

A Study on Technical Analaysis of Indian FMCG Sector

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Abstract: The Indian fast-moving consumer goods (FMCG) sector plays a crucial role in the country's economy, experiencing strong growth and catering to the needs of its vast population. This research aims to conduct a thorough examination of the Indian FMCG sector using technical analysis techniques to identify patterns, trends, and potential investment opportunities. Using a quantitative approach, this study employs various technical indicators and chart patterns to assess the price and volume movements of FMCG sector stocks listed on Indian stock exchanges. Historical price data and trading volumes are collected and analysed to identify recurring patterns and trends that can help investors make informed decisions. The study covers the period from April 26, 2021, to June 2, 2021, allowing for a comprehensive evaluation of the FMCG sector's performance and behaviour. A few technical analysis tools, such as moving average convergence and divergence (MACD), relative strength index (RSI), on-balance volume (OBV), and trendlines, are utilised. By applying these techniques, the study aims to identify potential signals for buying and selling, levels of support and resistance, and price targets within the Indian fast-moving consumer goods (FMCG) sector. Additionally, the research explores the impact of market trends, economic factors, and industry-specific events on the sector's performance. The findings of this study contribute to the existing knowledge in technical analysis and provide valuable insights for investors and traders interested in the Indian FMCG sector. The results enhance understanding of the sector's price movements, volatility, and potential investment opportunities, enabling market participants to develop effective trading strategies and risk management approaches. It is essential to note that this study exclusively focuses on the technical analysis of the Indian FMCG sector and does not consider fundamental analysis or qualitative factors that may influence investment decisions. Therefore, readers are encouraged to combine the findings of this study with additional research and analysis before making investment choices.

Keywords: Indian FMCG Sector, Investment Opportunities, Technical Analysis, Price Movements

I. INTRODUCTION

1.1 Background of Technical Analysis

I he ideology of technical analysis is cited from centuries of money market data. In the 17th century, a few features of technical analysis began to appear in the reports of the Dutch market exchanges by a merchant named Joseph de La Vega from Amsterdam, Europe. In the 18th century, technical

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Retrieval Number:100.1/ijef.A2541053123 DOI:10.54105/ijef.A2541.113223 Journal Website: <u>www.ijef.latticescipub.com</u> analysis was a practice developed by Muneshisaa Homma in Asia, which advanced the utilisation of the candlestick approach. By studying the price of rice, he improved the practice. Candles are the primary charting tool of raw data analysis today. The contents of the paper are certainly acceptable and satisfactory. Charles Dow (1851-1902), a journalist, also informally known as the 'grandfather of Technical Analysis', composed and closely analysed American stock market data, and published a few interpretations in articles for "The Wall Street Journal".

In his "Dow Theory", he emphasised that patterns and business cycles could be found in this data. In the 1920s and 1930s, Richard W. Schabacker published several books that followed the work of Dow and W. Hamilton in their books. "Stock Market Theory and Practice" and "Technical Market Analysis," which are widely accepted as pivotal studies in the discipline. It is more engaging with trend analysis and graph patterns, which are still used today. Earlier, technical analysis was explicitly the examination of charts because there was no computer performance to support the modern measurement of statistical studies. Dow originated a form of 'point and figure chart analysis.' Paul V Azzopardi synced technical study with behavioural finance after the publication of behavioural finance as a separate study in economics and devised "Behavioural Technical Analysis". Other inquisitors of the discrete data analysis include R N Elliot, W D Gann Wyckoff, who advanced their respective and R methodologies in the 20th century. Several quantitative tools and theories have evolved and been enhanced in recent years, with an increasing emphasis on computerised techniques utilising specialised software.

1.2 Meaning of Technical Analysis

Technical analysis predicts prices using data generated during the trading process within a specified period. It is defined as "The study of market action, mainly through the use of charts for the objective of forecasting future price trends." The term 'market action' involves three primary sources of information available to technical analysts, i.e., open interest, volume, and rate. The trading archive of a security isrepresented by recording price changes and volume traded in a chart or graphical form. Computers and easy internet access have now enabled traders to analyse a whole lot of data very quickly and make trading decisions in their favour.

1.3 Critical Assumptions of Technical Analysis

<u>Market action discounts everything</u>. This statement forms the foundation of technical analysis. The analysts believe that anything that can affect the current price fundamentally, politically, psychologically, or otherwise is reflected in the price of that market [1].



It therefore signifies that studying price action is required. If demand is more than supply, the prices rise. If supply is more than demand, the prices fall. This action is the basis of all economic and fundamental interpretation. The technical analysts indirectly study fundamentals.

<u>Price moves in trends.</u> The conception of the overall direction of a market is fundamental to market action studies. The market movement is not random and is in a specific order. The primary purpose of charting a market's price action is to identify trends in their early stages of development, allowing traders to capitalise on the direction of those trends. Most of the techniques in technical analysis are trend following. There is a sequel to the assumption that prices move in trends. *A trend in motion is more likely to continue than reverse.* This sequel is an adaptation of Sir Isaac Newton's first law of inertia.

<u>History repeats.</u> This assumption suggests that human psychology remains constant. The chart patterns that have been there over the past hundred years reflect specific changes in the price charts. Since the patterns have worked well in the past, it is assumed that they will continue to work well in future too.

1.4 Importance of Technical Analysis

Numerous reasons support the use of technical analysis for trading and investing. Some of them are as follows:

- Technical analysis helps to get into a better risk and reward trading. It helps in making entries and exits [7].
- It helps in identifying periods where there would be an unexpected rise or fall in the price in the shorter period [2].
- It helps in accelerating the return on investment.
- Technical analysis attempts to measure the market psychology [8].
- Technical analysis helps to identify stocks that will outperform and underperform faster than the market or other stocks.
- Technical analysis helps to determine a buy price, sell price, and stop loss [9]

1.5 Theoretical Implications of Technical Analysis

Market action analysis is widely used by individuals participating in the capital markets, including traders and investors, to identify short- and long-term trends. The scope of technical forecasting is expanding daily, as many retail and institutional investors have adopted and are developing this area of study in the current market scenario.

Market action Analysis is dependent on the following factors:

- The demand and supply of a security in the market determine the price.
- Variation in supply and demand can cause a price change.
- Prices can be estimated with charts, trends, chart patterns, technical indicators, market cycles and other technical analysis theories.

The trend analysis involves collecting historical and current market price data and plotting them in a chart to identify the market's direction and find actionable patterns in the data. The trend moves in upward, downward, and sideways directions. An uptrend, or a bull market, implies that the economy is moving upward and stock prices are also rising. There is a massive demand in the market.

A downtrend or bear market implies that the economy is not performing well and is moving downwards, with stock prices also declining. There is a vast supply and a minimal number of buyers in the market. Sideways or horizontal trend refers to the suspectable movement of the trend sideways. There will be an uptrend or a downtrend after the sideways movement. The government attempts to stimulate the economy. All investors and traders should exercise greater caution regarding this movement.

