

Technical indicator: Predict the share price

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Abstract

Investment in the shares and securities of the companies is one of the best options of investment. So investing is one of the most crucial decisions that every earning individual has to make at one point of time. Analysis is possible only in two modes namely fundamental and technical analysis. Technical analysis involve putting stock information like prices, volumes and open interest on a chart and applying various patterns and indicators to it in order to assess the future price movements. A proper analysis helps to reduce risk so in order for this, the technical analysis has used to predict the future price. This paper is aims at carrying out of technical analysis of the securities of all private and public sector banks and to assist investment decision in this sector. The two indicator are used namely money flow index and relative strength index. At the end of this study, we find the indicator expressing different answers about the shares.

Keywords: fundamental analysis, investment, money flow index, relative strength index, technical analysis

Introduction

Technical Analysis can be defined as an art and science of forecasting future prices based on an examination of the past price movement. Technical analysis is not astrology for predicting price. Technical analysis is based on analyzing current demand-supply of commodities, stocks, indices, futures or any tradable instrument. Technical analysis involve putting stock information like prices, volumes and open interest on a chart and applying various patterns and indicators to it in order to assess the future price movements. Though Technical Analysis is being practiced in the West as well as some Asian countries like Japan for more than past 100 to 150 years, it has become popular in India only in the last 15 to 20 years

Objective of study

1. To analyze the performance of selected listed banks and to predict the future trends in the share prices through Technical Analysis.
2. To assist the investors in making investment decisions in share market by using technical Indicator
3. To analyze the performance of select companies in Indian stock market and to predict the future trends in the share prices through Technical Analysis
4. Technical analysis on selected stocks and interpret on whether to buy or sell
5. To suggesting the investors in making investment decisions in selected stock

Assumptions

- i) The investors want to invest only in banking sector
- ii) The prediction of the stocks is based on the moves stock price, so any news in future may affect trend of the stock

Methodology of study

i) Sampling Design

Since the major emphasis in this study was on the description of data and insights into the facts, the research design most

appropriate for the study was Quantitative and Descriptive Research Design.

ii) Sample

Daily opening price, closing price, high, low, volume of all listed private sector, public sector and nationalised bank

iii) Sample Size

The size of the data is 5 years of all listed private sector, public sector and nationalised bank on year end basis

iv) Source and Instruments of Data collection

The source of data for this study was predominantly from secondary source.

Secondary Data

The secondary data has to be collected from the records and published annual reports of the Company, web sites, Journals etc.

1. Data collected from various books and websites.
2. Secondary data collected from newspapers & magazines.
3. Data collected from internet.
4. Publication.
5. Information provided by stock broking centres for various places

Technical Analysis: The Basic Assumptions

The field of technical analysis is based on three assumptions:

1. The market discounts everything.
2. Price moves in trends.
3. History tends to repeat itself.

1. The market discounts everything

Technical analysis is criticized for considering only prices and ignoring the fundamental analysis of the company, economy etc. Technical analysis assumes that, at any given time, a stock's price reflects everything that has or could affect the company - including fundamental factors. The market is driven

by mass psychology and pulses with the flow of human emotions. Emotions may respond rapidly to extreme events, but normally change gradually over time. It is believed that the company’s fundamentals, along with broader economic factors and market psychology, are all priced into the stock, removing the need to actually consider these factors separately. This only leaves the analysis of price movement, which technical theory views as a product of the supply and demand for a particular stock in the market.

2. Price moves in trends

“Trade with the trend” is the basic logic behind technical analysis. Once a trend has been established, the future price movement is more likely to be in the same direction as the trend than to be against it. Technical analysts frame strategies based on this assumption only.

3. History tends to repeat itself

People have been using charts and patterns for several decades to demonstrate patterns in price movements that often repeat themselves. The repetitive nature of price movements is attributed to market psychology; in other words, market participants tend to provide a consistent reaction to similar market stimuli over time. Technical analysis uses chart patterns to analyze market movements and understand trends.

Why use indicators?

Technical Indicators broadly serve three functions:

- i) To alert
- ii) To confirm and
- iii) To predict.

