it means the company is publicly traded, and each stock represents a piece of ownership. The risk comes when a company is not doing well, and its stocks value may fall. Stocks can be bought and sold easily and quickly, and the activity surrounding a certain stock impacts its value. For example, when there is high demand to invest in the company, the price of the stock tends to braise, and when many investors want t on sell their stocks, the value goes down.

The place where stocks in the equity market are traded is the stock exchange. there are many stock exchanges around the world, and they can be either physical places or virtual gathering spots. Electronic stock exchange often includes a market maker, which is a broker dealer company that both buys and sells stocks in order to trading for a particular stock. This comes at a risk to the company, but it makes the exchanges process for given stocks operate more smoothly. Electronic trading are more common and a preferred method of trading over physical exchanges.

Most large companies have stocks that are listed at multiple stock exchanges throughout the world. However, companies with stocks are the equity market from large scale to small, traders from big companies to individual investors. Most buyers and sellers to prefer trading at larger exchanges, where there are more options and opportunities than at smaller exchanges. However, in recent years, there has been the number of exchanges through third party markets, which bypass the commission of stock exchanges, a greater risk of adverse selection and don't guarantee or delivery of the stock.

Objectives:

- To analyse the share price of the company.
- To analyse the price movements of selected with technical tools.
- To analyse the current trend and strengths of the companies.
- To study in the technical analysis on selected stocks of energy sector and interpret on whether to buy or sell them by using techniques.

ISBN: 978-93-87793-74-3

Technical analysis:

It is a process of the price behaviour in the market which number of factors and different information. These analyses that market is determined by the buying and selling in the market like the company or industry.

Bull market:

It is created by the primary trend. The bull market can be identified formed at the higher compared to preceding.

1. Forms due to investor regarding company.
2. Increase earnings for company.

Bear market:

It is identified when failure formed lower compared to preceding the market.

1. Forms due to loss
2. Decreasing in earnings

Technical analysis based on the demand and supply

Tools for analysis:

- Line chart(moving average)
- Japanese candle strict chart

Technical analysis tools:

Line chart:

It is simplest chart which is used by the technical analysis and particular companies or market. These closing points will be the line to represent.

Bar chart:

It is most popular chart used by the technical analysis. In these bar chart vertical bars shows high price, low price share on particular day.

Japanese candle strict chart:

It is not so popular, it represents highest and lowest prices particular day.

Types:

1. White candle
2. Black candle

ISBN: 978-93-87793-74-3

White candle:

Where closing price higher than opening price for specific share on particular buy white candle on the chart represents bull market.

Black candle:

Where closing prices lower than opening price for specific share on particular day black candle on the chart represents bare market.

Findings:

1. In this Paper Using Line chart It will show Current status of Equity Market I.e. Bull Market or Bare Market
2. Based on the Technical analysis finding the Buy or sell Signal using the Japanese Candle Chart.
3. Japanese Candles Shows the Open, High, Low, Close Price by Using 5 % Decision rule .It shows that Buy, Sell and Hold Signal.

Suggestion:

1. Better demand forecasting of companies' products has to be done. Because, the stability of profits of companies relay on the demand for products produced by the companies. The stable profits reduce the high fluctuations of market return and stock return of companies.
2. Some Investors are ready to take very high risk to get very high Returns, such investors can go for equity or aggressive growth funds
3. Remember that stocks are never too high for you to begin buying or too low to begin selling. But after the initial transactiondon't make a second unless the first shows you a profit.
4. There is only one side to the stock market and it is not the bull side or the bear side but the right side.
5. Always sell what shows you a loss and keep what shows you profit.
6. Technical analysis can be used, when to buy and to when to sell the stock.
7. It is very helpful in determining the trend of the stock price

ISBN: 978-93-87793-74-3

REFERENCES:

1. https://www.investopedia.com/terms/t/technical-analysis-of-stocks-and-trends.asp

2. https://timesofindia.indiatimes.com/business/faqs/market-faqs/what-is-equity-market/articleshow/59750438.cms

3. https://www.moneycontrol.com/glossary/stocks/technical-analysis_3714.html

4. https://www.moneycontrol.com/glossary/stocks/technical-analysis_3714.html

5. https://www.investopedia.com/university/technical/techanalysis10.asp

6. https://www.investopedia.com/articles/stocks/08/short-selling-analysis.asp