Charts can be framed using different time frames, making it easy to identify the price pattern. There are various types of charts. "Line charts, Bar charts, Candle charts and Point and Figure charts" are popular and widely used. Some charts like "Hollow Candle, Mountain, Colored Bar, Baseline, Volume Candle, Heikin Ashi, Kagi, Line Break, Renko, Range Bars" were rarely used. The data may be the same, but each method will provide its unique interpretation, which has both pros and cons. I prefer candlestick charts for the analysis.

The use of multiple time frames can prevent a trader from being caught off guard by whipsaws and noise, allowing them to follow the short-term, medium-term, and long-term trends. Markets exist concurrently in several time frames. They exist from one minute, five minutes, ten minutes, half an hour, hourly, a daily chart, weekly chart, and so on. When charts of different time frames are in sequence, it is easy to trade. At least two or three time frames should be used to analyse the market direction.

An indicator is a numerical assessment that can be applied to a security's technical metrics [4]. There are several technical indicators in the field of technical analysis [3][5]. The most commonly used technical indicators are moving averages and the Average Directional Index. Out of those indicators, they are divided into leading indicators, also known as oscillators, and lagging indicators, also referred to as trend-following indicators. Relative Strength Index [6], Stochastic Oscillator, Ichimoku Cloud, Fibonacci Retracements, On Balance Volume, Pivot Points, Williams % R, Commodity Channel Index, Average Directional Index, Bollinger Bands and Parabolic SAR are among the leading indicators. Moving averages (exponential and straightforward), as well as the MACD, are among the trend-following indicators. Both the leading and lagging indicators are used in conjunction for effective decision making [10].

1.6 Recent Trends in Technical Analysis

a. Automated Trading

It is a fact that human sentiment plays a significant role in the pricing of financial instruments and has a vital impact on decision-making. Many market participants were willing to relinquish control over executing their positions by using computers to make decisions on their behalf. Computer testing helps determine historical aspects under various conditions and helps advance trading tactics.

Algorithmic trading, also known as black box trading, uses a computer program that follows a defined set of instructions

to execute a trade. Theoretically, the trade can generate returns at a pace and abundance that any human stockist cannot do. The defined set of rules is

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based on quantity, price, time, or a mathematical paradigm. "Implementation Shortfall, Percentage of Volume, Trend following strategies, Arbitrage Opportunities, Mean Reversion Strategies, Index Fund Rebalancing, Mathematical model-based Strategies, Time Weighted Average Price and Volume Weighted Average Price" are the common trading strategies in algorithmic trading.

b. High Frequency Trading

HFT is a part of algo trading. This practice utilises robust machine programs to execute a vast number of orders in nanoseconds. It uses complex parametric models to analyse multiple markets and execute orders based on the current market conditions.

c. Artificial Intelligence (AI)

Artificial Intelligence is a game-changer for the stock market and technical analysis, as it is shaping the future of stock trading. Using a robot advisor, analyses crores of data points and executes trades at the optimal price. Analysts forecast the market accurately, and trading firms efficiently avert risk to provide higher returns. AI solutions are capable of counting numbers rapidly and making optimal decisions based on massive volumes of data, which is highly applicable in stock market scenarios. The trend pattern and market sentiment can be easily predicted within a very short period. The primary benefit of using AI in stock market trading is the generation of trading signals. These signals are the result of an AI system's analysis of big data on a particular security, providing accurate guidance for successful trading decisions, such as the optimal entry price, exit price, and stop-loss level. Trading signals are generated by AI systems that utilise advanced analysis of multiple indicators, including price actions, security valuation, and data analysis from news and social media sources related to the particular security. The technical analysis of stock price dynamics is also included in the dataset. AI utilises machine learning, deep learning, and other advanced techniques to address real-world issues. Techniques such as decision trees, the rough set approach, and artificial neural networks are being applied to technical analysis. The new Chat GPT tool has now replaced humans, enabling companies to utilise AI bots instead of humans in decision-making and analysis.

d. Machine Learning and Deep Learning

Machine Learning and Deep Learning are areas of Artificial Intelligence. They have enabled machines to further advance their intellectual functions by not only learning the given input but also their experience with decision-making. Machine Learning for trading enables the acquisition of a comprehensive understanding of the stock market situation through deep, continuous analysis of stock prices and the processing of unstructured data. Machine Learning and Deep Learning can utilise these approaches to determine future stock prices and virtually apply financial modelling. Learning techniques such as neural networks and genetic algorithms can represent a significant area for further research.

e. Financial Information Exchange or (FIX)

Over the past decade, the FIX Protocol has transformed the trading landscape by providing a foundation for accelerating numerous online trading transformations that have emerged.

It has become the lingua franca of the global financial markets, used rigorously by buy-side and sell-side firms, trading platforms, and regulators to interface with trade documentation. It is the method by which the globe trades, and it is becoming a key aspect in reducing trade costs, enhancing efficiencies, and promoting growth in transparency. An essential benefit is offered to firms eager to explore new investment opportunities. With participants able to swiftly communicate internally and internationally, the cost of market entry is decreased, and switching costs are additionally reduced. This protocol language includes a series of messaging specifications used in the trade interface. To support equity trading in the pre-trade and trade atmosphere, it is initially developed. By reinforcing straight-through processing (STP) from indications of open interest (IOI) to allocations and settlements, it is now experiencing rapid expansion into the post-trade scenario. In fixed income, foreign exchange, and listed derivative markets, there is substantial growth.

f. Data Mining

Data mining and technical analysis are emerging trends in several areas. The use of numerals, enumerations and cognitions has led to something more than a computer program. This concept can help technicians make informed decisions. It can be defined as the extraction of data from a comprehensive database. Some of its functions are clustering. Deviation analysis, classification, prediction, associations, and correlations, discovering concepts or class descriptions, trend analysis, and similarity analysis. Market action studies will function based on facts, and it is the heart of the entire process. A chart is a vivid display of input. They must be suffused with applicable information for charts to work. The broad majority of charts require the stock prices collected at different intervals throughout the day. In a data mining solution, all these details must be gathered and assembled. These programs are based on uncomplicated spreadsheets and data collection that many individuals or groups transmit daily. Scans could be executed by programs and users, which would transfer thousands of data points in seconds. This method for market action analysis requires updated automation and mathematical knowledge. This concept will continue to revolutionize numerous areas in the economy and society.

II. LITERATURE REVIEW

1) Technical analysis is a methodology that provides insights into the prospective share prices of chosen companies for investment purposes. With an understanding of technical analysis, one can make accurate predictions and informed investment decisions in the stock market. By utilising technical indicators, it becomes possible to gain insight into future market trends of securities, aiding in the identification of investment opportunities.

