



# COMPLETE TECHNICAL ANALYSIS COURSE

## Session 01: Basics of Technical Analysis

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## Type of Investment

## **Nil to Low Risk**

Fixed Deposit (5 to 7% return/year)

Fixed deposit (FD), also referred as 'time deposit' or 'term deposit', is an investment option that allows depositors to park their idle money for a fixed period and earn fixed interest on it at regular intervals during the chosen tenure or at maturity.



## **Medium Risk**

(9 to 15% Return/Year if you hold more than 5 years)

- Mutual Fund: Pure Equity funds, Index fund, Debt Fund, Hybrid Funds
- ETFs (Exchange Traded Fund): Silverbees, Goldbees, Niftybees, Bankbees
- ULIP (Unit Link Insurance Plan), (70% fund used for investment and 30% fund used for risk cover and commissions)
- Real Estate
- RBI Bonds (7 to 8% Return/Year)
  - Fixed Rate Gov Sec Bonds
  - Sovereign Gold Bond (SGB):
  - Treasury Bills (T-bills)
- Link: <https://www.rbi.org.in/commonperson/English/Scripts/FAQs.aspx?Id=711>

## **High Risk**

- Direct Equity: Reliance, ITC, Adani, Asian Paint, Maruti
- Future and Options:
- Forex and Cryptos:

# Types of Segments

- Equity (Cash): Stocks like Reliance, ITC, Adani, Asian Paint, Maruti
- Derivatives (Futures and Options)
- Currencies (USDINR)
- Commodity Derivatives (Gold, Silver, Crude, Natural Gas and many others.)
- Agri commodities: Cotton, jeera, Castor...
- ETFs (Exchange Traded Fund): Siverbees, Goldbees, Niftybees, Bankbees

## Type of Exchanges

### 1. Bombay Stock Exchange (BSE) 5311 companies

### 2. National Stock Exchange (NSE). 2137 companies

Two primary stock exchange, Same trading hours, trading mechanisms, settlement processes, and regulated by the Securities Exchange Board of India (SEBI).

### 3. MCX (Multi Commodity Exchange of India Ltd)

Crude, Natural Gas, Gold, Silver, and many more...

### 4. NCDEX (National Commodity & Derivatives Exchange Ltd)

Agri commodities: Cotton, Jira, Castor, and many more.....

- Calcutta Stock Exchange Ltd.
- Metropolitan Stock Exchange of India Ltd.
- Indian Commodity Exchange Limited

Link : <https://www.sebi.gov.in/stock-exchanges.html>

# Type of Index

**An index** measures the price performance of a basket of securities using a standardized metric and **methodology**

- [Nifty 50](#)
- [Bank Nifty](#)
- [Fin Nifty](#)

Sr. No	Company Name	Weight (%)
1	HDFC Bank Ltd	14.35%
2	Reliance Industries Ltd	10.54%
3	ICICI Bank Ltd	7.89%
4	Infosys Ltd	5.81%
5	ITC Ltd	4.75%
6	Tata Consultancy Services Ltd	4.20%
7	Larsen & Toubro Ltd	3.77%
8	Axis Bank Ltd	3.35%
9	Kotak Mahindra Bank Ltd	3.02%
10	Hindustan Unilever Ltd	2.71%

Top 10 companies: 60.39% weightage Remaining 40 Companies: 39.61% Weightage

## Other Indexes:

- CNXAuto
- CNXIT
- CNXMetal
- CNXFMCG
- CNXPharma
- CNXEnergy
- CNXPSUBANK
- CNXInfra
- CNXMedia

# Charts

A chart is a graphical representation of price and volume movements of a stock over a certain period of time. In the graphical chart, the X-axis represents the time period and the Y-axis represents the price movement. The time period can vary from intra-day to even a few months or more.

