SUMMER INTERNSHIP PROJECT REPORT

ON

‘TECHNICAL ANALYSIS IN EQUITY MARKET’

AT

‘ADITYA BIRLA CAPITAL’

SUBMITTED

IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF

BACHELOR OF BUSINESS ADMINISTRATION (GENERAL)

OF

AMITY UNIVERSITY MAHARASHTRA

SUBMITTED BY

KARTAVYA SIDDHARTH SINGH

ENROLLMENT NO: A70006420106

(2020-23)

UNDER THE GUIDANCE OF

PROF. PROJIT DE



AMITY BUSINESS SCHOOL MUMBAI

AMITY UNIVERSITY, MUMBAI - PUNE EXPRESSWAY,
BHATAN- PANVEL, MAHARASHTRA 410206

TO WHOMSOEVER IT MAY CONCERN

This is to acknowledge that KARTAVYA SINGH

from AMITY UNIVERSITY student of BBA GENERAL

Has completed COP from 20-06-2022 to 30-07-2022 at

Aditya Birla Sunlife Insurance Co. Ltd.

During COP he/she was found hardworking and punctual.

He/she was able to present good picture of the work done in this tenure.

We wish Him/her every Success in Life.

For ABSLI

Authorized Signatory

DECLARATION

I "**KARTAVYA SIDDHARTH SINGH"** declare that, I have completed summer internship project titled as **"TECHNICAL ANALYSIS IN EQUITY MARKET"** at **"ADITYA BIRLA CAPITAL"** which is submitted in partial fulfillment of the requirements for the degree of Bachelor of Business Administration (General / Banking & Finance) of Amity Business School Mumbai, Amity University Maharashtra during 2020-2023.

The information presented in this project is original work and does not form any part of the project undertaken previously to the best of my knowledge.

DATE:

Signature

NAME OF THE STUDENT:
KARTAVYA SINGH
ENROLLMENT
NO.____A70006420106_____

CERTIFICATE

This is to certify that the summer internship project report titled as **"TECHNICAL ANALYSIS IN EQUITY MARKET"** at **"ADITYA BIRLA CAPITAL"** submitted by "**KARTAVYA SIDDHARTH SINGH"** in partial fulfillment of the requirements for the degree of Bachelor of Business Administration (General) of Amity Business School Mumbai, Amity University Maharashtra during 2020-2023.

PROJECT GUIDE: Mr. NIKESH RUPAREL
DIRECTOR / HOI

DATE: 30/07/22

ACKNOWLEDGEMENT

Aditya Birla Capital, gave me this immense opportunity to work as an intern. I am really grateful for having this chance to work and meet professionals with vast experience and knowledge. It was really a good experience working in office under the guidance of various employees working over there. I would like to thank Amity University, Mumbai for giving this opportunity for summer internship and to everyone who have helped me in guiding and mentoring with this project. I will make sure to use all the knowledge and experience in future as and when possible, which I gained during this internship.

EXECUTIVE SUMMARY

In today's rapidly changing business environment, Technical Analysis is commonly and widely used by Equity traders, Forex traders, Commodity traders around the globe to predict the market for short term as well as long term. Technical Analysis has led to an increase in profits of traders and investors and this has become the reason that more and more people are now learning the skills of technical Analysis to earn maximum profits from the market. Technical analysis seeks to predict price movements by examining historical data, mainly price and volume. It helps traders and investors navigate the gap between intrinsic value and market price by leveraging techniques like statistical analysis and behavioral economics.

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COMPANY PROFILE:

Aditya Birla Capital Limited (ABCL) is the holding company for the financial services businesses of the Aditya Birla Group.

ABCL's subsidiaries have a strong presence across Protecting, Investing and Financing solutions, ABCL is a universal financial solutions group catering to diverse needs of its customers across their life stages. Powered by more than 30,500 employees, the subsidiaries of ABCL have a nationwide reach with 1,048 branches and more than 2,00,000 agents / channel partners and several bank partners.

