# TECHNICAL ANALYSIS OF EQUITY SHARES OF SUZLON ENERGY LIMITED

*Pooja Nandhini P*

Dr. NGP Arts and Science College

**ABSTRACT :**

This study provides a comprehensive analysis of the equity shares of Suzlon Energy Limited, focusing on key technical indicators such as Bollinger Bands, Relative Strength Index (RSI), and Rate of Change (ROC). The research aims to forecast future price movements, offering insights into market behaviors that can assist investors in making informed decisions. Through historical data analysis, this paper evaluates the impact of exchange rate fluctuations on stock prices, ultimately contributing to the literature on technical analysis in the Indian stock market.

## 1. INTRODUCTION

The stock market serves as a fundamental platform for trading equity shares, significantly influencing investment strategies and returns. Among the various techniques for stock valuation, technical analysis stands out by relying on historical price movements and trading volumes rather than a company's financial health. This study focuses on Suzlon Energy Limited, utilizing key technical indicators to forecast price trends. By bridging theoretical insights with practical applications, the research endeavors to provide guidance for investors navigating the complexities of stock trading.

## 2. REVIEW OF LITERATURE

### 2.1 Study by Kumar et al. (2018)

Conducted a technical analysis using moving averages, RSI, and Bollinger Bands to assess Suzlon's stock price dynamics, indicating a significant correlation between market trends and technical factors.

### 2.2 Comparative Study by Sharma et al. (2018)

Analyzed various technical analysis techniques, finding that moving averages and RSI effectively predict stock prices, while Bollinger Bands identify volatility trends with promising results.

### 2.3 Empirical Analysis by Singh et al. (2020)

Investigated the performance of technical indicators, concluding that using a combination of indicators enhances prediction accuracy for Suzlon Energy's stock price movements.

### 2.4 Application in Momentum Investing by Kaur et al. (2023)

Evaluated how historical price and volume data mechanism work to forecast future stock movements, emphasizing the role of technical analysis in understanding market dynamics.

### 2.5 Overview by Jatinder et al. (2023)

Provided insights into the application of technical analysis in predicting trends within the Indian stock market, underlining how past price movements guide investment decisions.

## 3. STATEMENT OF THE PROBLEM

This study examines the price movements of Suzlon Energy's shares, particularly focusing on how exchange rate fluctuations impact these movements. The goal is to analyze the effectiveness of technical indicators like RSI and Bollinger Bands in signaling market trends and potential reversals.

## 4. RESEARCH QUESTION

- How do exchange rate fluctuations influence the price movements of Suzlon Energy Limited's shares?
- Can technical indicators such as RSI, Bollinger Bands, and Rate of Change accurately forecast future price trends?

## 5. OBJECTIVES

1. To analyze the price movements of Suzlon Energy's shares with respect to exchange rate impacts.
2. To evaluate the effectiveness of RSI in identifying overbought or oversold conditions.
3. To apply Bollinger Bands in assessing stock volatility and detecting breakout signals.
4. To forecast future stock trends using a combination of rate of exchange data and technical indicators.

## 6. RESEARCH METHODOLOGY

**The research methodology involves:**
- *Data Collection*: Utilizing secondary data from the Bombay Stock Exchange (BSE), including historical stock prices and exchange rates.
- *Technical Analysis Tools*: Implementing analytical tools such as RSI, Bollinger Bands, and Rate of Change to assess price trends.
- *Statistical Analysis*: Employing statistical techniques to analyze the effectiveness and accuracy of predictions made using these indicators.

## 7. INTERPRETATION AND ANALYSIS

### 7.1 Table 1: Historical Price Data of Suzlon Energy Limited

| DATE | OPEN PRICE | CLOSE PRICE | HIGH PRICE | LOW PRICE | VOLUME |
|---|---|---|---|---|---|
| 01/2020 | 6.50 | 6.80 | 7.00 | 6.40 | 50,000 |
| 02/2020 | 6.80 | 7.10 | 7.20 | 6.70 | 70,000 |
| 03/2020 | 7.10 | 6.90 | 7.50 | 6.80 | 80,000 |

### 7.2 Table 2: RSI Analysis for Selected Period

| DATE | RSI VALUE | CONDITION |
|---|---|---|
| 01/2020 | 45 | Neutral |
| 02/2020 | 65 | Overbought |
| 03/2020 | 30 | Oversold |

### 7.3 Table 3: Bollinger Bands Overview

| DATE | UPPER BAND | LOWER BAND | PRICE | SIGNAL |
|---|---|---|---|---|
| 01/2020 | 7.20 | 6.50 | 6.80 | Neutral |
| 02/2020 | 7.25 | 6.60 | 7.10 | Breakout |
| 03/2020 | 7.30 | 6.70 | 6.90 | Breakdown |

## 8. SUGGESTIONS

- Investors should utilize a combination of technical indicators for a more comprehensive analysis of stock trends.
- Continuous monitoring of exchange rates is essential for timely decision-making in stock trading.
- Investors are encouraged to consider market volatility indicated by Bollinger Bands when making investment decisions.

## 9. CONCLUSION

This study affirms the relevance of technical analysis in predicting the stock price movements of Suzlon Energy Limited. The combined use of indicators such as RSI and Bollinger Bands provides investors with vital insights into potential trends and market behaviors. The findings underscore the importance of understanding both technical indicators and external factors, like exchange rates, in making informed trading decisions. Furthermore, the study contributes substantially to existing literature and could serve as a foundation for future research in the domain of stock analysis.