

Project Report

**“A Detailed Study Of Performance of SBI (Public Bank) and
ICICI(Private Bank) Through Technical Analysis”**

Submitted to

G. S. COLLEGE OF COMMERCE & ECONOMICS, NAGPUR

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Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur

In partial fulfillment for the award of the degree of

Bachelor of Business Administration

Submitted by

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Academic Year 2022 – 23



G.S. College Of Commerce & Economics, Nagpur

Academic Year 2022 – 23



CERTIFICATE

This is to certify that, Karan Satish Bhiwapurkar has submitted the project report titled “A Detailed Study Of Performance of SBI (Public Bank) and ICICI(Private Bank) Through Technical Analysis”, towards partial fulfillment of BACHELOR OF BUSINESS ADMINISTRATION degree examination. This has not been submitted for any other examination and does not form part of any other course undergone by the candidate. It is further certified that he has ingeniously completed his/her project as prescribed by Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur.

DR. PRAGATI PANDEY
(Project Guide)

DR. AFSAR SHEIKH
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Place:

Date:

G.S. College Of Commerce & Economics, Nagpur



Academic Year 2022 –

DECLARATION

I here-by declare that the project with title “A Detailed Study Of Performance of SBI (Public Bank) and ICICI(Private Bank) Through Technical Analysis” has been completed by me in partial fulfillment of BACHELOR OF BUSINESS ADMINISTRATION degree examination as prescribed by Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur and this has not been submitted for any other examination and does not form the part of any other course undertaken by me.

Karan Satish Bhiwapurkar

Place:

Date:

G.S. College of Commerce & Economics, Nagpur



Academic Year 2022 –

ACKNOWLEDGEMENT

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I will fail in my duty if I do not thank the non-Teaching staff of the college for their Co-operation.

I would like to thank all those who helped me in making this project complete and successful.

Karan Satish Bhiwapurkar

Place:

Date:

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INTRODUCTION

TECHNICAL ANALYSIS:

Technical analysis is a method used to evaluate securities, such as stocks, currencies, and commodities, by analysing statistical trends gathered from trading activity, such as price and volume. The goal of technical analysis is to identify patterns and trends in the data that can help investors make informed decisions about buying or selling a particular security.

Technical analysis is based on the premise that historical price and volume data can provide insight into future market movements. Technical analysts use charts and other tools to identify patterns and trends in the data, such as support and resistance levels, moving averages, and various technical indicators. They then use this information to predict future price movements and make investment decisions based on those predictions.