As of March 31st, 2022, Aditya Birla Capital Limited manages aggregate assets under management over Rs. 3,706 billion, has a consolidated lending book of approx. Rs. 672 billion, and an active customer base of over 35 million, through its subsidiaries and joint ventures.

Aditya Birla Capital Limited is a part of the Aditya Birla Group, in the league of Fortune 500. Anchored by an extraordinary force of over 140,000 employees, belonging to 100 nationalities. Today, over 50% of Group revenues flow from overseas operations that span 36 countries in North and South America, Africa and Asia.

VISION:

To be a leader and role model in a broad-based and integrated financial services business.

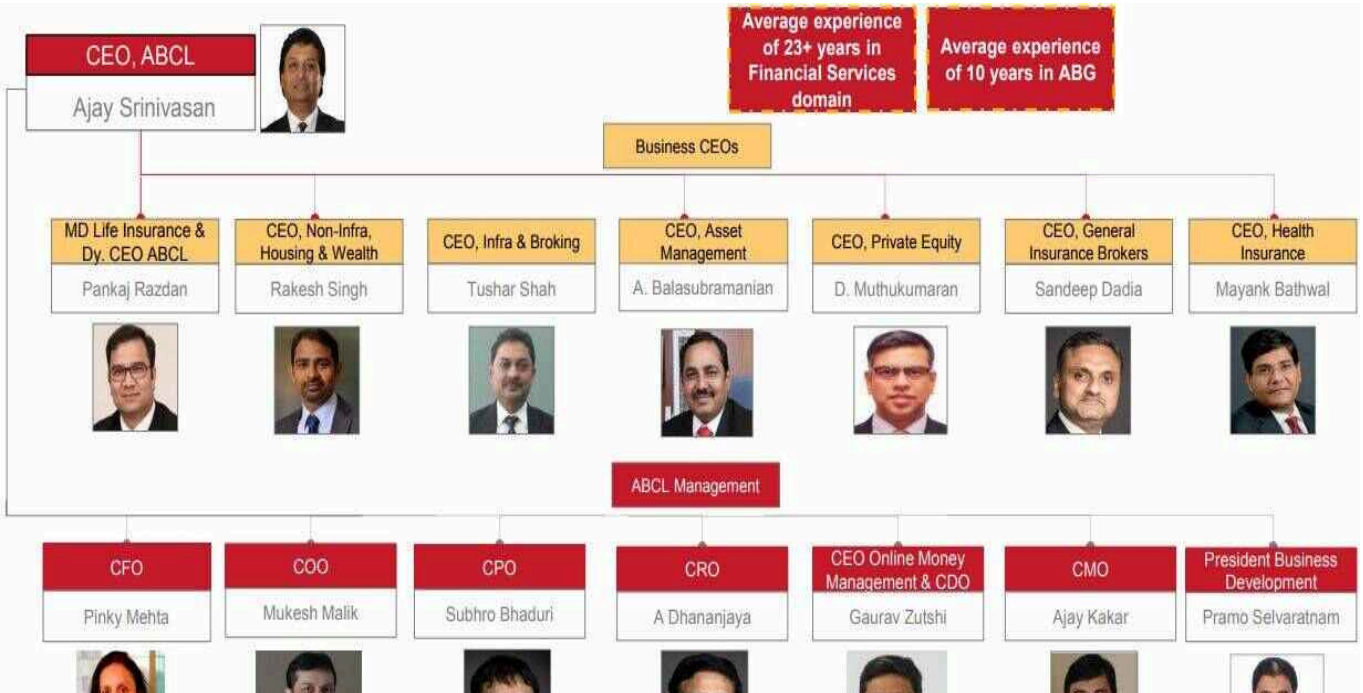
MISSION:

- Create value for all stakeholders
- Grow through innovation
- Lead in good governance practices
- Use sustainability to drive product development and
- Enhance operational efficiencies
- To deliver superior value to our customers, employees and society at large

OBJECTIVE:

To be the first preference of our customers by providing innovative, need based life insurance and retirement solutions to individuals as well as corporate, these solutions will be made available by well-trained professionals through a multi-channel distribution network and superior technology.