Indicator acts as an alert to study price action, sometimes it also gives a signal to watch for a break of support. A large positive divergence can act as an alert to watch for a resistance breakout. Indicators can be used to confirm other technical analysis tools. Some investors and traders use indicators to predict the direction of future prices.

The following indicators used to analysis the share price for listed banks

1. Money Flow Index(MFI)(14)
2. Relative Strength Index(RSI)(14)

Technical indicators offer many uses such as:

- To confirm the trends
- To generate buy/ sell signals
- To predict the direction of future

Money flow index (MFI) (14 DAYS)

A momentum indicator that uses a stock’s price and volume to predict the reliability of the current trend, because the Money

Flow Index adds trading volume to Relative Strength Index (RSI), It’s sometimes referred to as volume-weighted RSI Throughout our site in both tutorial and screener, if we have given maximum emphasis on a parameter after price then it is volume. Other indicators give leads but it is volume which gives stamp of approval to signal. Because of this reason various volume based indicators emerged and some of the prominent ones are Chaikin Money Flow (CMF), On Balance Volume (OBV), ADL and Money Flow Index (MFI). Money Flow Index was developed to gauge buying and selling pressure. It is yet again a momentum oscillator that takes with price and volume in consideration. It being an oscillator with values between 0 & 100, it is easy to interpret. Its way of calculation is similar to RSI with exception of volume included in MFI, therefore its signal and interpretation is also similar to RSI. It is also called Volume Weighted RSI. So what does it measure, it measure how much money is coming into the market (accumulation) and at what rate.

Other important things to know while considering MFI:

- It is best used when integrated with some other chart pattern or indicators.
- It is leading indicator.
- Some use 70/30 as over bought and over sold.
- For those who rely purely on MFI numbers, they should use 90 and 10 for volatile stocks to get better result.
- Adjust range, 80/20 or number of days (14) to suit the stock.

Formula for Money Flow Index Indicator

First we need to calculate Typing Price Money Flow and Money Ratio to know the Money Flow Index

- **Typing Price**= (High +Low +Close)/3
- **Money Flow**=Typical Price x Volume
- **Positive Money Flow**= The Money Flow on days where the Typical Price is greater than the previous day's Typical Price
- **Negative Money Flow**= The Money Flow on days where the Typical Price is less than the previous day's Typical Price.
- **Money Ratio**= Positive Money Flow / Negative Money Flow

Money Flow Index: $100 - [100 / (1 + \text{Money Ratio})]$

Table 1: Trading Strategies with MFI and Interpretation

| Scenario | MFI Value | Condition |
|----------|------------------------------|---------------------------------------|
| Case 1 | 80-100 | Overbought |
| Case 2 | Rising above 50 and Below 80 | Bulls have Control and Trend reversal |
| Case 3 | 20-50 | Bears gain control |
| Case 4 | 0-20 | Oversold |

Table 2: Money flow index (RSI) (14 days) five year data public sector banks

| S. No | Listed Banks | 30-Mar-12 | 29-Mar-13 | 31-Mar-14 | 31-Mar-15 | 31-Mar-16 |
|-------|-----------------------|-----------|-----------|-----------|-----------|-----------|
| 1 | Allahabad Bank | 39.8035 | 29.8089 | 80.233 | 44.0373 | 75.2013 |
| 2 | Andhra Bank | 27.5392 | 44.6429 | 91.2331 | 35.2939 | 30.3989 |
| 3 | Bank of Boroda | 45.6925 | 36.6973 | 86.8808 | 43.9633 | 64.5634 |
| 4 | Bank of India | 42.0568 | 48.5525 | 78.3263 | 24.6376 | 77.1174 |
| 5 | Bank of Maharashtra | 48.6801 | 28.5067 | 95.0081 | 9.0796 | 51.8512 |
| 6 | Canara Bank | 39.8035 | 49.8089 | 80.223 | 44.0373 | 75.2013 |
| 7 | Central Bank of India | 39.6774 | 33.3265 | 90.0978 | 68.2393 | 74.1058 |