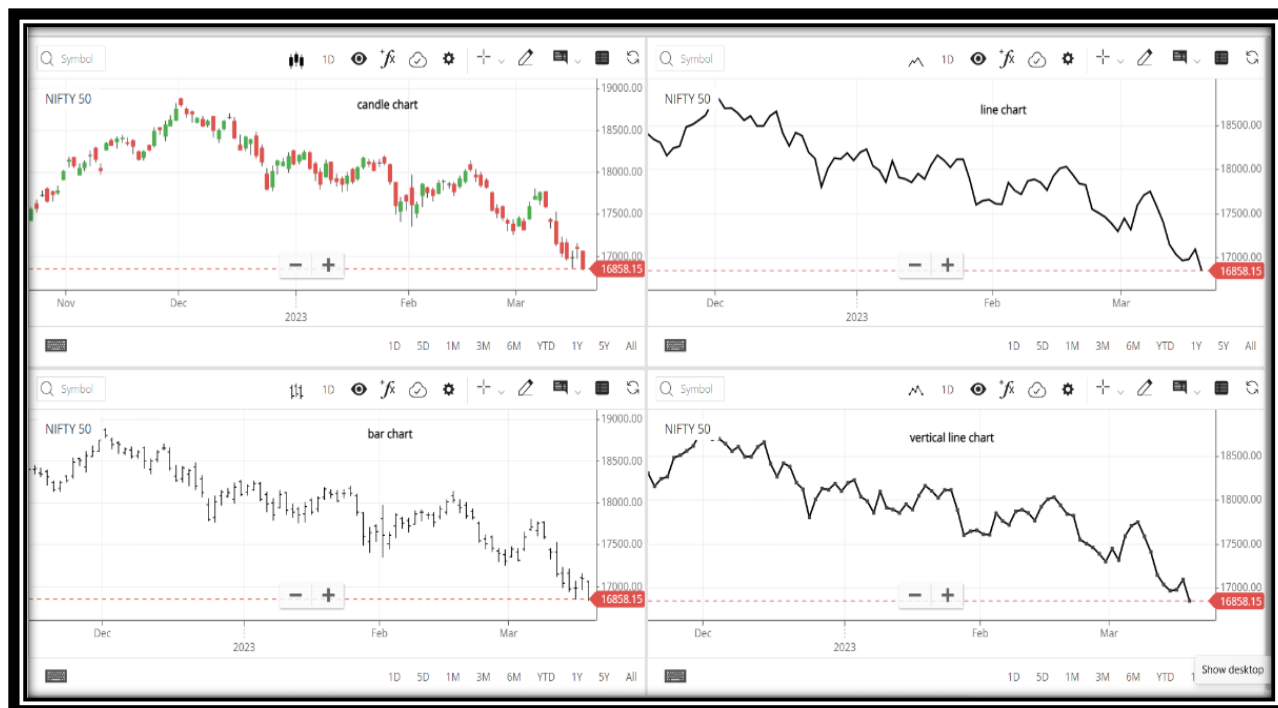
While technical analysis is often used in conjunction with fundamental analysis, which examines the underlying financial and economic factors affecting a security, it is unique in that it focuses primarily on price and volume data. Technical analysis can be used by traders and investors of all levels of experience, from individual retail traders to institutional investors and hedge funds.

Technical analysts rely on a variety of data sources to perform their analysis. This can include price charts, trading volume data, and technical indicators. These data sources can be obtained from a variety of sources, including financial news websites, trading platforms, and specialized technical analysis software.

While technical analysis can be a powerful tool for analysing financial markets, it is important to note that it is not fool proof. Technical analysis can be affected by a variety of factors, including unexpected news events, changes in economic conditions, and other factors that may not be reflected in the price data. It's always a good idea to combine technical analysis with other forms of analysis, such as fundamental analysis (which looks at a company's financial health and other factors) and market sentiment analysis (which looks at investor sentiment and other factors).

* KEY ELEMENTS OF TECHNICAL ANALYSIS:

- CHARTS:



Charts: Technical analysts typically use charts to display price and volume data in a visually accessible way. There are several types of charts that can be used, including line charts, bar charts, and candlestick charts. Candlestick charts are particularly popular among technical analysts because they provide a more detailed view of price movements, including opening and closing prices and highs and lows.

Technical Indicators:



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Technical indicators are mathematical calculations that are applied to price and volume data to help identify patterns and trends. There are many different technical indicators that can be used, including moving averages, relative strength index (RSI), and MACD (moving average convergence divergence). Technical analysts may use one or more indicators to help them make trading decisions.

Support resistance levels and trendline:



Support and resistance levels: Support levels are areas where buyers have historically stepped in to buy a security, while resistance levels are areas where sellers have historically stepped in to sell a security. Technical analysts may use support and resistance levels to help them identify potential entry and exit points for a security.

Trendlines: Trendlines are lines drawn on a chart that connect two or more points, typically highs or lows. It can help technical analysts identify the overall direction of a security's price movements, as well as potential levels of support and resistance.

Indian Banking Sector:

- The Indian banking sector is a crucial component of the country's financial system, which plays a significant role in driving economic growth and development. Here are some key facts about the Indian banking sector:
- Types of banks: The Indian banking sector includes various types of banks, including public sector banks, private sector banks, foreign banks, regional rural banks, and cooperative banks.
- Regulation: The Reserve Bank of India (RBI) is the primary regulatory body that oversees the banking sector in India.
- Network: The Indian banking sector has a vast network of over 200,000 branches and more than 300,000 ATMs across the country.
- Services: Banks in India offer a range of services, including deposit accounts, loans, credit cards, insurance products, and investment services.