ORGANISATION STRUCTURE:



PROJECT OBJECTIVE:

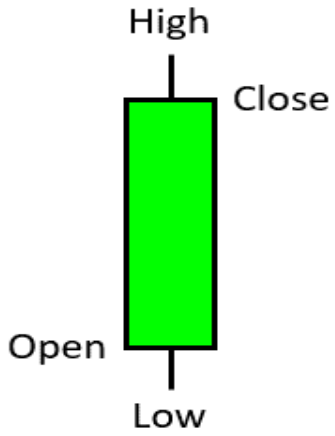
- To study about equity market.
- To get to know about the hierarchy
- To learn about the various trends in the stock market
- To analyze Indian stock market.

WHAT IS TECHNICAL ANALYSIS?

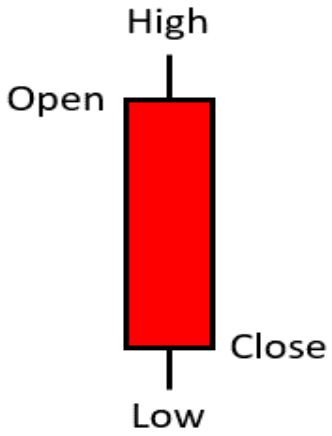
Technical analysis is the examination of past price movements to forecast future price technical analysis is a trading discipline employed to evaluate investments and identify trading opportunities by analyzing statistical trends gathered from trading activity, such as price movement and volume. Unlike fundamental analysis, which attempts to evaluate a security's value based on business results such as sales and earnings, technical analysis focuses on the study of price and volume movements.

UNDERSTANDING CANDLE STICKS.

A candlestick consists of a body and two wicks. The body of a candlestick is drawn as a rectangle, which marks the open and the close of a period. In a bull candle the open is indicated by the bottom of the rectangle while the close is indicated by the top of the rectangle. In a bear candle the opposite is true, with the period’s closing price falling below the period’s opening price. The wicks mark the high and the low that price has achieved for the period. The candlestick range is defined by the extreme high of the top wick above the body and the extreme low of the bottom wick.



Bullish candlestick



Bearish candlestick

TYPES OF CANDLE STICKS.

1) DOJI

Doji are important candlesticks that provide information on their own and also feature in a number of important patterns. Doji form when a security's open and close are virtually equal. The length of the upper and lower shadows can vary and the resulting candlestick looks like a cross, inverted cross or plus sign. Alone, doji are neutral patterns

2) BULLISH ENGULFFING

A bullish engulfing pattern is a white candlestick that closes higher than the previous day's opening after opening lower than the previous day's close. It can be identified when a small black candlestick, showing a bearish trend, is followed the next day by a large white candlestick, showing a bullish trend, the body of which completely overlaps or engulfs the body of the previous day’s candlestick.