| | | | | | | |
|----|----------------------------------|---------|---------|---------|---------|---------|
| 8 | Corporation Bank | 19.0543 | 26.4502 | 87.9427 | 10.4071 | 61.0258 |
| 9 | Dena Bank | 34.2214 | 47.8796 | 86.9304 | 37.3557 | 54.6481 |
| 10 | IDBI Bank | 38.005 | 9.3797 | 80.4548 | 31.0406 | 73.1468 |
| 11 | Indian Bank | 34.1934 | 37.9928 | 77.1694 | 46.0158 | 63.3387 |
| 12 | Indian Oversea Bank | 33.6639 | 21.4056 | 88.7422 | 57.1172 | 85.0854 |
| 13 | Oriental Bank of Commerce | 31.4042 | 33.0572 | 79.1552 | 20.7285 | 62.6264 |
| 14 | Punjab National Bank | 38.3602 | 29.8188 | 89.8038 | 41.2654 | 64.8993 |
| 15 | State Bank of Bikaner and Jaipur | 65.5127 | 48.4759 | 87.6117 | 28.3462 | 58.9435 |
| 16 | State Bank of India | 34.1706 | 26.635 | 89.7361 | 41.421 | 57.9206 |
| 17 | State Bank of Mysore | 58.0691 | 31.6334 | 71.9258 | 24.6752 | 58.2696 |
| 18 | State Bank of Travancore (SBT) | 36.9352 | 44.0369 | 87.6947 | 44.3674 | 59.9808 |
| 19 | Syndicate Bank | 31.7643 | 24.4298 | 81.4699 | 21.4545 | 85.9411 |
| 20 | Uco Bank | 30.5567 | 33.8145 | 79.9475 | 23.7007 | 72.6399 |
| 21 | Union Bank of India | 53.7187 | 19.7094 | 90.3229 | 32.7163 | 67.3353 |
| 22 | United Bank of India | 16.9484 | 16.0221 | 82.4893 | 35.6708 | 28.3902 |
| 23 | Vijay Bank | 32.2548 | 22.3931 | 85.6019 | 58.1566 | 34.3232 |

Findings from above table

- On 30th March 2012 the stock of Allahabad Bank, Andhra Bank, Bank of Boroda, Bank of India, Bank of Maharashtra, Canara Bank, Central Bank of India, Dena Bank, IDBI Bank, Indian Bank, Indian Oversea Bank, Oriental Bank of Commerce, Punjab National Bank, State Bank of Bikaner and Jaipur, State Bank of Travancore (SBT), Syndicate Bank, UCO Bank, Vijay Bank had Bears Gain Control. The stock of Corporation Bank, United Bank of India is under Oversold Condition. The stock of State Bank of India, State Bank of Mysore, Union Bank of India had Trend Reversal and Bulls have control.
- On 29st March 2013 the stock of Allahabad Bank, Andhra Bank, Bank of Boroda, Bank of India, Bank of Maharashtra, Canara Bank, Central Bank of India, Corporation Bank, Dena Bank, Indian Bank, Indian Oversea Bank, Oriental Bank of Commerce, Punjab National Bank, State Bank of Bikaner and Jaipur, State Bank of India, State Bank of Mysore, State Bank of Travancore (SBT), Syndicate Bank, UCO Bank, Vijay Bank had Bears Gain Control. The stock of IDBI Bank, Union Bank of India, United Bank of India had oversold.
- On 31st March 2014 the stock of Allahabad Bank, Andhra Bank, Bank of Boroda, Bank of Maharashtra, Canara Bank, Central Bank of India, Corporation Bank, Dena Bank, IDBI Bank, Indian Oversea Bank, Punjab National Bank, State Bank of Bikaner and Jaipur, State Bank of India, State Bank of Mysore, State Bank of Travancore (SBT), Syndicate Bank, Union Bank of India, United Bank of India, Vijay Bank had under Overbought Condition. Bank of India, Indian Bank, Oriental Bank of Commerce, State Bank of Mysore, UCO Bank had Trend Reversal and Bulls have Control.
- On 31st March 2015 the stock of Allahabad Bank, Andhra Bank, Bank of Boroda, Bank of India, Canara Bank, Dena Bank, IDBI Bank, Indian Bank, Oriental Bank of Commerce, Punjab National Bank, State Bank of Bikaner and Jaipur, State Bank of India, State Bank of Mysore, State Bank of Travancore (SBT), Syndicate Bank, UCO Bank, Union Bank of India, United Bank of India had under Bears Gain Control Condition. The stock of Bank of Maharashtra and Corporation Bank had under Oversold Condition. Central Bank of India, Indian Oversea Bank, Vijay Bank had Trend Reversal and Bulls have control over the condition of market
- On 31st March 2016 the stock of Allahabad Bank, Bank of Boroda, Bank of India, Bank of Maharashtra, Canara Bank, Central Bank of India, Corporation Bank, Dena Bank, IDBI Bank, Indian Bank, Oriental Bank of Commerce, Punjab National Bank, State Bank of Bikaner and Jaipur, State Bank of India, State Bank of Mysore, State Bank of Travancore (SBT), UCO Bank, Union Bank of India had Trend Reversal and Bulls have control over the condition of market. Andhra Bank, United Bank of India, Vijay Bank had Bears Gain Control. The stock of Indian Oversea Bank, Syndicate Bank were overbought