- Public sector banks: The public sector banks are owned by the government of India and account for the majority of banking transactions in the country.
- Private sector banks: The private sector banks are privately owned and operated and are known for their efficiency, innovation, and customer service.
- Foreign banks: The foreign banks operate in India through their branches or subsidiaries and offer specialized services to corporate and high-net-worth clients.
- Cooperative banks: The cooperative banks are owned and operated by their members and provide banking services to rural and semi-urban areas.
- Financial inclusion: The Indian banking sector has made significant efforts to promote financial inclusion by expanding banking services to unbanked and underbanked areas.

Digital banking: The Indian banking sector has embraced digital banking and offers a range of online and mobile banking services to customers.

Overall, the Indian banking sector is a vital component of the country's financial system and plays a critical role in promoting economic growth and development.



(SBI Chart)

SBI Bank:

- In the medium to long-term, the stock has been in a bullish trend and has consistently been making higher highs and higher lows, indicating a strong uptrend.
- The stock recently broke out from a consolidation pattern, which is a bullish signal and could indicate further upward momentum in the near term.
- The relative strength index (RSI) and moving average convergence divergence (MACD) both indicate a bullish trend.
- As of December 2022, the stock has given return of over 100% in the past years.



(ICICI Bank)

ICICI Bank:

- The stock has also been in a bullish trend and has been consistently making higher highs and higher lows, indicating a strong uptrend.
- The stock has recently broken out of a consolidation pattern, which could indicate further upward momentum in the near term.
- The RSI and MACD both indicate a bullish trend.
- As of December 2022, the stock has given return of over 150% in the past years.

COMPANY PROFILE



1) State Bank of India (SBI):

- State Bank of India (SBI) a Fortune 500 company, is an Indian Multinational, Public Sector Banking and Financial services statutory body headquartered in Mumbai. The rich heritage and legacy of over 200 years, accredits SBI as the most trusted Bank by Indians through generations.
- SBI, the largest Indian Bank with 1/4th market share, serves over 45 crore customers through its vast network of over 22,000 branches, 62617 ATMs/ADWMs, 71,968 BC outlets, with an undeterred focus on innovation, and customer centricity, which stems from the core values of the Bank - Service, Transparency, Ethics, Politeness and Sustainability.
- The Bank has successfully diversified businesses through its various subsidiaries i.e., SBI General Insurance, SBI Life Insurance, SBI Mutual Fund, SBI Card, etc. It has spread its presence globally and operates across time zones through 229 offices in 31 foreign countries.

- **History-**

- The roots of State Bank of India lie in the first decade of the 19th century when the Bank of Calcutta later renamed the Bank of Bengal, was established on 2 June 1806. The Bank of Bengal was one of three Presidency banks, the other two being the Bank of Bombay (incorporated on 15 April 1840) and the Bank of Madras (incorporated on 1 July 1843).
- These three banks received the exclusive right to issue paper currency till 1861 when, with the Paper Currency Act, the right was taken over by the Government of India. The Presidency banks amalgamated on 27 January 1921, and the re-organized banking entity took as its name Imperial Bank of India. The Imperial Bank of India remained a joint-stock company but without Government participation.
- In 1959, the government passed the State Bank of India (Subsidiary Banks) Act. This made eight banks that had belonged to princely states into subsidiaries of SBI. This was at the time of the First Five Year Plan, which prioritized the development of rural India. The government integrated these banks into the State Bank of India system to expand its rural outreach. In 1963 SBI merged State Bank of Jaipur (est. 1943) and State Bank of Bikaner (est. 1944).