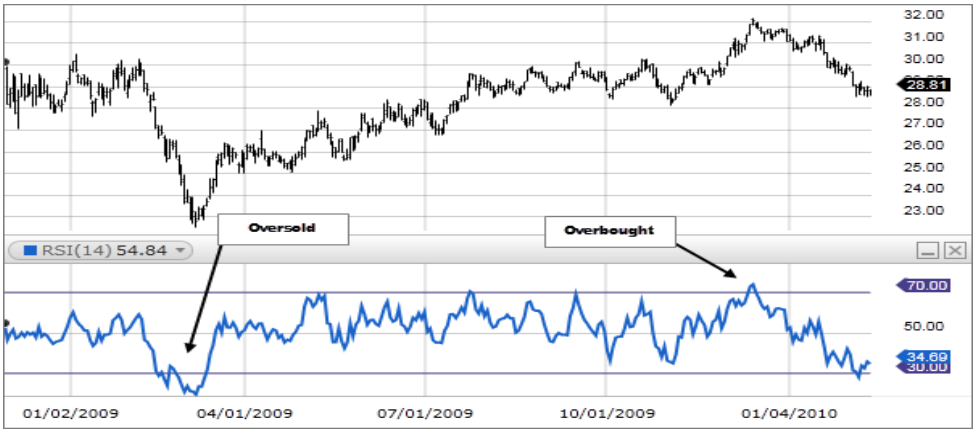
3) BEARISH ENGULFFING

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

TECHNICAL INDICATORS.

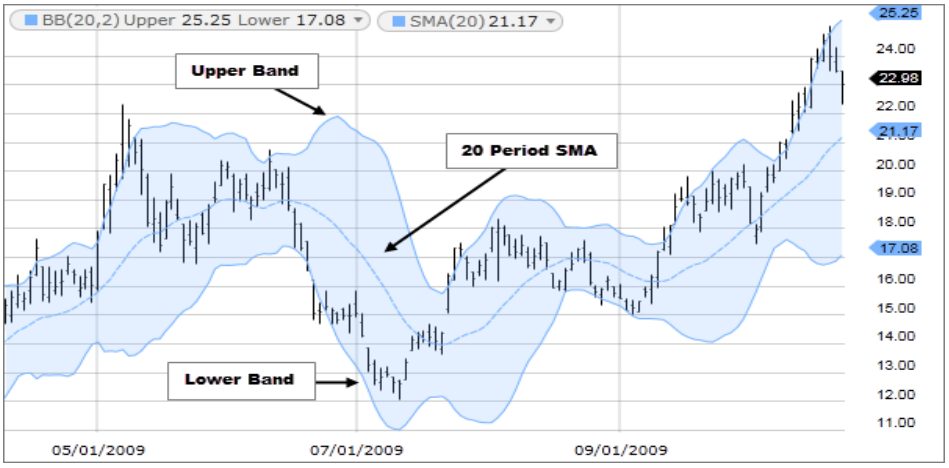
1) RELATIVE STRENGTH INDEX (RSI)

The relative strength index (RSI) is a momentum indicator used in technical analysis. RSI measures the speed and magnitude of a security's recent price changes to evaluate overvalued or undervalued conditions in the price of that security. The RSI can do more than point to overbought and oversold securities. It can signal when to buy and sell. Traditionally, an RSI reading of 70 or above indicates an overbought situation. A reading of 30 or below indicates an oversold condition.



2) BOLLINGER BANDS

A Bollinger Band is a technical analysis tool defined by a set of trendlines plotted two standard deviations (positively and negatively) away from a simple moving average (SMA) of a security's price, but which can be adjusted to user preferences. When the price continually touches the upper Bollinger Band, it can indicate an overbought signal while continually touching the lower band indicates an oversold signal.