## Candle charts



## Line charts

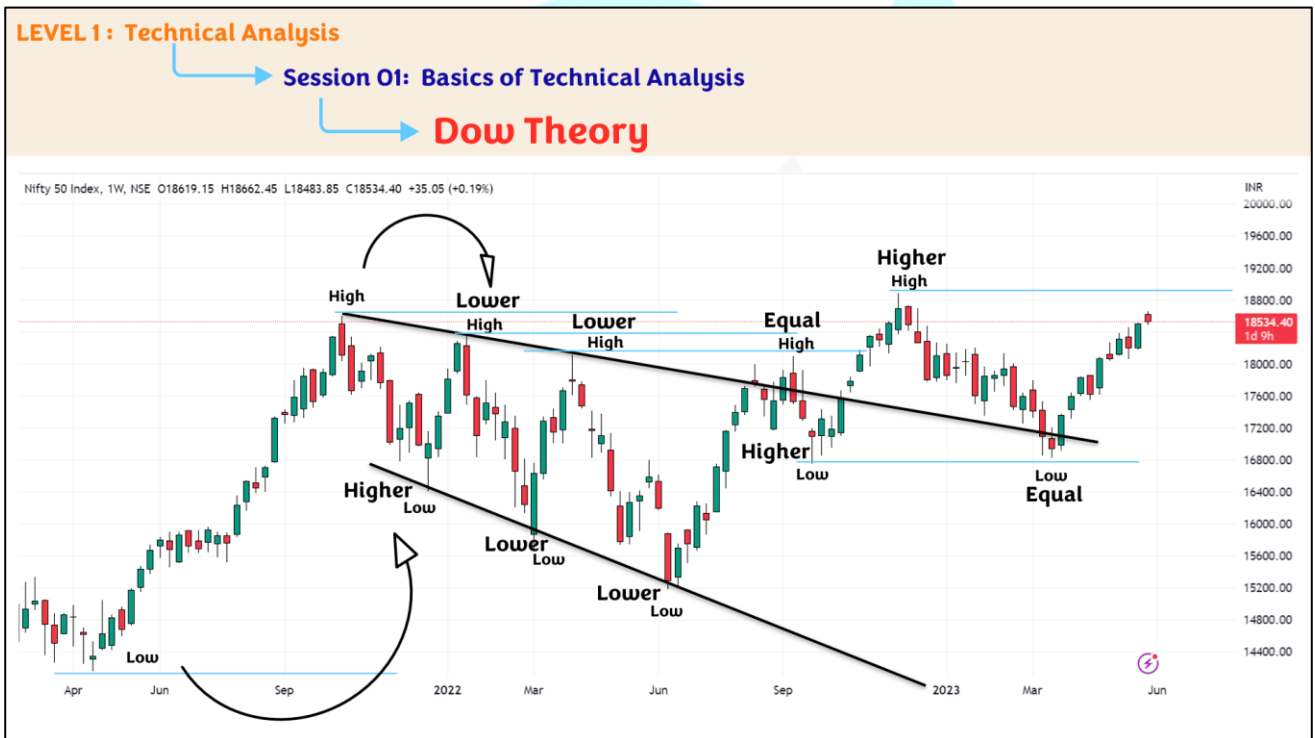


# Dow Theory

The Dow Theory is an approach to trading developed by Charles H. Dow.

Charles Dow died in 1902, and due to his death, never published his complete theory on the markets, but several followers and associates have published works that have expanded on the editorials.

The Dow Theory is a financial theory says that we can check the trend whether it is in upward trend, down trend or sideways trend by comparing the significant previous highs and lows.



## Type of Trends

### What Is a Trend?

A trend is the overall direction of a market or an asset's price.

### Up Trend

An uptrend is marked by an overall increase in price by making Higher high and Higher low.



# Support and Resistance

- Support and resistance are two foundational concepts in technical analysis.
- Prices move because of supply and demand. When demand is greater than supply, prices rise. When supply is greater than demand, prices fall. Sometimes, prices will move sideways as both supply and demand are in equilibrium.
- Technical analysts use support and resistance levels to identify price points on a chart where the probabilities favour a pause or reversal of a prevailing trend.
- Support occurs where a downtrend is expected to pause due to a concentration of demand.
- Resistance occurs where an uptrend is expected to pause temporarily, due to a concentration of supply.





## Guidelines: -

### 1) Higher the timeframe of trendline having higher importance.



### 2) Horizontal trendline provides better support then tilted trendlines