- **Key people**

Dinesh Kumar Khara (Chairman)

- **Products**

Retail banking, corporate banking, Investment banking, Mortgage loans, Private banking, Wealth management, Credit card, Finance and Insurance.

- **Revenue**

₹406,973 crore (US\$51 billion) (2022)

- **Operating income**

₹78,898 crore (US\$9.9 billion) (2022)

- **Net income**

₹43,774 crore (US\$5.5 billion) (2022)

- **Total assets**

₹5,177,545 crore (US\$650 billion) (2022)

- **Total equity**

₹300,972 crore (US\$38 billion) (2022)

- **Number of employees**

2,44,250 (March 2022)

- **Subsidiaries**

SBI Life Insurance Ltd, SBI Cards and Payment Services Ltd, SBI General Insurance (70%), Jio Payments Bank (30%), Yes Bank (30%), Andhra Pradesh, Grameena Vikas Bank (35%).



2) Industrial Credit and Investment Corporation of India (ICICI) Bank:

- ICICI Bank Limited is an Indian multinational financial services company with its registered office in Vadodara, Gujarat, and corporate office in Mumbai, Maharashtra.

- It offers a wide range of banking products and financial services for corporate and retail customers through a variety of delivery channels and specialized subsidiaries in the areas of investment banking, life, non-life insurance, venture capital and asset management.

- The bank has a network of 5,275 branches and 15,589 ATMs across India and has a presence in 17 countries.

- The bank has subsidiaries in the United Kingdom and Canada; branches in United States, Singapore, Bahrain, Hong Kong, Qatar, Oman, Dubai International Finance Centre, China and South Africa; as well as representative offices in United Arab Emirates, Bangladesh, Malaysia and Indonesia. The company's UK subsidiary has also established branches in Belgium and Germany.

• History

- ICICI Bank was established by the Industrial Credit and Investment Corporation of India (ICICI), an Indian financial institution, as a wholly owned subsidiary in 1994 in Vadodara however the parent company was formed in 1955 as a joint-venture of the World Bank, India's public-sector banks and public-sector insurance companies to provide project financing to Indian industry. The bank was founded as the Industrial Credit and Investment Corporation of India Bank, before it changed its name to ICICI Bank. The parent company was later merged with the bank.

- ICICI Bank launched Internet Banking operations in 1998.
 - ICICI's shareholding in ICICI Bank was reduced to 46 percent, through a public offering of shares in India in 1998, followed by an equity offering in the form of American depositary receipts on the NYSE in 2000. ICICI 10 Bank acquired the Bank of Madura Limited in an all-stock deal in 2001 and sold additional stakes to institutional investors during 2001–02.
- In the 1990s, ICICI transformed its business from a development financial institution offering only project finance to a diversified financial services group, offering a wide variety of products and services, both directly and through a number of subsidiaries and affiliates like ICICI Bank. In 1999, ICICI become the first Indian company and the first bank or a financial institution from non-Japan Asia to be listed on the NYSE.
- ICICI, ICICI Bank, and ICICI subsidiaries ICICI Personal Financial Services Limited and ICICI Capital Services Limited merged in a reverse merger in 2002.
- In 2008, following the 2008 financial crisis, customers rushed to ICICI ATMs and branches in some locations due to rumours of an adverse financial position of ICICI Bank. The Reserve Bank of India issued a clarification on the financial strength of ICICI Bank to dispel the rumours.
- In March 2020, the board of ICICI Bank Ltd. approved an investment of Rs 1,000 crore in Yes Bank Ltd. This investment resulted in ICICI Bank Limited holding in excess of a five percent shareholding in Yes Bank

• Key people

Girish Chandra Chaturvedi (Chairman)

Sandeep Bakhshi (MD & CEO)

• Products

Banking, commodities, credit cards, equities trading, insurance, investment management, mortgage loans, mutual funds, private equity, risk management, wealth management, asset management

• Revenue

Increase ₹161,192 crore (US\$23 billion) (2021)