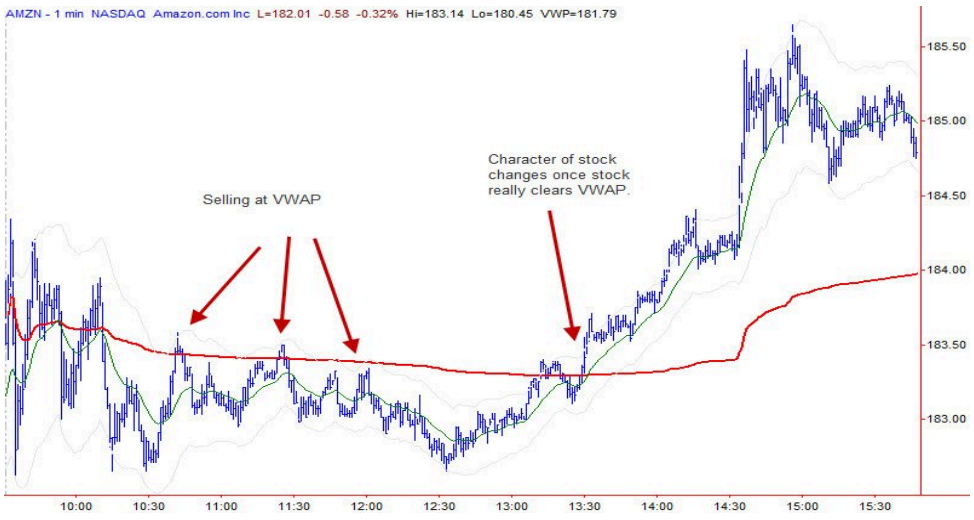
3) STOCHASTIC RELATIVE INDEX

The Stochastic RSI (Stoch RSI) is an indicator used in technical analysis that ranges between zero and one (or zero and 100 on some charting platforms) and is created by applying the Stochastic oscillator formula to a set of relative strength index (RSI) values rather than to standard price data. Using RSI values within the Stochastic formula gives traders an idea of whether the current RSI value is overbought or oversold.



4) VWAP

Volume weighted average price is known to be a versatile tool that is widely used by technical traders in finding good equities for investment. It is used by mutual fund portfolio managers when they have to buy a substantial number of a particular stock. Similarly, retail traders use VWAP to find the future potential of a stock, and intraday traders to determine the mean price in the market so they can buy a stock when the price is below VWAP.



PRICE ACTION MOVEMENT

Price action is the movement of a security's price plotted over time. Price action forms the basis for all technical analyses of a stock, commodity or other asset chart. Many short-term traders rely exclusively on price action and the formations and trends extrapolated from it to make trading decisions. Price action can be seen and interpreted using charts that plot prices over time. Traders use different chart compositions to improve their ability to spot and interpret trends, breakouts and reversals.

PATTERNS OF PRICE ACTION

1) HEAD AND SHOULDER PATTERN

A head and shoulders pattern is used in technical analysis. It is a specific chart formation that predicts a bullish-to-bearish trend reversal. The pattern appears as a baseline with three peaks, where the outside two are close in height, and the middle is highest. The head and shoulders pattern is considered one of the most reliable trend reversal patterns. It is one of several top patterns that signal, with varying degrees of accuracy, that an upward trend is nearing its end.



2) DOUBLE TOP

A double top is an extremely bearish technical reversal pattern that forms after an asset reaches a high price two consecutive times with a moderate decline between the two highs. It is confirmed once the asset's price falls below a support level equal to the low between the two prior highs.



3) BUMP AND RUN

The bump and run reversal chart pattern, also known as BARR, is a reversal pattern that is formed when a stock goes through a fast and large price hike as a result of excessive speculation in the market regarding the stock. After the stock price has reached its peak, it begins moving down towards the trend line, and the chart begins to show the right side of the bump.



4) CUP AND HANDLE

A cup and handle price pattern on a security's price chart is a technical indicator that resembles a cup with a handle, where the cup is in the shape of a "u" and the handle has a slight downward drift. The cup and handle is considered a bullish signal, with the right-hand side of the pattern typically experiencing lower trading volume. The pattern's formation may be as short as seven weeks or as long as 65 weeks.



5) INVERSE HEAD AND SHOULDER

An inverse head and shoulders, also called a "head and shoulders bottom", is similar to the standard head and shoulders pattern, but inverted: with the head and shoulders top used to predict reversals in downtrends. This pattern is identified when the price action of a security meets the following characteristics: the price falls to a trough and then rises; the price falls below the former trough and then rises again; finally, the price falls again but not as far as the second trough.



CASE STUDY:

Name of the Stock- Acc Limited

CMP- 2311



1) Relative Strength Index-

As we can see in the chart the line is falling down which shows weakness in the stock and there is a possibility it will fall more and then stabilize in the long term, hence the relative strength index is giving a sell signal.