2) Technical analysis provides investors with a better understanding of the stocks and gives them the right direction to proceed with buying or selling the stocks. The author conducted a study on market action analysis of selected

stocks in the energy sector. The author described the role of price behaviour, major turning points, and signals in the market. She had successfully

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Retrieval Number:100.1/ijef.A2541053123 DOI:10.54105/ijef.A2541.113223 Journal Website: www.ijef.latticescipub.com interpreted the buy or sell decision using technical analysis and strategies. Techniques such as Beta, Relative Strength Index, and Simple Moving Average are used.

3) Examining various technical indicators is beneficial for gaining a deeper understanding of stock price movements, returns, and developing effective trading strategies. The significance of technical analysis has been increasing in recent times, as it has demonstrated accuracy in predicting future trends in securities. Its simplicity in application and understanding has led to a growing number of investors utilizing this tool to analyse the movement of share prices.

4) Technical analysis is a highly subjective method of analysis that offers multiple options for the parameters employed in its indicators. It operates as a rule-based technique, leaving little room for personal judgment—the study on the description of technical indicators in technical analysis to interpret the stocks in the Nifty. The indicators used are the moving average, moving average crossovers, and MACD in application to the Nifty. The author concluded that using these technical signals is successful and generates good profit.

5) Financial market participants widely use technical analysis to inform their investment decisions across all markets. The author utilised technical indicators, such as the MACD and RSI, to forecast the future market trend. The research is conducted on a select group of stocks listed on the National Stock Exchange (NSE) of India. The primary objective of the study is to demonstrate the application of MACD and RSI in both developing and developed markets.

6) Technical analysis is crucial for informed investment decisions. They chose the pharmaceutical sector for the study. They emphasised that technical analysis helps to understand price behaviour, signals, and major turning points in stocks. They have chosen methods like B E T A, R S, and S M A for the study.

7) Utilising technical analysis in the FMCG sector can enhance trading decisions. This paper describes critical technical tools, including various charts, moving averages, MACD, RSI, and accumulation distribution lines, for consumer goods stocks.

8) Market behavioural analysis on the selected companies that are listed in the CNX Nifty 50 of the twenty leading public companies from 2012 to 2107. The technical tools used are Guppy Multiple Moving Average, MACD, Stochastic R S I, Average Directional Index, and Heikin Ashi Charts. Their primary objective is to identify the entry and exit points of a trade using technical analysis.

9) A study on technical indicators for the prediction of selected indices on NSE. The study employed technical analysis on all sectors of the NSE from April 2016 to March 2021. The most used technical tools are S M A, E M A, MACD, Williams % R, rate of change, Bollinger Bands, Stochastic Oscillator, Directional Movement Index and Commodity Channel Index. The author concluded that technical analysis is more helpful in predicting future stock prices and making buy or sell decisions.

10) The study of various technical indicators and combining them to generate accurate buy or sell signals. The data were collected over the past six months from the Banking and Finance, Auto, Pharmaceutical, fast-moving consumer goods (FMCG), and IT industries. The study was conducted on all bullish and bearish reversals that occurred during the period. Technical indicators, including Bollinger Bands, the 50-day Simple Moving Average (SMA), Williams %R, Candlestick patterns, and volume trend lines and patterns, were utilised. She concluded that using all those technical indicators together is efficient in generating high returns.

III. RESEARCH DESIGN

A. Statement of Problem

Trading in securities requires thorough research, both fundamentally and technically. Most hunters simply follow the underlying analysis. The setback of the analysis is to interpret the role and significance of technical analysis in buying and selling securities in the Indian daily moving consumer durables sector, and to make informed trading decisions while participating in the financial market. The FMCG sector is the fourth-largest contributor to India's economic growth, growing at an annual rate of 21.5%.

B. Research Gap

Stock prices cannot be predicted in all time horizons. Experts debate whether it is worthwhile to search for underrated stocks or try to predict market swings through elementary and market action studies. Neither of these analyses could consistently produce risk-modified, redundant returns. The imbalances in trading performance across different market conditions, i.e., accurate in downtrends and awful in uptrends, are a gap that this research explains.

C. Nature of Study

This is a descriptive study aimed at investigating the relationship between the characteristics of a given sample size and specific technical indicators. This is also a behavioural study or quantitative study, as it examines market behaviour and previous price fluctuations.

Need of the Study

- To acknowledge the main characteristics of technical analysis.
- To understand price movements and trends of the security.
- To conclude a buy or sell decision of a security using technical analysis.

D. Scope of the Study

- The analysis is applied to five consumer-packaged goods stocks in the Nifty FMCG index.
- The study is linked to technical analysis to predict the future movement of stocks.
- The study involves the use of three technical indicators out of numerous technical tools.
- This research helps to interpret the point of entry and exit.

E. Objectives of the Study

- To know how technical tools are used to predict the future behaviour of stocks.
- Understanding the importance of different time horizons in technical analysis.
- To understand the scope and significance of technical analysis while participating in the market.
- To enable investors

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with a technique to make calculated profits by trading stocks.

F. Limitations of the Study

- The study is limited to a few stocks in one sector.
- The analysis covers only three technical indicators.
- Technical analysis is limited to predicting stocks for the short term.
- The study mostly depends on secondary data.
- Sometimes, technical analysis gives mixed signals, which leads to indecision in buying and selling securities.

G. Research Methodology

A) The sample size of the research study is FIVE FMCG companies selected from the BSE and the NSE. They are:

- ITC
- Dabur
- Tata Consumer Products
- Mario
- Godrej Consumer Products

The primary technical analysis tools used in the study are:

- On Balance Volume
- M A C D
- R S I

B) Data Collection Method

Primary Data

The primary data in the study includes data generated from personal research and data collected from recent and live platforms in the stocks of FMCG on the NSE and BSE.

Secondary Data

The secondary data is collected from websites, books, journals, and newspapers related to technical analysis. Most of the data in this research is secondary data.

Charting Data

The charting data is collected from Kite and Zerodha.

IV. DATA ANALYSIS AND INTERPRETATION

Technical indicators used to analyse the stock prices:

A. On Balance Volume or (OBV)

- On Balance Volume tracks the changes in volume over time and is a running total which rises or falls every trading day.
- A volume oscillator works by defining the relationship between two moving averages, the quick and lagging moving averages.
- The difference between the lead moving average and lag moving average is presented on the OBV chart.
- The leading moving average is of 14 14-period range, and the lagging one is about 28 28-period range, which is set according to the time frame.
- OBV is a leading technical tool as it usually rises or falls before the price acts.
- Volume increases when FII, DII and other financial institutions start buying.
- Rising OBV may indicate that smart money is flowing in, which drives the price up. And vice versa, as the institutions begin to sell their position. It's like buying from retailers at the lowest prices and then selling at the highest.