• Operating income

Increase ₹42,261 crore (US\$5.9 billion) (2021)

- **Net income**

Increase ₹20,220 crore (US\$2.8 billion) (2021) 11

- **Total assets**

Increase ₹1,573,812 crore (US\$220 billion) (2021)

- **Total equity**

Increase ₹153,078 crore (US\$21 billion) (2021)

- **Number of employees**

97,354 (2020)

- **Subsidiaries**

- ICICI Prudential

- ICICI Lombard

- ICICI Securities

- ICICI Direct

- **Website:** www.icicibank.com

Literature review

1)(Jayakumar and Sumathi 2014); focused on banking sector and suggested that the investor should look for right opportunities in the market environment. Technical analysis gave a better understanding of the stocks. They believed that supply and demand of stock are the factors that are depicted in technical analysis, therefore the investor should study the market trends clearly and apply the tools accordingly to earn maximum return from the investment.

2)(Baggam Seshu Sailendra and T. Subramanian 2015); in a paper titled “A Study on the Technical Analysis of Share Price Movements of Banking Sector with Special Reference to NSE” published in Transactions on Engineering and Sciences, analyzed that share prices of private sector banks shows more fluctuations than public sector banks”

3)(Nithya and Thamizhchelvan 2014); analyzed the performance of MACD and RSI charting techniques from Jan 2013 -Feb 2014 in the banking sector scrips to predict for future investment strategy. Study found that the tools employed, performed well to generate positive signal to buy the stocks. It was also suggested to the investors to consider various factors which affect the market before making any investment

4)(T. Deva Prasad, C. Chaitanya, A. Thulasi Kumar 2018); in their article states that result that technical indicators can play useful role in the timing stock market entry and exit. By applying technical tools brokers or investors enjoy substantial profit. Shares volatility of banking sectors differ from other sectors because banking share volatility depends upon RBI decision.

RESEARCH STUDY

Objective of study /Research

- To do analysis of the prices of SBI and ICICI bank stocks in the Indian Banking sector through technical analysis.
- To know the right entry and exit points in the stocks to reduce risk and increase rewards which leads to a systematic approach for each entry and exit for the initiated trade.
- To do comparative analysis of the returns given by SBI and ICICI bank stock
- To know the major trend in SBI and ICICI bank stocks.

Limitation of Study /Research

- This project only analyses the two stocks of Banking sector.
- This research is done on 2 years of previous data only (2021-2022).
- Analysis is done only on the basis of technical aspects which exclude all fundamental analysis concept.
- This research covers only the minimum Risk to Reward ratio (i.e.,1:2).

Hypothesis

H0: Technical analysis doesn't help to find out risk involve in SBI and ICICI bank stock.

H1: Technical analysis helps to find out risk involve in SBI and ICICI bank stock.

RESEARCH METHODOLOGY

What is Research...?

Research means search for facts in order to find answers to certain questions or to find solutions to certain problems. It is often referred to as 'scientific inquiry' or 'scientific investigation' into a specific problem or situation.

There are two types of data: -

- Primary Data
- Secondary Data

The present study is based on secondary data which is collected using different blogs & stock exchange website.

- Research design (Method, data collection)

1) Primary data

The primary data is that data which is collected fresh and first hand and for first time which is original in nature.

But in this project, we are collecting data from secondary data. The secondary data are those data which are collected by web-based sites, publication in the newspaper, magazines and information available in the internet.

Data Analysis & Interpretation.

Data Analysis & Interpretation:

Data analysis is the process of ordering, categorizing, manipulating, and summarizing data to obtain answers to research questions. It is usually the first step taken towards data interpretation.

Data interpretation is the process of reviewing data through some predefined processes which will help assign some meaning to the data and arrive at a relevant conclusion. It involves taking the result of data analysis, making inferences on the relations studied, and using them to conclude.