Table 3: Money flow index (MFI) (14 days) five year data private sector banks

| S. No | Listed Banks | 30-Mar-12 | 29-Mar-13 | 31-Mar-14 | 31-Mar-15 | 31-Mar-16 |
|-------|------------------------|-----------|-----------|-----------|-----------|-----------|
| 1 | Axis Bank | 29.2166 | 34.1398 | 78.9921 | 43.7077 | 77.9362 |
| 2 | City Union Bank | 55.9268 | 35.9377 | 82.9179 | 57.228 | 77.2225 |
| 3 | Dcb Bank | 26.7964 | 19.9106 | 86.7247 | 57.6668 | 51.7244 |
| 4 | Dhanalaxmi Bank | 55.9744 | 21.7298 | 63.047 | 37.7319 | 74.8676 |
| 5 | Federal Bank | 67.438 | 55.6549 | 75.1478 | 49.7308 | 15.8831 |
| 6 | HDFC Bank | 51.1768 | 58.2972 | 68.6398 | 33.0933 | 63.5991 |
| 7 | ICICI Bank | 27.2559 | 33.9411 | 54.2704 | 42.091 | 70.0679 |
| 8 | Indusind Bank Ltd | 35.3468 | 28.6997 | 74.4019 | 44.5195 | 39.1111 |
| 9 | Jammu and Kashmir Bank | 54.0185 | 14.7848 | 66.4237 | 17.6135 | 49.3272 |
| 10 | Karur Vysya Bank | 34.8608 | 48.0704 | 89.3954 | 2.5041 | 68.7347 |
| 11 | Kotak Mahindra Bank | 53.4539 | 33.2122 | 49.879 | 38.2214 | 75.4111 |
| 12 | Karnataka Bank Ltd | 49.6027 | 30.1572 | 76.9431 | 30.314 | 71.6761 |
| 13 | Lakshmi Vilas Bank | 30.2561 | 32.6484 | 84.4368 | 77.9617 | 3.9673 |
| 14 | South Indian Bank | 37.3526 | 23.6808 | 51.9166 | 10.0054 | 60.2903 |
| 15 | Yes Bank | 47.9222 | 35.973 | 63.543 | 26.4984 | 70.5205 |