- If a market is upward, OBV should also rise. When the market becomes overbought, the OBV will reverse its direction.
- A jumping trend in OBV is a healthy move.
- A doubtful or sideways trend in the OBV leaves the price trend suspect and a probable candidate for reversal.
- A falling OBV indicates a mass exit from the security irrespective of the price activity, and it is cautious that price may follow OBV if the trend is not reversed.
- The histogram is like an oscillator that swings over and under the zero line.
- Volume provides the strength and weakness of a price value below the zero line. This strategy plots the optimal value above the zero line and the pessimistic value below it.
- A positive value suggests that the price is up, and a negative value indicates that there is a lack of support, and prices may begin to fall, stagnate, or reverse.
- OBV = Fast volume moving average (14 period) Slow volume moving average (28 period)

B. Moving Average Convergence/ Divergence (MACD)

- MACD is a momentum tool that is a trend-supporting indicator, relying on the association between two moving averages of prices.
- It measures the divergence or convergence between a near-term moving average and a longer-term moving average and is represented in a line form and a histogram.
- It is a measure of both price trend and momentum. Mass and velocity show the strength of the swing.
- It is the difference between two moving averages, calculated by subtracting 26-day E M A from 12-day E M A, a 9-day E M A of M A C D is called the signal line, is plotted on the top of the M A C D and functions as a trigger for buy and sell signal.
- It is a reliable indicator as it uses moving averages, which themselves are lagging indicators and which are in turn converted into a momentum oscillator by subtracting longer-term and shorter-term moving averages. The resulting chart forms a line that swings above and below zero without any adjusted upper or lower boundaries.
- If it is greater than zero, it implies that the short-term average is higher than the long-term average, which is a sign of an uptrend.
- If it is less than zero, it implies a downtrend.
- Strong momentum is represented by the volatility in price, which results in a steeper slope of the MACD plot.
- This is best applied in trending markets. There are three main ways to use MACD: Bullish/bearish moving average/centre line crossovers
- Overbought/oversold, Positive/ negative divergence
- The M ACD histogram is the representation of the difference between the M ACD line and the signal line.

The difference is plotted and represented as a histogram, where crossover and

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divergence points can be easily identified.

- The histogram of MACD gives a more profound insight into the balance of power between the bulls and bears than the MACD does.
- When the spread between the MACD line and its signal line expands, the MACD histogram becomes larger or shallower, depending on the direction.

Additional incline or decline in the gap between the MACD line and its trigger line will be reflected in the histogram.

C. Relative Strength Index (RSI)

- · For tracking the technical strength or weakness in a security, RSI is used.
- It contrasts the grade of recent rewards and recent drops in a trail to determine heavy buying and heavy selling conditions of a security.
- The standard period of RSI is a 14-day RSI. Analysts also use 5-day RSI, 7-day RSI or 9-day RSI for quick trading.
- Traders using R S I should be aware that considerable advances and falls of a security will have an impact on the R S I by creating false buy or sell signals.
- It is designed to follow the price momentum as an oscillator that ranges between 0 and 100.
- RSI gives four types of trading signals. They are Divergences, charting patterns, RSI levels, indicators of overbought and oversold conditions.
- Bullish divergences occur when price dips to a new bottom but RSI makes a deeper base than during the preceding fall.
- Bearish divergence occurs when price hikes to a new high but RSI makes a lower high than the previous rally.
- When R S I broke its down trend line, a buy order shall be placed above the price trend line to utilise an upside breakout
- When R S I broke its uptrend line, a sell short order shall be placed below the price trend line to utilise a downside breakout.
- When RSI falls below its lower reference band and then rallies above it, it implies a buy signal.
- When R S I rose above its greater reference band and then crosses below it, it is a sell signal.
- It signifies an inclined trend for the stock if the R S I is going up above 30 after falling below 25.
- It is a bearish signal if R S I is dipping below the level of 70 or 80 after reaching an extreme of 80-90.

The prices of ITC from 26/4/21 to 2/6/21 are mentioned below:

Date	Open	High	Low	Close	Turnover
26/04/21	206.00	206.80	204.75	205.30	8,40,42,104
27/04/21	205.45	206.95	205.20	205.65	7,59,11,708
28/04/21	206.00	206.50	205.30	205.55	17,98,05,604
29/04/21	206.70	207.50	204.05	204.35	22,84,88,072
30/04/21	204.00	205.60	202.10	202.70	25,32,79,273
3/05/21	201.80	201.85	200.00	200.95	31,05,60,772
4/05/21	201.80	202.40	199.10	199.55	29,27,38,674
5/05/21	199.60	202.05	199.45	201.55	8,98,04,173
6/05/21	202.40	205.95	202.15	202.75	29,92,77,101
7/05/21	202.75	206.40	202.75	205.35	35,47,81,358
10/05/21	206.00	207.35	204.90	205.55	25,36,67,805

11/05/21	204.00	206.50	203.80	204.05	23,91,32,387
12/05/21	203.50	205.20	202.85	203.30	24,25,79,666
14/05/21	204.50	213.05	204.10	212.35	1,32,63,69,872
17/05/21	216.55	217.00	211.60	212.55	60,20,58,312
18/05/21	214.00	214.65	209.65	210.05	20,14,34,752
19/05/21	210.05	211.35	207.50	207.75	17,52,24,577
20/05/21	209.90	209.90	206.85	207.00	14,60,66,813
21/05/21	208.35	209.85	207.40	209.05	12,88,12,160
24/5/21	210.00	212.00	207.80	211.50	16,23,27,635
25/5/21	213.60	213.60	210.30	210.85	14,99,19,425
26/5/21	210.80	212.45	210.35	210.55	10,39,30,639
27/5/21	211.45	214.15	210.25	211.20	26,95,56,839
28/5/21	212.05	213.45	211.45	212.85	38,38,67,682
31/5/21	215.50	217.95	214.40	216.60	52,10,85,548
1/6/21	218.45	219.35	214.20	215.20	28,72,55,942
2/6/21	211.10	212.50	208.70	209.00	52,39,03,329

Five-week chart of ITC using On Balance Volume



Data analysis and presentation:

The above charts are analysed from April 26, 2021, to June 2, 2021, covering five weeks. From April 26, 2021, to May 3, 2021, the OBV had moved sideways, as suspected, and then fell on May 4, 2021. Considering the OBV's trend support on 4/5/21, from 4/5/21 to 17/5/21, (570m to 686m), there is an uptrend in the OBV as well as the chart, which drove the price from 199 to 216 INR. From May 17, 2021, to May 20, 2021, (686m to 603m), there is a downtrend in the chart and the OBV, which drove the price from 216 to 206 INR. From May 20, 2021, to May 31, 2021 (606m to 800m), there is an uptrend in the OBV, and the charts of ITC and the price moved from 207 to 219 INR. And from May 31, 2021, to June 2, 2021 (796m to 634m), the OBV fell in price from 219 to 209. Buy signals: 4/5/21, 12/5/21, 20/5/21, 25/5/21, 2/6/21. Sell signals: 28/4/21, 10/5/21, 17/5/21 and 31/5/21 Analysis:

