



# STUDY ON TECHNICAL ANALYSIS OF LISTED SECURITIES WITH REFERENCE TO AUTOMOBILE INDUSTRY

1 SUKANYA SARKAR, 2 SUHASINI S, 3 K G VIVEK, 4 M S CHANDHANA

Student 1, Student 2, Student 3, Student 4

School of Commerce, JAIN (Deemed-to-be University), Bangalore

**ABSTRACT:** The Indian economy is mostly driven by the automobile industry. By 2026, India is anticipated to be the third-largest automotive market in the world in terms of volume. Because they are specifically designed to meet the needs of low- and middle-income populations, the nation's vehicle industry stands out among those of other auto-producing nations. The government has released the Automotive Mission Plan (AMP) 2016–26, which will support the expansion of the Indian automotive industry and the national economy. The transportation sector is finding new opportunities as a result of the world's fast globalization, particularly as it transitions to more efficient, secure, and dependable modes of transportation like electric, electronic, and hybrid vehicles. In light of the foregoing, this article provides an outline of the Indian automobile industry's production, sales, and export trends across time.

**Keywords:** Automobile industry, Economic growth, Government, Globalization, Performance, Opportunity

## INTRODUCTION

Two-wheelers, trucks, cars, buses, and three-wheelers are all part of the Indian automobile sector, which is essential to the expansion of the Indian economy. India is now Asia's fourth-largest auto exporter, trailing only Thailand, South Korea, and Japan. By 2050, the nation's road network is anticipated to have 611 million automobiles, making it the largest auto market in the world. The volume of products and services produced that enable mobility and increase the sale of automobiles serves as a barometer for this industry's economic development. Indirectly increasing the demand for a variety of raw materials such as steel, rubber, plastics, glass, paint, electronics, and services has led to a significant increase in the manufacture of automobiles. Several automakers have started making significant investments in various sectors of the business over the past few months in hopes of keeping up with the escalating demand. FDI into the sector totaled US\$25.40 billion between April 2000 and December 2020, based on information provided by the Department for Promotion of Industry and Internal Trade (DPIIT). The primary drivers of growth for the industry have been an increase in income and the expansion of lending and financing choices. Also, a strong amount of participation in the infrastructural projects has fueled demand for commercial cars, which has boosted growth. The well-established auto auxiliary sector in India offers the necessary assistance to drive sector expansion. Also, a strong amount of investment in the construction industry has fueled demand for commercial cars, which has boosted growth. The well-established auto auxiliary sector in India offers the necessary assistance to drive sector expansion. To cut emissions, the Indian auto sector is gradually reorienting itself towards electric vehicles. With this context, this study focuses on the overview of the Indian automotive industry in terms of production, sales, and export tendency over time.

## POLICY SUPPORT

The Government of India and the Indian Automotive Industry jointly launched the Automotive Mission Plan 2016–2026 to set the course for the sector's growth.

## REVIEW OF LITERATURE

### **Singh, 2007**

The author explains about the degree to which an organization's employees feel committed to their organization can be easily determined by the strength of its culture. It shows that although culture is complete, commitment can strengthen it. Culture can be managed by managing the employees of the organization as well as by the actions and interventions of the manager, and they are also understood as objectives of responsibility management. Managing engagement is also managing culture, because engagement connects people to the organization's ideas and actors. With these concepts in mind, this study aims first to link the different conceptual structures of commitment and culture and second to determine the relationship between organizational commitment and organizational culture. The study is based on a sample of 382 drivers from five car companies. The results show that most dimensions of organizational culture are positively and significantly related to dimensions of organizational commitment. Some dimensions of culture also contributed significantly to the prediction of organizational commitment. The main question of this research is that the importance of organizational culture in understanding organizational commitment cannot be underestimated or ignored.