Findings from above table

- On 30th March 2012 the stock of Axis Bank, DCB Bank, ICICI Bank, IndusInd Bank Ltd, Karur Vysya Bank, Karnataka Bank Ltd, Lakshmi Vilas Bank, South Indian Bank, YES Bank had Bears Gain Control and rest other listed private banks had Trend Reversal and Bulls have Control over the situation.
- On 29th March 2013 the stock of Axis Bank, City Union Bank, Dhanalaxmi Bank, ICICI Bank, IndusInd Bank Ltd, Karur Vysya Bank, Kotak Mahindra Bank, Karnataka Bank Ltd, Lakshmi Vilas Bank, South Indian Bank, YES Bank had Bears Gain Control situation. DCB Bank and Jammu and Kashmir Bank had oversold situation. Federal Bank and HDFC Bank had under Trend Reversal and Bulls have Control the condition
- On 31st March 2014 the stock of Axis Bank, Dhanalaxmi Bank, Federal Bank, HDFC Bank, ICICI Bank, IndusInd Bank Ltd, Jammu And Kashmir Bank, Kotak Mahindra Bank, Karnataka Bank Ltd and South Indian Bank, YES Bank had under Trend Reversal and Bulls have Control the condition. The stock of City Union Bank, DCB Bank, Karur Vysya Bank, Lakshmi Vilyas Bank were Overbought
- On 31st March 2015 the stock of Axis Bank, Dhanalaxmi Bank, Federal Bank, HDFC Bank, ICICI Bank, IndusInd Bank Ltd, Kotak Mahindra Bank, Karnataka Bank Ltd, YES Bank had Bears Gain Control. The stock of City Union Bank, DCB Bank, Lakshmi Vilas Bank had under Trend Reversal and Bulls have control over the condition. The stock of Jammu And Kashmir Bank, Karur Vysya Bank and South Indian Bank had oversold.
- On 31st March 2016 the stock of Axis Bank, City Union Bank, DCB Bank, Dhanalaxmi Bank, HDFC Bank, ICICI Bank, IndusInd Bank Ltd, Karur Vysya Bank, Kotak Mahindra Bank, Karnataka Bank Ltd, South Indian Bank, YES Bank had under Trend Reversal and Bulls have Control over the Condition. The stock of Federal Bank and Lakshmi Vilas Bank had Oversold Condition. The stock of IndusInd Bank and Jammu and Kashmir Bank had under Bears Gain Control

Relative strength index (RSI) (14 days)

Relative Strength Indicator abbreviated as RSI. RSI was invented by Welles Wilder. The relative strength index (RSI)

is a technical momentum indicator that compares the magnitude of recent gains to recent losses in an attempt to determine and conditions of an asset. It is a momentous oscillator used to identify trend reversal.

What is concept of RSI?

RSI calculates strength of stock trend and helps to predict their reversals. RSI value oscillates between 0 and 100. As per Wilder when RSI value is above 70 it is considered as overbought and when RSI is below 30 it is considered as oversold. Some traders use 75/25 or even 80/20 to define.

A value between 35 and 65 is a no entry or exit point for traders who rely on RSI as primary indicator. However their movement can help supplement other indicators signal. Another use of RSI is to determine divergence between price and RSI. Divergence indicates trend reversals.

If the share price is falling and RSI is rising, a divergence is said to have occurred. Divergence indicates the turning point of the market. If the RSI is rising in the overbought zone, it would indicate the downfall of the price. If the RSI falls in the overbought zone, it gives a clear signal of ‘sell’. The term ‘overbought’ describes the price level at which momentum can no longer be maintained and the price has to go down. This condition occurs after a sharp rise in price during a period of heavy buying. When RSI is in oversold regions, it generates the buy signal. The term oversold is used to describe a security or market that has declined to an unreasonably low level. This condition is characterised by an increase in sales and excess of net declines

Uses of RSI

1. Identify overbought stocks.
2. Identify oversold stocks.
3. Identify trend reversals.
4. Identify direction of the trend
5. Excellent tools for swing traders

Table 4: Trading Strategies with RSI and Interpretation

| Value | Case |
|------------|-----------------|
| <30 | Oversold |
| >70 | Overbought |
| In Between | Normally Traded |