- If the close price of the stock is greater than the former close price, then the computation is: OBV = Preceding OBV + Current day's volume
- The formula when the ending price of the stock is equal to the former close price is: OBV = Preceding OBV (+0)
- The computation of the closing price of the stock is lower than the former closing price: OBV Preceding OBV - Current day's volume

Five-week chart of ITC using Moving Average **Convergence and Divergence**







Data analysis and presentation:

The above chart of ITC is presented along with the MACD for one month. The black line is the MACD line, and the red is the signal line. The blue arrow indicates a buy signal, and the orange arrow indicates a sell signal. It is a buy signal when the MACD line intersects the signal line from the top, and the point where the signal line crosses over the MACD line from the bottom is a sell signal. The MACD indicator helps to determine the swing's movement and momentum of the stock. MACD above 0 indicates an uptrend, and below 0 indicates a downtrend. Sometimes, the MACD line and signal line below indicate both trends. Buy signal: 26/4/21, 5/5/21, 24/5/21. Sell signal: 30/4/21, 20/5/21, 2/6/21.

Interpretation:

The computation of M A C D is given below: M A C D line = 12-day EMA – 26-day EMA wherein E M A = (current close price X, k) + (yesterday's E M A x (1 - k)) here, k = 2 / Number of days + 1 Signal line = Exponential moving average of MACD line.

Five-week chart of ITC using the Relative Strength Index



Data analysis and presentation:

The above chart of ITC is presented with the RSI for one month. The 10-period RSI chart shows numerous falls and peaks. The upper blue line (80) represents an overbought condition, and the lower blue line (20) is the oversold zone. The best time to buy the stock is when the RSI touches or is below 20. The best time to sell the stock is when the RSI reaches or exceeds 70-80. One should cross-check the trend direction, volume, candlestick patterns, and candlestick chart patterns, and use other indicators in conjunction to make an informed decision about buying or selling. Buy signal: 3/5/21 and 12/5/21. Sell signal: 14/521 and 31/5/21.

Analysis:

The RSI is computed using the calculation given below: R S I = 100. - 100. / (1 + R S)

Where (R S) Relative Strength = Average gain of up interval during the specific interval / Average loss of down interval during the particular interval.

The prices of Dabur from 26/4/21 to 2/6/21 are mentioned below:

561.00				
501.90	561.90	539.25	541.40	7,01,17,483
542.95	544.35	534.50	538.35	4,22,14,333
538.35	545.60	536.35	540.95	3,14,56,711
545.00	546.80	540.25	541.70	2,29,26,829
541.70	545.00	536.00	538.45	2,27,38,016
539.00	548.25	539.00	542.05	5,08,05,069
546.90	546.90	535.40	537.25	2,50,28,530
541.00	542.00	536.90	541.20	1,48,11,838
540.50	547.15	539.00	545.45	5,12,61,578
550.00	550.00	532.50	534.70	21,17,14,243
534.60	535.00	519.35	522.65	16,81,78,364
525.00	526.50	520.70	525.45	4,57,20,075
525.50	532.30	525.15	529.25	10,81,73,140
530.00	538.30	529.55	534.80	11,89,24,608
216.55	217.00	211.60	212.55	60,20,58,312
214.00	214.65	209.65	210.05	20,14,34,752
210.05	211.35	207.50	207.75	17,52,24,577
209.90	209.90	206.85	207.00	14,60,66,813
208.35	209.85	207.40	209.05	12,88,12,160
210.00	212.00	207.80	211.50	16,23,27,635
213.60	213.60	210.30	210.85	14,99,19,425
210.80	212.45	210.35	210.55	10,39,30,639
211.45	214.15	210.25	211.20	26,95,56,839
212.05	213.45	211.45	212.85	38,38,67,682
215.50	217.95	214.40	216.60	52,10,85,548
218.45	219.35	214.20	214.20	28,72,55,942
211.10	211.10	208.70	209.00	52,39,03,329
	542.95 538.35 545.00 541.70 539.00 541.70 539.00 541.00 540.50 550.00 525.00 525.50 534.60 525.50 530.00 216.55 214.00 210.05 209.90 208.35 210.00 213.60 211.45 212.05 215.50 218.45 211.10	542.95 544.35 538.35 545.60 545.00 546.80 541.70 545.00 539.00 548.25 546.90 546.90 541.00 542.00 540.50 547.15 550.00 550.00 534.60 535.00 525.00 526.50 525.00 526.50 530.00 538.30 216.55 217.00 214.00 214.65 210.05 211.35 209.90 209.90 208.35 209.85 210.00 212.00 213.60 213.60 210.80 212.45 211.45 214.15 212.05 213.45 215.50 217.95 218.45 219.35 211.10 211.10	542.95 544.35 534.50 538.35 545.60 536.35 545.00 546.80 540.25 541.70 545.00 536.00 539.00 548.25 539.00 546.90 546.90 535.40 541.70 545.00 536.00 546.90 546.90 535.40 541.00 542.00 536.90 540.50 547.15 539.00 540.50 547.15 539.00 550.00 526.50 520.70 525.50 532.30 525.15 530.00 538.30 529.55 216.55 217.00 211.60 214.00 214.65 209.65 200.90 209.90 206.85 208.35 209.85 207.40 210.00 212.00 207.80 213.60 213.60 210.30 210.00 212.00 207.80 211.45 214.15 210.25 212.05 <	542.95 544.35 534.50 538.35 538.35 545.60 536.35 540.95 545.00 546.80 540.25 541.70 541.70 545.00 536.00 538.45 539.00 548.25 539.00 542.05 546.90 535.40 537.25 541.00 546.90 535.40 537.25 541.00 542.00 536.90 541.20 540.50 547.15 539.00 545.45 550.00 550.00 532.50 534.70 534.60 535.00 519.35 522.65 525.00 526.50 520.70 525.45 525.50 532.30 525.15 529.25 530.00 538.30 529.55 534.80 216.55 217.00 211.60 212.55 210.05 211.35 207.50 207.75 209.90 209.85 207.40 209.05 210.05 213.60 210.35 210.85



Data analysis and presentation:

The chart presented above of Dabur is analysed using the On Balance Volume indicator. From 25/4/21 to 29/4/21, the OBV is in a slight uptrend. From 29/4/21 to 6/5/21, the OBV is in a sideways move, which is suspected. From 6/2/21 to 11/5/21, the OBV from (33m to 14m) as well as the prices fell. And from 11/5/21 to 17/5/21, there is a slight uptrend.