### **Kaur and Karu ,2016**

The authors states that this study is an attempt to find out the determinants of profitability of the Indian automobile industry by taking a sample of all automobile companies covering different segments of the Indian automobile industry viz. commercial vehicles, three wheelers, two wheelers and passenger cars listed on the Bombay. Stock market Stock Exchange (BSE) for eleven years from 2003 to 2013 to 2014. To achieve the objectives of the study, company-specific factors must be taken into account, e.g. financial leverage, company size, asset tangibility, company growth, liquidity, inventory turnover ratio, debt capital ratio, debt to turnover ratio, total asset turnover ratio, average payment period and company financial liquidity are reduced for return on assets ratio. First, correlation analysis and multiple regression analysis are applied to find out the factors affecting the profitability of the sample companies. In addition, a stepwise regression analysis was performed to identify the main factors that influence the variation in profitability of the sample companies. The profitability of the Indian automobile industry was found to be significantly influenced by the company's liquidity position, company growth, inventory turnover ratio, debt ratio and average payment period

### **Bolan and et al ,2016**

Manufacturing organizations often upgrade their supply chain to a green supply chain system to achieve various operational synergies, but they certainly cannot implement such advanced systems due to internal and external environmental obstacles. Accordingly, the study analyzes the Indian automotive industry to explore and classify green supply chains. For this, a legitimate method of mathematical modeling is used – the interpretive structural model. The study identified thirteen barriers based on extensive literature and added one based on expert opinion. Six attributes are found to be dependent barriers, five are driver barriers, and three are link barriers. The study has significant implications at the company level, manufacturing processes and green supply chain system, especially in the automotive industry. The identified relationship between these barriers can help organizations overcome them to implement an effective and efficient Green Supply Chain Management (GSCM) system.

### **Miglani, 2019**

The automotive industry is one of India's most important drivers of economic growth and is heavily involved in global value chains. The growth of this industry was on the back of strong support from the government, which helped it create a unique path among the Indian manufacturing industry. Cars produced in the country uniquely respond to the demands of the low- and middle-income groups of the population, which makes this sector stand out from other car producing countries. This chapter analyzes the role of government policies, infrastructure and other enabling factors in the expansion of the Indian automobile and auto component sectors. In 2017, India became the world's fourth largest automobile market and the demand for Indian vehicles continues to grow in both the domestic and international markets. To meet the future needs of customers (including electric vehicles) and stay ahead of competitors, manufacturers are now reaching for innovation, digitization and automation. The chapter also analyzes Indian national politics in the light of this development.

### **Arya, 2019**

The Indian automotive industry is one of the major drivers of macroeconomic growth and technological progress. The sector accounts for 7.1% of GDP and employed about 32 million people directly and indirectly in 2016. India is the world's largest manufacturer of two-wheelers, three-wheelers and tractors, and her fifth largest automaker overall. Strong domestic demand and supportive government policies have pushed the Indian automotive industry up the rankings to become one of the top companies in the world. The Government of India and the Indian automotive industry have set out future targets for the industry through Automotive Mission Plan 2016-26 (AMP 2026). The plan envisions that by 2026, India will rank among the top three in the world for engineering, manufacturing and exporting vehicles and auto parts. By 2020, India's automotive industry is estimated to be the third largest in the world after China and the United States. This paper aims to examine the performance and growth of the Indian automotive industry, the factors contributing to such growth and the current situation of foreign investment in this sector.

## METHODOLOGY OF STUDY

This study aims to analyze the price movement of the automotive industry. The study design is pursued in a descriptive and analytical character. Secondary data sourced from the NSE website is used for this study.

