

# Equity Market Analysis

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Submitted: 10-07-2022

Revised: 18-07-2022

Accepted: 23-07-2022

## ABOUT THE PROJECT:

- Equity Analysis is the understanding of sectors, to suggest to investors which share to pick.

## TECHNICAL ANALYSIS:

- Assess investments and understand trading scenarios through done by reading statistical data from trading charts.
- Tools that are unique are used to decide the methods of movement of the market that are resulted in price change and volume.
- This analysis tends to deliver the movement of any share, currency, or bond.
- It is not related to the monetary performance of the company.
- The trend studied is the uptrend where the market moves up and the downtrend where the market moves down.

## THE OBJECTIVE OF THE PROJECT:

- Understand technical analysis in the equity market.
- Seek information on how to select a stock.
- Predict whether the stock will be bullish or bearish.
- Proceed with analysis and understand the stock market.

## I. INTRODUCTION:

- Technical analysis understands the indicators and applies the same to see the trend in charts.
- It is completely different from fundamental analysis, which focuses on the company's financials.

There are two approaches the Top-Down Approach and the Bottom-Up Approach.

### TOP-DOWN APPROACH:

- Investors are using this method for the short term with short-term gains.
- This approach has economies, then sectors, and then companies.

### BOTTOM-UP APPROACH:

- Investors are using this method for the long term with long-term gains.

- This approach has companies, sectors and then economies.



## KEY ASSUMPTIONS:

- Technical analysts don't like it when said that the market is random.
- They count on a time frame which can be in minutes, hours, days, or even months.
- The analysts will accept that history repeats itself in the stock market and the things that occurred in the past will occur again.
- They trust everything is priced right in the equity market.
- They use different indicators which may vary of the other analysts.
- The feelings of other investors can be predicted from the use of charts that show that it may affect the equity market.

## BENEFITS:

- As its visual, traders can gain a perspective on changes in the patterns that they will not be able to do with fundamental analysis.
- The facts help investors to use the opportunity to their advantage.
- The technical let you pick if a stock is in uptrend, downtrend, or consolidation. This information can be used to make decisions about buying, selling, or holding a share.
- Fundamental analysis is lengthy and for long-term investors however technical analysis is for short-term as well as long term buyers.

**DISADVANTAGES:**

- Even if you plan everything correctly the market can take a sudden change and you might fail.
- The charts and indicators are right but the analysis may end up wrong.
- Each investor may think differently and may disagree on the skills used even though their opinions may differ.
- Different ways to perform the analysis, so traders will view different things. The important thing is finding what works best for you.

**LEARNINGS:**

- Technical evaluation is really helpful and can be mastered. By gaining the knowledge you can spot can in movements and set up stock evaluations.

- This method can be used for long-term as well as short-term trading.
- This method can generate the strengths and weaknesses of a stock.
- Always put a stop loss of 2-3% to incur a minimum loss.
- Try not being sad for loss incurred and continue learning and growing.

**II. RESULT:**

- Technical Analysis is an interesting skill.
- Understanding different signs allow you to perceive satisfactory instances.
- It also shows the investors sentiments which can affect the equity market.
- Learning this approach is fast and easy then, fundamental analysis of a company's stock.