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From May 17, 2021, to May 27, 2021, the OBV is in a downtrend, whereas the stock prices are sideways. From May 27, 2021, to May 31, 2021, there is a slight uptrend, with prices rising from 524 to 544, where they nearly reached the price of May 7, 2021. And from May 31, 2021, to June 2, 2021, the OBV, as well as the prices, fell. Buy signal: 11/5/21, 27/5/21, 2/6/21. Sell signal: 5/5/21, 19/5/21, 31/5/21.

Analysis:

- The formula for the ending price of the stock is greater than the former closing price:
 - OBV = Preceding OBV + Current day's volume
- The computation of the closing price of the stock is the same as the former end price:

OBV = Preceding OBV (+0)

• The computation of the closing price of the asset is lower than the preceding closing price, then it is: OBV = Preceding OBV - Current day's volume.

Five-week chart using MACD for Dabur



Data analysis and presentation:

The above chart of Dabur is presented with MACD. The black line is the MACD line, and the red is the signal line. The blue arrow indicates a buy signal, and the orange arrow indicates a sell signal. The point where the MACD line intersects the signal line from the top is a buy signal, and the point where the signal line crosses over the MACD line from the bottom is a sell signal. The MACD indicator helps identify the direction of the stock's swing and momentum. MACD above 0 indicates an uptrend, and below 0 indicates a downtrend. The days of 25/4/21 and 31/5/21 gave buy signals, and 6/5/21 gave a sell signal.

Analysis:

MACD computation is given below:

M A C D line = 12-day EMA – 26-day EMA wherein E M A = (current close price x k) + (yesterday's E M A x (1 - k)) here, k = 2 / Number of days + 1

Signal line = Exponential moving average of the MACD line *Five-week chart of Dabur using RSI*



Data analysis and presentation:

The chart above for Dabur is presented with the RSI for one month. The 5-period RSI chart shows numerous falls and peaks. The upper blue line (80) represents an overbought condition, and the lower blue line (20) is the oversold zone. The best time to buy the stock is when the RSI touches or is below 20. The best time to sell the stock is when the RSI reaches or exceeds 70-80. One should cross-check the trend direction, volume, candlestick patterns, and candlestick chart patterns, and use other indicators in conjunction to make an informed decision about buying or selling. Buy signal: 11/5/21, 26/5/21 and 27/5/21. Sell signal: 28/4/21, 29/4/21, 50/4/21, 7/5/21 and 31/5/21.

Interpretation:

The RSI is computed using the formula below:

R S I = 100. - 100. / (1. + R S)

Now, Relative Strength (R S) = Average gain of up interval during the specific interval / Average loss of down interval during the particular interval.

The prices of Tata Consumer Products from 26/4/21 to 2/6/21 arementioned below:

Date	Open	High	Low	Close	Turnover
26/04/21	665.35	674.80	662.25	669.80	4,24,19,307
30/04/21	671.90	678.25	664.95	671.80	8,51,38,785
3/05/21	661.00	682.20	661.00	677.10	9,96,01,719
4/05/21	682.80	686.25	642.00	644.95	42,43,21,143
5/05/21	654.90	656.65	640.10	649.40	7,63,44,714
6/05/21	654.90	655.00	638.15	653.40	24,23,03,524
7/05/21	635.00	641.90	614.25	629.00	64,80,21,081
10/05/21	629.70	636.70	621.00	633.10	31,19,39,809
11/05/21	629.50	649.90	626.30	641.85	10,96,71,876
14/05/21	647.55	649.25	638.20	645.05	8,92,78,301
17/05/21	649.00	660.00	641.00	653.70	10,98,38,389
18/05/21	655.80	659.00	648.20	652.90	16,10,63,333
19/05/21	653.20	660.80	650.00	654.40	25,08,42,684
20/05/21	659.00	659.00	640.15	644.55	17,41,91,517
21/5/21	643.00	652.25	643.00	649.25	4,81,27,960
24/5/21	651.40	654.60	634.15	639.75	32,15,16,237
25/5/21	642.00	652.45	642.00	650.15	5,11,99,366
26/5/21	652.00	655.00	640.65	641.70	10,60,48,269
27/5/21	644.00	651.70	641.50	649.05	4,95,87,532
28/5/21	651.80	657.50	646.25	654.80	12,42,86,608
31/5/21	658.05	664.85	650.50	663.70	7,48,84,407
1/6/21	664.95	667.00	657.00	665.55	6,20,64,922
2/6/21	666.00	674.55	660.50	673.30	9,39,71,490





Five-week chart using On Balance Volume for Tata Consumer Products



Data analysis and presentation:

The chart presented above of Tata Consumer Products is analysed using the On Balance Volume indicator. There is a slight uptrend from 26/4/21 to 28/4/21. From 28/4/21 to 3/5/21, a sideways trend is observed, which is suspected. From March 5, 2021, to July 5, 2021, there is a downtrend in the OBV, and the stock price fell. From 7/5/21 to 19/5/21, the OBV is in an uptrend. From 19/5/21 to 26/5/21, the trend of OBV travelled sideways, which is suspected. From 26/5/21to 2/6/21, the OBV as well as the price of the stock rose. Buy signal: 7/5/21, 26/5/21. Sell signal: 30/4/21, 3/5/21.

Interpretation:

- The computation of the present closing price is higher than the preceding closing price:
 - OBV = Preceding OBV + Current day's volume
- The calculation of the ending price of the stock is the same as the preceding closing price: OBV = Preceding OBV (+0)
- The formula for the ending price of the stock is lower than the preceding closing price is: OBV = Preceding OBV - Current day's volume.

Five-week chart using MACD for Tata Consumer Products



Data analysis and presentation:

The above chart of Tata Consumer Products is presented with MACD. The black line is the MACD line, and the red is the signal line. The blue arrow indicates a buy signal, and the orange arrow indicates a sell signal. The point where the MACD line crosses the signal line from the top is a buy signal, and the point where the signal line crosses the MACD line from the bottom is a sell signal. The MACD indicator helps identify the direction of the stock's swing and momentum. MACD above 0 indicates an uptrend, and below 0 indicates a downtrend. On the day of 14/5/21, it gave buy signals, and before 26/4/21, it would have given a sell signal.

Interpretation:

The computation of M ACD is mentioned below: M A C D line = 12-day EMA – 26-day EMA wherein E M A = (current close price x k) + (yesterday's E M A x (1 - k)) here, k = 2 / Number of days + 1

Signal line = Exponential moving average of the MACD line.