Table 5: Relative strength index (RSI) (14 days) five year data public sector banks

| S. No | Listed Banks | 30-Mar-12 | 29-Mar-13 | 31-Mar-14 | 31-Mar-15 | 31-Mar-16 |
|-------|----------------------------------|-----------|-----------|-----------|-----------|-----------|
| 1 | Allahabad Bank | 48.53 | 35.02 | 96.48 | 41.37 | 65.20 |
| 2 | Andhra Bank | 45.68 | 42.12 | 75.21 | 41.15 | 56.83 |
| 3 | Bank of Boroda | 48.84 | 37.83 | 75.67 | 32.95 | 58.20 |
| 4 | Bank Of India | 50.97 | 43.69 | 76.61 | 25.30 | 56.81 |
| 5 | Bank of Maharashtra | 62.09 | 50.02 | 86.39 | 45.06 | 47.67 |
| 6 | Canara Bank | 49.54 | 35.04 | 76.48 | 41.37 | 65.20 |
| 7 | Central Bank of India | 51.04 | 30.63 | 74.46 | 55.70 | 72.67 |
| 8 | Corporation Bank | 34.71 | 26.44 | 80.51 | 19.95 | 52.18 |
| 9 | Dena Bank | 53.28 | 37.12 | 73.70 | 43.03 | 49.21 |
| 10 | IDBI Bank | 46.87 | 25.43 | 75.44 | 43.49 | 60.61 |
| 11 | Indian Bank | 58.12 | 51.00 | 71.55 | 47.14 | 59.49 |
| 12 | Indian Oversea Bank | 45.10 | 26.56 | 64.45 | 36.68 | 72.90 |
| 13 | Oriental Bank of Commerce | 40.24 | 40.19 | 78.38 | 25.44 | 53.03 |
| 14 | Punjab National Bank | 44.94 | 27.19 | 80.60 | 24.49 | 54.37 |
| 15 | State Bank of Bikaner And Jaipur | 47.45 | 38.06 | 73.06 | 33.64 | 52.22 |
| 16 | State Bank of India | 43.08 | 35.74 | 83.53 | 36.26 | 59.09 |

| | | | | | | |
|----|--------------------------------|-------|-------|-------|-------|-------|
| 17 | State Bank of Mysore | 43.41 | 42.48 | 73.68 | 29.47 | 42.07 |
| 18 | State Bank of Travancore (SBT) | 48.57 | 39.05 | 78.35 | 38.76 | 49.32 |
| 19 | Syndicate Bank | 51.48 | 34.73 | 70.93 | 31.92 | 67.72 |
| 20 | UCO Bank | 49.05 | 31.99 | 67.42 | 32.08 | 65.02 |
| 21 | Union Bank of India | 54.92 | 43.85 | 82.05 | 25.60 | 60.12 |
| 22 | United Bank of India | 51.42 | 34.56 | 78.87 | 26.92 | 48.86 |
| 23 | Vijay Bank | 45.67 | 30.90 | 76.72 | 50.52 | 49.91 |

Findings from above table

- On 30th March 2012 the stock of Allahabad Bank, Andhra Bank, Bank of Boroda, Bank of India, Bank of Maharashtra, Canara Bank, Central Bank of India, Corporation Bank, Dena Bank, IDBI Bank, Indian Bank, Indian Oversea Bank, Oriental Bank of Commerce, Punjab National Bank, State Bank of Bikaner had Normally Traded that is all stocks are between 30 and 70
- On 29th March 2013 the stocks of Corporation Bank, IDBI Bank, Indian Oversea Bank, Punjab National Bank are oversold and rest other listed public sector banks had normally traded

- On 31st March 2014 the stocks of UCO Bank and Indian Oversea Bank are Normally Traded and rest other listed public sector banks had overbought
- On 31st March 2015 the stocks of Bank of India, Corporation Bank, Oriental Bank of Commerce, Punjab National Bank, State Bank of India, Union Bank of India, United Bank of India had Oversold and rest other listed public sector banks had Normally Traded
- On 31st March 2016 the stocks of Central Bank of India and Indian Oversea Bank are overbought and rest other listed banks stocks were Normally Traded.