2) Bollinger Band-

The Stock here is moving toward the lower band which indicates oversold zone and also acts as a support and the stock is currently trading below its average price, hence the Bollinger Band is giving a sell signal as well

3) Stochastic Relative Strength Index-

As we can see there is cross over of two lines which means weakness in the stock, also it is trading below the permissible limit hence there is a chance of the stock price falling in the future.

Also, the last formed candle is the Bearish Engulfing Candle A bearish engulfing pattern is seen at the end of some upward price moves. It is marked by the first candle of upward momentum being overtaken, or engulfed, by a larger second candle indicating a shift toward lower prices.

Overall Rating: Sell

4) Example-

Buy:

Invested Amount - 100000

Qty - 48

Buying Price - 2100

Date of Purchase – 1/7/22

As we can see the buying opportunity we got on 1st July as the stock was showing strength and we got buy signal from RSI as there is a divergence in the graph and it is slowly moving upwards also there is a crossover in the Stochastic RSI Graph

Sell:

Invested Amount- 100000

Qty- 48

Selling Price- 2700

Profit- 24000

Date of Selling- 21/9/22

As we see can see in the month of September there is weakness in the stock and RSI is showing the stock has entered overbought zone has there is a high chance the stock price will fall also we are in a profit hence it is the right time to exit the stock also bearish engulfing candle is formed which also indicates weakness in the stock.

WHAT IS FUNDAMENTAL ANALYSIS?

Fundamental analysis is a method of assessing the intrinsic value of a stock. It combines financial statements, external influences, events, and industry trends. It is important to note that the intrinsic value or a fair value of a stock does not change overnight. Such analysis helps you identify key attributes of the company and analyze its actual worth, taking into account macro and microeconomic factors.

Fundamental analysis uses three sets of data: historical data to check how things were in the past publicly known information about the company, including announcements made by the management and what others say about the company information that is not known publicly but is useful, i.e., how the leadership handles crises, situations, etc.

For a stock, fundamental analysis typically includes reviewing many elements related to stock prices, including:

- Performance of the overall industry the company participates in
- Domestic political environment
- Relevant trade agreements and external politics
- The company's financial statements
- The company's press releases
- News releases related to the company and its business
- Competitor analysis

If a company's fundamental indicators suggest a negative impact, it will likely hurt its share price. On the other hand, if the data is positive, for instance, a favorable earnings report, it can boost the company's share price.

Advantages:

- Objective: the quantitative part of fundamental analysis helps eliminate biases in making decisions on investments.
- Whole: the inclusion of qualitative analysis in quantitative research helps provide a complete view of the company's performance.
- Long-term: a thorough analysis can give helpful information on where and when to invest in generating high earnings over a long-term period.

Disadvantages:

- Time-consuming: because fundamental analysis tries to capture both macro and micro factors, it can take a long to prepare.
- Overcomplicated: investors may overcomplicate their analysis when a more concise approach would yield better insights.

Differences:

Finance Management

FUNDAMENTAL vs TECHNICAL ANALYSIS

Basis	Fundamental Analysis	Technical Analysis
Relevance	For long term investment.	For short term investment.
Function	Useful for trading & investing.	Useful for trading.
Objective	To find out fair value of security	Determine correct time to enter & exit trade.
Data	Use both past & present data.	Use past data only.
Form of data	Uses annual reports, news, economy`s statistic, etc.	Relies on chart analysis only.
Trader`s type	Long term position trader.	Swing & short term trader.
Concepts	Return on equity & on assets.	Dow theory & price data.
Usefulness	Identify undervalued or overvalued stocks	Determines right time to buy or sell stock.

CONCLUSION:

Working with Aditya Birla Capital has actually given me a vast knowledge and immense experience in the field of equity markets. This internship has been an excellent and rewarding experience. I got to analyze the stock market and got a chance to learn in deep of the markets. I can conclude that there have been a lot of things from the internship. I understood about the various factors that are associated while buying a stock. Being someone with no prior experience in the technical aspects of the equity markets, I believe my time spent in researching and trading in the stock markets was worth it. This internship has guided me towards my next career goal and help me make better choices.