Five-week chart of using RSI for Tata Consumer Products



Data analysis and presentation:

The chart above of Tata Consumer Products is presented with the RSI for one month. The 5-period RSI chart shows numerous falls and peaks. The upper blue line (80) represents an overbought condition, and the lower blue line (20) is the oversold zone. The best time to buy the stock is when the RSI touches or is below 20. The best time to sell the stock is when the RSI reaches or exceeds 70-80. One should cross-check the trend direction, volume, candlestick patterns, and candlestick chart patterns, and use other indicators in conjunction to make an informed decision about buying or selling. Buy signal: 4/5/21, 7/5/21 and 27/5/21. Sell signal: 3/5/21, 2/6/21.

Interpretation:

The RSI is computed using the formula below:

R S I = 100. - 100. / (1. + R S)

Now, Relative Strength (R S) = Average gain of up period during the specific period / Average loss of down period during the particular period

The prices of Marico from 26/4/21 to 2/6/21 are mentioned below:

Date	Open	High	Low	Close	Turnover
26/04/21	414.00	414.10	405.00	406.45	1,56,41,434
27/04/21	411.00	411.00	402.40	407.50	1,95,68,659
28/04/21	407.55	414.05	407.55	411.25	1,86,05,792
29/04/21	418.00	418.00	407.80	409.95	1,13,46,629
30/04/21	412.00	422.15	402.00	411.65	12,01,06,978
3/05/21	419.80	452.80	416.25	445.40	60,62,30,807
4/05/21	451.00	463.85	444.00	460.50	20,06,94,721
5/05/21	465.00	467.60	451.90	455.20	14,28,05,459
6/05/21	455.50	478.40	455.50	475.65	13,90,77,300
7/05/21	481.10	481.10	468.50	472.80	7,71,25,592
10/05/21	474.00	474.00	468.10	470.65	3,43,80,289
11/05/21	470.00	487.40	468.00	479.35	13,60,10,513
12/05/21	479.90	488.00	466.40	468.75	5,26,89,699
14/05/21	470.00	479.00	467.80	467.80	4,38,48,228



17/05/21	476.90	478.60	468.70	475.00	2,31,41,164
18/05/21	476.50	480.80	469.00	472.30	3,78,73,703
19/05/21	472.00	475.30	465.80	473.40	3,62,31,938
20/05/21	479.50	479.50	468.15	468.90	1,34,69,749
21/05/21	473.00	473.00	458.00	459.85	3,78,49,571
24/05/21	460.00	463.25	457.00	459.80	2,84,50,636
25/05/21	460.05	467.20	460.00	463.75	3,31,55,714
26/05/21	467.00	467.55	467.55	459.10	2,23,84,989
27/05/21	465.00	476.00	461.55	472.10	5,51,23,695
28/05/21	476.00	477.55	468.00	470.95	1,87,43,821
31/05/21	475.00	479.95	471.40	475.00	3,04,59,575
1/06/21	477.00	483.10	473.90	480.50	2,62,60,280
2/06/21	484.00	492.00	481.00	490.60	4,52,14,591

A Study on Technical Analaysis of Indian FMCG Sector





Data analysis and presentation:

The above chart of Marico is presented with OBV. The OBV had moved sideways from 26/4/21 to 30/4/21. On 30/4/21, a sudden uptrend occurred, which continued until 12/5/21. From 12/5/21 to 28/5/21, the OBV showed a sideways movement. From May 28, 2021, to June 2, 2021, the OBV resumed its uptrend. Buy signal: 30/4/21 and 26/5/21—sell signal: 12/5/21 and 2/6/21.

Analysis:

- The computation of the ending price of the stock is greater than the former closing price, then it is: OBV = Preceding OBV + Current day's volume
- The formula for the ending price of the stock is the same as the previous close price:
- OBV = Preceding OBV (+0) The computation if the end price of the stock is lesser
- than the previous ending price is: OBV = Preceding OBV - Current day's volume.

Five-week chart of Marico using MACD



Data analysis and presentation:

The above chart of Marico is presented with MACD. The black line represents the MACD line, and the red line represents the signal line. The blue arrow indicates a buy

Retrieval Number:100.1/ijef.A2541053123 DOI:<u>10.54105/ijef.A2541.113223</u> Journal Website: <u>www.ijef.latticescipub.com</u> signal, and the orange arrow indicates a sell signal. The point where the MACD line crosses the signal line from the top is a buy signal, and the point where the signal line crosses the MACD line from the bottom is a sell signal. The MACD indicator helps identify the direction of the stock's swing and momentum. MACD above 0 indicates an uptrend, and below 0 indicates a downtrend. On the days of 30/4/21 and 29/5/21, buy signals were given, and before 26/4/21 and 4/5/21, sell signals were given.

Analysis:

The calculation of M ACD is mentioned below:

M A C D line = 12-day EMA – 26-day EMA wherein E M A = (current close price x k) + (yesterday's E M A x (1 - k)) here, k = 2 / Number of days + 1

Signal line = Exponential moving average of the MACD line

Five-week chart of Marico using RSI



Data analysis and presentation:

The chart above for Marico is presented with the RSI for one month. The 5-period RSI chart shows numerous falls and peaks. The upper blue line (80) represents an overbought condition, and the lower blue line (20) is the oversold zone. The best time to buy the stock is when the RSI touches or is below 20. The best time to sell the stock is when the RSI reaches or exceeds 70-80. One should cross-check the trend direction, volume, candlestick patterns, and candlestick chart patterns, and use other indicators in conjunction to make an informed decision about buying or selling. Buy signal: 26/4/21, 27/4/21, 30/4/21 and 26/5/21. Sell signal: 3/5/21, 4/5/21, 6/5/21, and 2/6/21.

Interpretation:

The RSI is calculated using the formula below:

R S I 100. – 100. / (1. + R S)

Where Relative Strength (R S) = Average gain of up period during the specific period / Average loss of down period during the particular period

The prices of Godrej Consumer Products from 26/4/21 to 2/6/21 arementioned below:

Date	Open	High	Low	Close	Turnover
26/04/21	700.00	705.05	694.30	695.25	1,25,44,021
27/04/21	695.10	703.20	692.70	702.30	6,04,19,613
28/04/21	708.00	714.15	701.00	711.10	2,38,89,206