Table 6: Relative strength index (RSI) (14 days) five year data private sector banks

| S. No. | Listed Banks | 30-Mar-12 | 29-Mar-13 | 31-Mar-14 | 31-Mar-15 | 31-Mar-16 |
|--------|------------------------|-----------|-----------|-----------|-----------|-----------|
| 1 | Axis Bank | 46.76 | 35.54 | 71.93 | 46.22 | 62.72 |
| 2 | City Union Bank | 55.12 | 33.95 | 80.38 | 50.14 | 66.85 |
| 3 | Dcb Bank | 50.01 | 54.51 | 71.10 | 51.91 | 59.19 |
| 4 | Dhanalaxmi Bank | 51.95 | 26.85 | 58.78 | 37.61 | 60.97 |
| 5 | Federal Bank | 54.39 | 41.72 | 77.77 | 38.35 | 39.12 |
| 6 | Hdfc Bank | 53.77 | 45.35 | 69.00 | 42.10 | 70.38 |
| 7 | Icici Bank | 48.44 | 44.70 | 71.46 | 40.35 | 62.88 |
| 8 | Indusind Bank Ltd | 57.44 | 43.25 | 76.09 | 51.33 | 71.19 |
| 9 | Jammu and Kashmir Bank | 70.66 | 32.66 | 65.33 | 22.18 | 30.18 |
| 10 | Karur Vysya Bank | 46.32 | 37.99 | 89.27 | 22.01 | 61.65 |
| 11 | Kotak Mahindra Bank | 51.79 | 50.90 | 70.39 | 43.73 | 62.70 |
| 12 | Karnataka Bank Ltd | 48.29 | 38.99 | 69.61 | 41.11 | 62.94 |
| 13 | Lakshmi Vilas Bank | 45.08 | 34.13 | 73.23 | 64.70 | 18.47 |
| 14 | South Indian Bank | 47.66 | 51.04 | 53.19 | 44.82 | 52.04 |
| 15 | Yes Bank | 55.55 | 30.97 | 75.92 | 46.85 | 75.59 |

Findings from above table

- On 30th March 2012 the stocks of Jammu and Kashmir Bank were Overbought and rest other listed private banks were normally traded.
- On 29th March 2013 the stocks of Dhanalaxmi Bank were Oversold and rest other listed private sector banks were normally traded
- On 31st March 2014 the stocks of Axis Bank, City Union Bank, DCB Bank, Dhanalaxmi Bank, Federal Bank, ICICI Bank, IndusInd Bank Ltd, Jammu And Kashmir Bank, Karur Vysya Bank, Kotak Mahindra Bank, Karnataka Bank Ltd, Lakshmi Vilas Bank, South Indian Bank, YES Bank were Overbought and rest other listed private sector banks are Dhanalaxmi Bank, South Indian Bank, Karnataka Bank Ltd, Jammu And Kashmir Bank, HDFC Bank were normally traded
- On 31st March 2015 the stocks of Jammu And Kashmir Bank, Karur Vysya Bank were oversold and rest other listed private sector banks stock were normally traded
- On 31st March 2016 the stocks of Axis Bank, City Union Bank, DCB Bank, Dhanalaxmi Bank, Federal Bank, HDFC Bank, ICICI Bank, IndusInd Bank Ltd, Jammu And

Kashmir Bank, Karur Vysya Bank, Kotak Mahindra Bank, Karnataka Bank Ltd, and South Indian Bank were normally traded. And the stock of IndusInd Bank Ltd, HDFC Bank, YES Bank were Overbought and Lakshmi Vilas Bank were oversold

Conclusion

Technical analysis is a technique which gives an idea about future share prices of selected companies. On the basis of the knowledge of technical analysis one can predict the perfect investment decisions of the stock market. Technical analysis is based on published capital Market data as opposed to fundamental data namely earnings, sales, growth rate, etc. This research study on technical indicator will help the investors in analysing the scrip based on indicator to earn fruitful investment. In this study shows that, the money flow index and relative strength index were used to analysis the movements of prices in public and private sector banks. After the depth study on above reports, it shows that, these two indicators are providing different result. So investor must use any one of the indicator to predict the future price. The strength of indicator could measure on the bases of indicator characteristic.

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