**ANALYSIS OF STOCKS:**

1. MAHINDRA. & MAHINDRA Ltd. (MAHM)

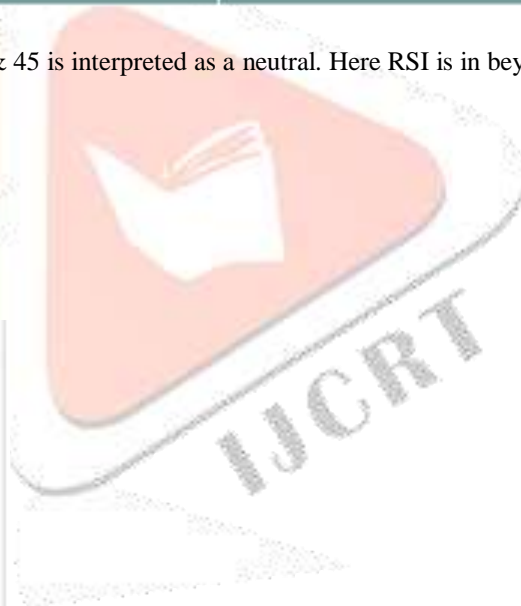


PERIOD	SIMPLE	EXPONENTIAL
MA(5)	1326.85 BUY	1315.36 BUY
MA(10)	1250.30 BUY	1231.86 BUY
MA(20)	1040.23 BUY	1083.67 BUY
MA(50)	784.34 BUY	893.65 BUY
MA(100)	740.67 BUY	748.36 BUY
MA(200)	525.56 BUY	577.44 BUY

	VALUE	ACTION
RELATIVE STRENGTH INDEX (14)	70.351	SELL

RSI reading above 25 is interpreted as Oversold. RSI between 30 & 45 is interpreted as a neutral. Here RSI is in beyond the range. Hence it is suggested to **SELL** as it is **OVERBOUGHT**.

2. ASHOK LEYLAND

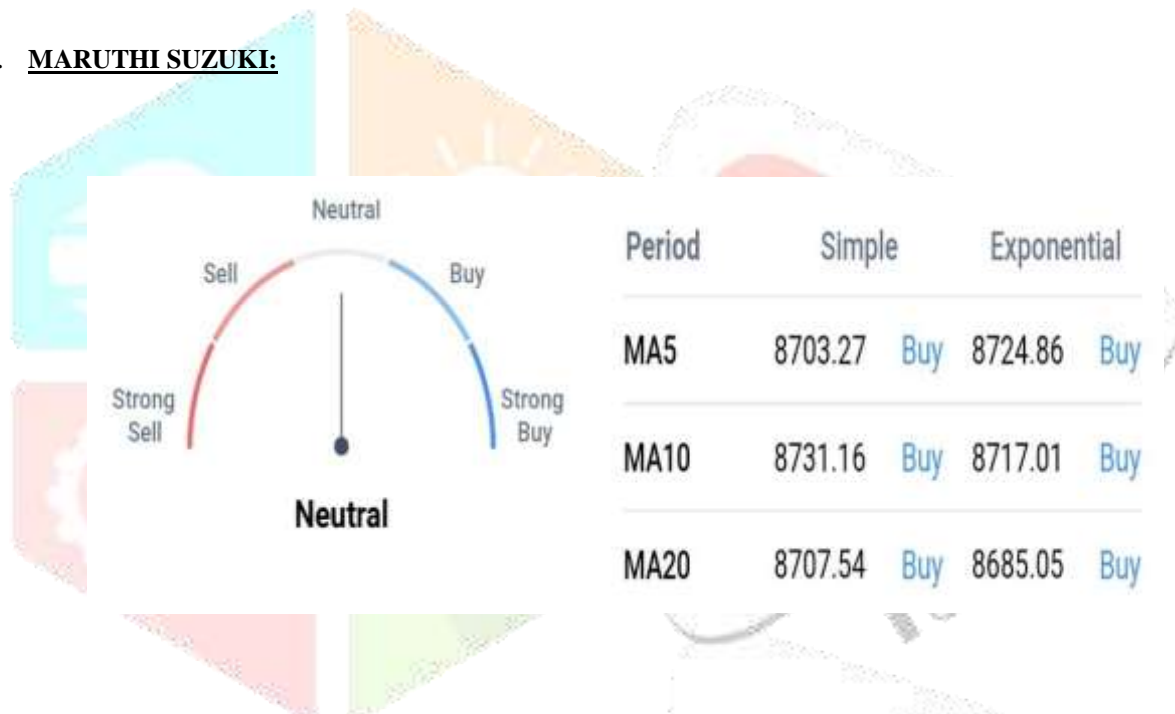


**Relative Strength Index (14) 29.730 (Sell)**

RSI between 25 & 45 is interpreted as a bearish condition. Here RSI is in the mid-range. Hence it is neither overbought nor oversold. It stays neutral.