29/04/21	719.00	723.70	700.95	702.70	1,85,62,425
30/04/21	704.00	710.50	687.75	693.80	2,71,76,453
3/05/21	685.00	713.30	685.00	708.75	4,03,43,168
4/05/21	710.00	712.00	695.40	698.30	2,63,83,465
5/05/21	699.70	709.00	695.00	708.15	1,75,81,279
6/05/21	713.00	720.15	700.75	709.80	2,90,05,363
7/05/21	710.25	718.00	700.10	702.05	2,08,87,630
10/05/21	703.00	711.70	698.30	709.40	7,19,17,733
11/05/21	709.90	717.50	700.75	715.95	4,55,41,722
12/05/21	750.15	894.90	750.15	874.80	1,11,81,82,116
14/05/21	864.00	883.20	845.85	851.60	26,62,02,173
17/05/21	859.30	859.30	837.25	841.70	5,97,80,356
18/05/21	843.00	846.65	811.00	816.25	13,76,65,517
19/05/21	824.80	830.90	811.50	821.95	11,04,95,830
20/05/21	823.10	828.00	812.05	815.25	5,62,25,998
21/05/21	816.25	823.40	813.95	818.15	8,94,89,388
24/05/21	818.00	825.15	803.80	808.30	5,08,05,046
25/05/21	819.50	821.80	804.70	806.35	3,35,36,518
26/05/21	807.00	827.50	802.25	825.10	3,91,15,368
27/05/21	828.65	838.00	819.85	832.75	7,32,93,068
28/05/21	839.90	851.95	832.05	844.40	6,64,65,783
31/05/21	848.90	861.95	838.00	857.15	9,44,14,822
1/06/21	852.90	865.55	845.20	848.30	5,75,46,016
2/06/21	845.15	855.35	836.45	851.15	3,39,66,607

Five-week chart of Godrej Consumer Products using On Balance Volume



Data analysis and presentation:

The chart above shows the OBV of Godrej Consumer Products. The OBV travelled sideways from 26/4/21 to 11/5/21, which is suspected. And from 11/5/21, the OBV suddenly rose, as did the price, until 12/5/21. Then the OBV started moving sideways from December 5, 2021, to May 26, 2021. From 27/5/21 to 2/6/21, the OBV started an uptrend. Buy signal: 11/5/21 and 26/5/21—sell signal: 12/5/21 and 28/5/21.

Interpretation:

• The computation of the closing price of the stock is higher than the previous closing price:

OBV = Preceding OBV + Current day's volume

• The calculation of the close price of the stock is the same as the former close price:

Retrieval Number:100.1/ijef.A2541053123 DOI:<u>10.54105/ijef.A2541.113223</u> Journal Website: <u>www.ijef.latticescipub.com</u> OBV = Preceding OBV (+0)

• The formula for the ending price of the stock is lower than the previous closing price:

OBV = Preceding OBV - Current day's volume

Five-week chart of Godrej Consumer Products using Moving Average Convergence and Divergence



Data analysis and presentation:

The above chart of Tata Consumer Products is presented with MACD. The black line is the MACD line, and the red is the signal line. The blue arrow indicates a buy signal, and the orange arrow indicates a sell signal. The point where the MACD line crosses the signal line from the top is a buy signal, and the point where the signal line crosses the MACD line from the bottom is a sell signal. The MACD indicator helps identify the direction of the trend and momentum of the stock. MACD above 0 indicates an uptrend, and below 0 indicates a downtrend. On the day of 11/5/21, a buy signal was given, and on 20/5/21, a sell signal was given.

Interpretation:

The calculation of M ACD is mentioned below:

M A C D line = 12-day EMA – 26-day EMA wherein E M A = (current close price x k) + (yesterday's E M A x (1 - k)) here, k = 2 / Number of days + 1

Signal line = Exponential moving average of the MACD line

Five-week chart of Godrej Consumer Products using the Relative Strength Index



Data analysis and presentation:

The chart above of Godrej Consumer Products is presented with the RSI for one month. The 5-period RSI chart shows numerous falls and peaks. The upper blue line (80) represents an overbought condition, and the lower blue line (20) is the oversold zone. The best time to buy the stock is when the RSI touches or is below 20. The best time to sell the stock is when the RSI reaches or exceeds 70-80. One should cross-check

the trend direction, volume, candlestick patterns, and candlestick chart patterns, and use other indicators in



conjunction to make an informed decision about buying or selling. Buy signal: 30/4/21. Sell signal: 12/5/21 and 14/5/21. Interpretation:

With the calculation below, the RSI is computed:

R S I = 100. - 100. / (1. + R S)

Here, Relative Strength (R S) = Average profit of the up interval during the specific interval / Average loss of the down interval during the particular interval.

ABBREVIATIONS AND ACRONYMS

FMCG: Fast-moving consumer goods **OBV: On Balance Volume** MACD: Moving Average Convergence and Divergence **RSI:** Relative Strength Index **BSE:** Bombay Stock Exchange NSE: National Stock Exchange

V. FINDINGS AND RECOMMENDATIONS

Findings

- The best stocks to trade in the five-week duration are Marico, Tata Consumer Products, and Godrej Consumer Products, as they showed huge upside potential and had a good volume turnover.
- Dabur and ITC are in a sideways trend, whereas Marico, Tata Consumer Products and Godrej Consumer Products are in an uptrend.
- Most of the stocks, including Dabur, Tata Consumer Products, Marico and Godrej Consumer Products of the FMCG sector, have an increasing compounded annual growth rate. Still, ITC is swinging sideways, remaining stable during the crisis.
- The technical tools are very efficient when making • short-term and medium-term trading and investing decisions.
- Stocks move in the sector's direction.
- A failed buy signal is a sell signal, and a failed sell signal is a buy signal.
- A trader shouldn't risk more than 3 to 4 per cent of their capital on a single trade.
- Oscillators should not be used at the start of a trend. They are instrumental at the end of market moves, when they are near their maturity.
- A wrong buy signal is a sell signal, and a wrong sell signal is a buy signal.
- Losses should not be averaged because they compound the losses.
- Long-term traders can benefit from trend following and momentum indicators, whereas short-term traders can profit from mean-reversion strategies.

Recommendations

- Investors and traders should analyse a security both fundamentally and technically to determine the price of a security efficiently.
- Traders and Speculators can take advantage of volatility in the market.
- Investors should take long-term positions to enjoy the compounding of the security.
- Weekly signals are used to trace the market's direction, and daily signals are used to decide buy and sell points.
- Traders should predefine their entry and exit points,

risk-reward ratio, before getting into a trade.

- Two or three different time frames should be used to interpret the market's direction effectively.
- Not only are the indicators, the volumes, the charts, the chart patterns, and trends essential aspects of technical analysis.
- Trade only the leading stocks.
- Patience is a virtue in the correct entry, but also in staying in trades that are working in your favour.
- The expensive lessons are your losses; learn from them.

VI. CONCLUSION

Investing and trading in securities are subject to market risk. While participating in the market, people should make calculated decisions to avoid severe losses. There is a bull run and a bear run daily in the market unless the market crashes. Investors should use both fundamental analysis and technical analysis to inform their buy or sell decisions and take limited risk. The Indian stock market and the FMCG sector have undergone numerous changes over the past decade. The FMCG sector has a compound annual growth rate of 21.5%. Short-term investment in securities is favourable if one follows technical analysis and charting techniques; long-term investment can also be favourable at all times. Though using technical analysis in the short term can afford positive returns.

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