



A Session Technical Analysis of Stock Market

A session was conducted on Technical Analysis of Stock Market by Ashish Lakdawala, who is a Technical Analyst since 1992. Lakdawala started the session by Introduction of Stock market and its importance in running an Economy. He divided the whole session in two parts i.e., the Fundamental Analysis and Technical Analysis. In Fundamental Analysis the focus is on Economic forces i.e., Global Economy, Macro Economy & Micro Economy. Whereas in Technical analysis the focus is on only two factors i.e., Price and Volume of Stock.

After this general introduction, he discussed about the Dow Theory which is a Technical Analysis that includes some aspects of sector Rotation. The theory was then followed by traditional trends. Discussing about the three kind of trends i.e., Primary Trend (more than a year or several years), Secondary Trend (three weeks or three months), Minor Trend (less than three weeks). He went through some different charts to show the different patterns and trends like:

Types of charts discussed:

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|---------------------------------|-----------------------------|
| i. Support and Resistance Chart | iii. Point and Figure Chart |
| ii. Linear and Log Chart | iv. Candle stick |

Price Pattern:

- i. Reversal: It indicates that important reversal in trend is taking place.
- ii. Continuation: It suggests that the market is just pausing.

Head and Shoulder:

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|-------------------|-------------------|--------------------|
| i. Triple Tops | iii. Double Top | v. Rounding Bottom |
| ii. Triple Bottom | iv. Double Bottom | vi. Flag pattern |

By this he ended with the Traditional Analysis and diverted to Technical Analysis with a main focus on GANN trading system. The only system which is not dependent on Closing Price. Knowledge, Discipline and Capital (KDC) are the factors that are important while trading in the Stock Market. The GANN “RRR” trading rule was discussed i.e., Risk Reward

Ratio. The GANN system is capable of generating a profitable trade with RRR as high as 1:100. Here the three types of trends are:

- i. Bullish Trend (major and minor)
- ii. Bearish Trend (major and minor)
- iii. Sideways or No trends

Then he showed some current charts of the stocks and explained how to identify the minor trends (minor trend up and minor trend down) and how GANN trading system is superior to all other systems in the stock market by again giving a live example of Infosys stock.



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Outcomes:

1. Gave us an idea how actually the analysis is done in the real stock market world by showing current graphs and charts.
2. We learnt about different trends and their usefulness.
3. We understood the different techniques and methods for analysis of trends.

As being a students from Finance specialization in BBA we found this session very helpful which gave a practical knowledge up to a great extent and also helped in knowing about the different patterns, trends and how and what decisions to be taken in different situations. The session was well divided in two parts i.e., the Traditional and Technical Analysis. This helped us in knowing the uniqueness of both and their importance in the stock market. At last it gave us a feeling that the specialization which we have opted for in BBA was one of the right decisions that we have took.