Title	Sell	Neutral	Buy
<b>Moving Averages</b>	100%	-	-
<b>Momentum Oscillators</b>	100%	-	-
<b>Trend Oscillators</b>	100%	-	-
<b>Volatility</b>	100%	-	-

3. **MARUTHI SUZUKI:**

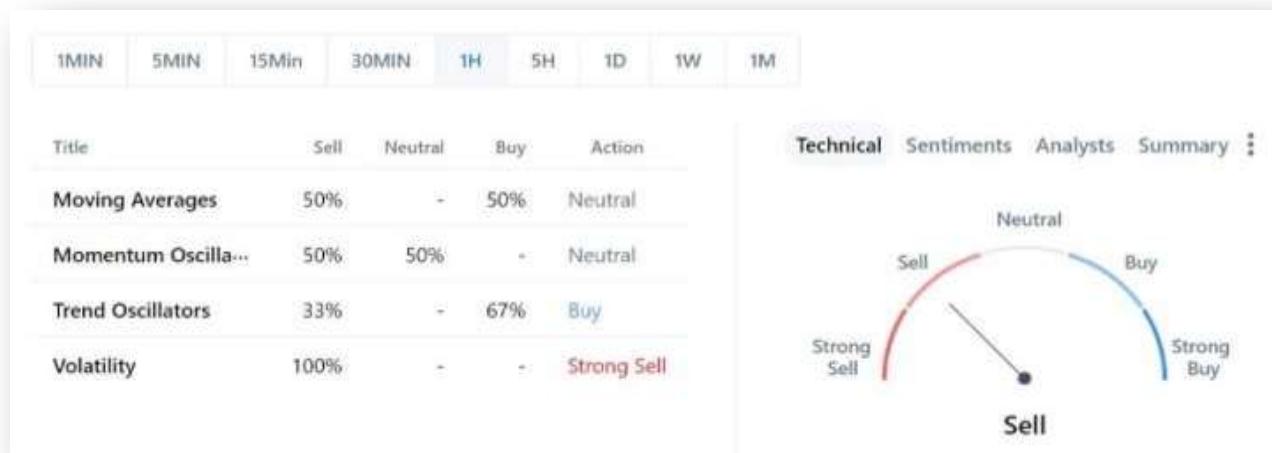


RSI reading above 25 is interpreted as oversold. RSI between 25 & 45 is interpreted as a bearish condition

DATE	PERIOD	RSI
17 jan	14	50.68
18 jan	14	51.52
19 jan	14	51.98

#### 4. TATA MOTORS:

Period	Simple	Exponential
MA5	449.95 Sell	446.41 Sell
MA10	431.26 Sell	449.00 Sell
MA20	448.94 Sell	447.83 Sell
MA50	436.54 Buy	458.76 Buy
MA100	423.39 Buy	426.88 Buy
MA200	408.93 Buy	419.29 Buy



Resistance and Support: 65.47

#### SUGGESTIONS AND CONCLUSION

On January 31, 2023, M&M SHARE price closed at 1378.75 @ and WE SUGGEST BUY

STRONG LONG with Stoploss @1121.97 and BUY STRONG SHORT with Stoploss @1278.97. The S&P BSE AUTO Index was at 30,452.1 (+1.9%). The index is up 5.3% over the past 30 days. On the other hand, BAJAJ AUTO (-0.6%) was the main loser. Meanwhile, the benchmark S&P BSE SENSEX index was up 0.1% at 59,549.9. Tata Motors Technical Analysis gives a top-level view of the Technical Indicators, Classic Moving Average, Exponential Moving Average. It allows to research the rate trends, patterns on Classic Moving Average Scale Tata Motors indicates a 408.35 for 20 - DMA, 412.32 for 50-DMA On Exponential Moving Average Scale Tata Motors suggests a 414.27 for 20 - DMA, 412.61 for 50- While understanding and analyzing. Technical of a company is crucial, it is equally important to have a take a observe the Share Price, Stock Performance, Fundamental Analysis, Financial Statements and Similar Stocks Comparison. It offers an experience of whether or not the business enterprise is growing, solid or deteriorating

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