LEARNINGS:

Things I learned from this internship are:

- Basics of Stock Market Analysis.
- Technical Analysis
- Short selling
- Chart patterns
- Indicators
- Candle Sticks
- Work Place Etiquette
- Internal mobility

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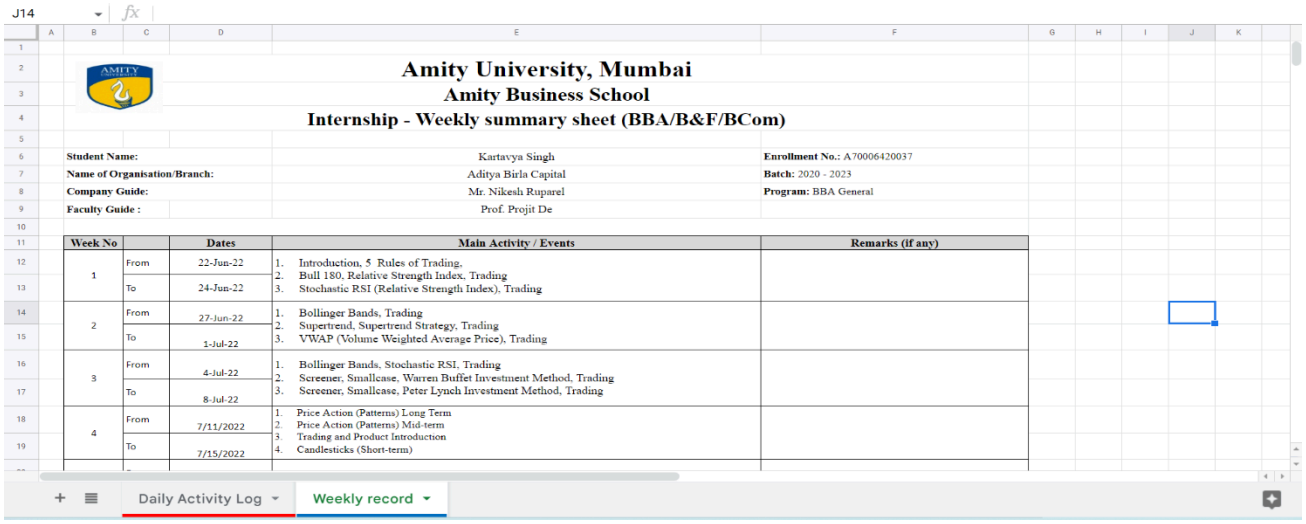
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ANNEXURE:

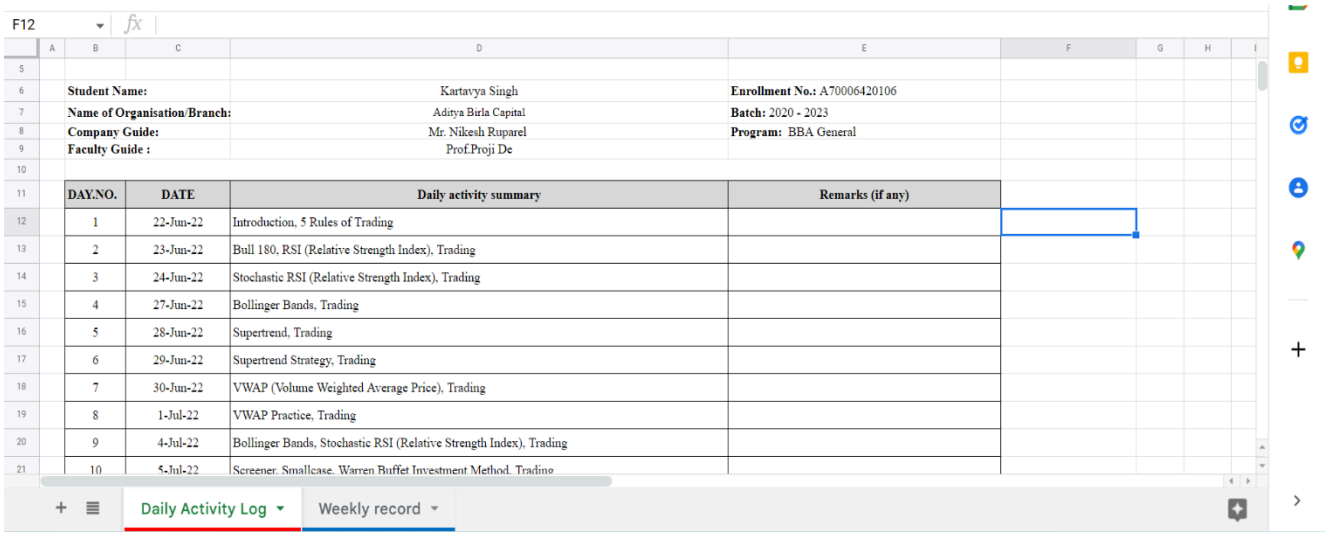
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Amity University, Mumbai
Amity Business School
Internship - Weekly summary sheet (BBA/B&F/BCom)

Student Name:	Kartavya Singh	**Enrollment No.:** A70006420037	
Name of Organisation/Branch:	Aditya Birla Capital	**Batch:** 2020 - 2023	
Company Guide:	Mr. Nikesh Ruparel	**Program:** BBA General	
Faculty Guide :	Prof. Projit De		

Week No		Dates	Main Activity / Events	Remarks (if any)
1	From	22-Jun-22	1. Introduction, 5 Rules of Trading, 2. Bull 180, Relative Strength Index, Trading 3. Stochastic RSI (Relative Strength Index), Trading	
	To	24-Jun-22		
2	From	27-Jun-22	1. Bollinger Bands, Trading 2. Supertrend, Supertrend Strategy, Trading 3. VWAP (Volume Weighted Average Price), Trading	
	To	1-Jul-22		
3	From	4-Jul-22	1. Bollinger Bands, Stochastic RSI, Trading 2. Screener, Smallcase, Warren Buffet Investment Method, Trading 3. Screener, Smallcase, Peter Lynch Investment Method, Trading	
	To	8-Jul-22		
4	From	7/11/2022	1. Price Action (Patterns) Long Term 2. Price Action (Patterns) Mid-term 3. Trading and Product Introduction 4. Candlesticks (Short-term)	
	To	7/15/2022		



Student Name:	Kartavya Singh	**Enrollment No.:** A70006420106
Name of Organisation/Branch:	Aditya Birla Capital	**Batch:** 2020 - 2023
Company Guide:	Mr. Nikesh Ruparel	**Program:** BBA General
Faculty Guide :	Prof.Proji De	

DAY.NO.	DATE	Daily activity summary	Remarks (if any)
1	22-Jun-22	Introduction, 5 Rules of Trading	
2	23-Jun-22	Bull 180, RSI (Relative Strength Index), Trading	
3	24-Jun-22	Stochastic RSI (Relative Strength Index), Trading	
4	27-Jun-22	Bollinger Bands, Trading	
5	28-Jun-22	Supertrend, Trading	
6	29-Jun-22	Supertrend Strategy, Trading	
7	30-Jun-22	VWAP (Volume Weighted Average Price), Trading	
8	1-Jul-22	VWAP Practice, Trading	
9	4-Jul-22	Bollinger Bands, Stochastic RSI (Relative Strength Index), Trading	
10	5-Jul-22	Screener, Smallcase, Warren Buffet Investment Method, Trading	

As someone with no prior experience with equities whatsoever I believe my time spent in research and discovering it was well worth it and contributed to finding an acceptable solution to build a fully functional web service. Two main things that I've learned the importance of our time-management skills and self-motivation. I can safely say that my understanding of the job environment has increased greatly.