In this study data of two big have collected (SBI INDIA & ICICI BANK). With the help of 12 days moving average, 20 days moving average and candle stick patterns support resistance zones and other technical indicators entry and exit points are detected. This will help to collect the data of each stock regarding to its risk and returns

With the help of collected data all possible entries in the selected stocks are analyse from the year 2021 to 2022. Data from each candlestick chart have been analyse.

Technical tools use for analysis:**MOVING AVERAGE –**

Moving Average (MA) is a price based, lagging (or reactive) indicator that displays the average price of a security over a set period of time. A Moving Average is a good way to gauge momentum as well as to confirm trends, and define areas of support and resistance. Essentially, Moving Averages smooth out the “noise” when trying to interpret charts. Noise is made up of fluctuations of both price and volume. Because a Moving Average is a lagging indicator and reacts to events that have already happened, it is not used as a predictive indicator but rather an interpretive one, used for confirmations and analysis. In fact, Moving Averages form the basis of several other well-known technical analysis tools such as Bollinger Bands and the MACD. There are a few different types of Moving Averages which all take the same basic premise and add a variation.

RELATIVE STRENGTH INDEX (RSI) -

The Relative Strength Index (RSI) is a well-versed momentum-based oscillator which is used to measure the speed (velocity) as well as the change (magnitude) of directional price movements. Essentially RSI, when graphed, provides a visual mean to monitor both the current, as well as historical, strength and weakness of a particular market. The strength or weakness is based on closing prices over the duration of a specified trading period creating a reliable metric of price and momentum changes. Given the popularity of cash settled instruments (stock indexes) and leveraged financial products (the entire field of derivatives); RSI has proven to be a viable indicator of price movements.

Moving Average Convergence/Divergence (MACD):

Moving average convergence/divergence (MACD, or MAC-D) is a trend-following momentum indicator that shows the relationship between two exponential moving averages (EMAs) of a security's price. The MACD line is calculated by subtracting the 26-period EMA from the 12-period EMA.

The result of that calculation is the MACD line. A nine-day EMA of the MACD line is called the signal line, which is then plotted on top of the MACD line, which can function as a trigger for buy or sell signals. Traders may buy the security when the MACD line crosses above the signal line and sell—or short—the security when the MACD line crosses below the signal line. MACD indicators can be interpreted in several ways, but the more common methods are crossovers, divergences, and rapid rises/falls.



State Bank of India

State Bank of India (SBI)

5/05/2021



As shown in above chart of SBI, it gives clear buying indication on 5/05/2021 as 12 days moving average crosses the 20-day moving average. There is also a trend reversal indication from down trend to up trend as it has broken the downtrend channel and forms higher high candles. MACD is also giving bullish indication forming positive histogram. so, the buying price in above entry is 355 which is the closing price of SBI on 3/05/21 and our stoploss was at 341. In this trade our target point is 383 according to our 1:2 Risk Reward ratio which has been achieved giving us return up to 10%.

7/09/2021



As shown in above chart of TCS it gives clear buying indication on 7/09/2021 as 12 days moving average crosses the 20-day moving average. The price is also forming bullish candlestick and breaking 'W' pattern in daily time frame. while MACD signal and histogram is also bullish. The buying price in the above chart is 429 and stoploss is below the crossover 420 and target point is 447 where our target point has been achieved giving us return of up to +5%.

04/07/2022



As shown in above chart of SBI, it gives clear buying indication on 4/07/2021 as 12 days moving average crosses the 20-day moving average. The price takes multiple support from the previous support zone later it breaks down the trendline giving moving average crossover with bullish candle formation. The MACD indicator was also giving pure bullish indication by forming upward histogram bars above the zero line. The buying price in above trade was at 473 which is the closing price on 4/07/2021, stoploss was at 455 which was below the crossover while the taken profit was at 509 giving us returns up to +8%.



Industrial Credit and Investment Corporation of India (ICICI) Bank

5/07/2021



On 5/07/2021 in ICICI Bank, 12 days MA crosses 20-day MA with formation of a bullish candle.

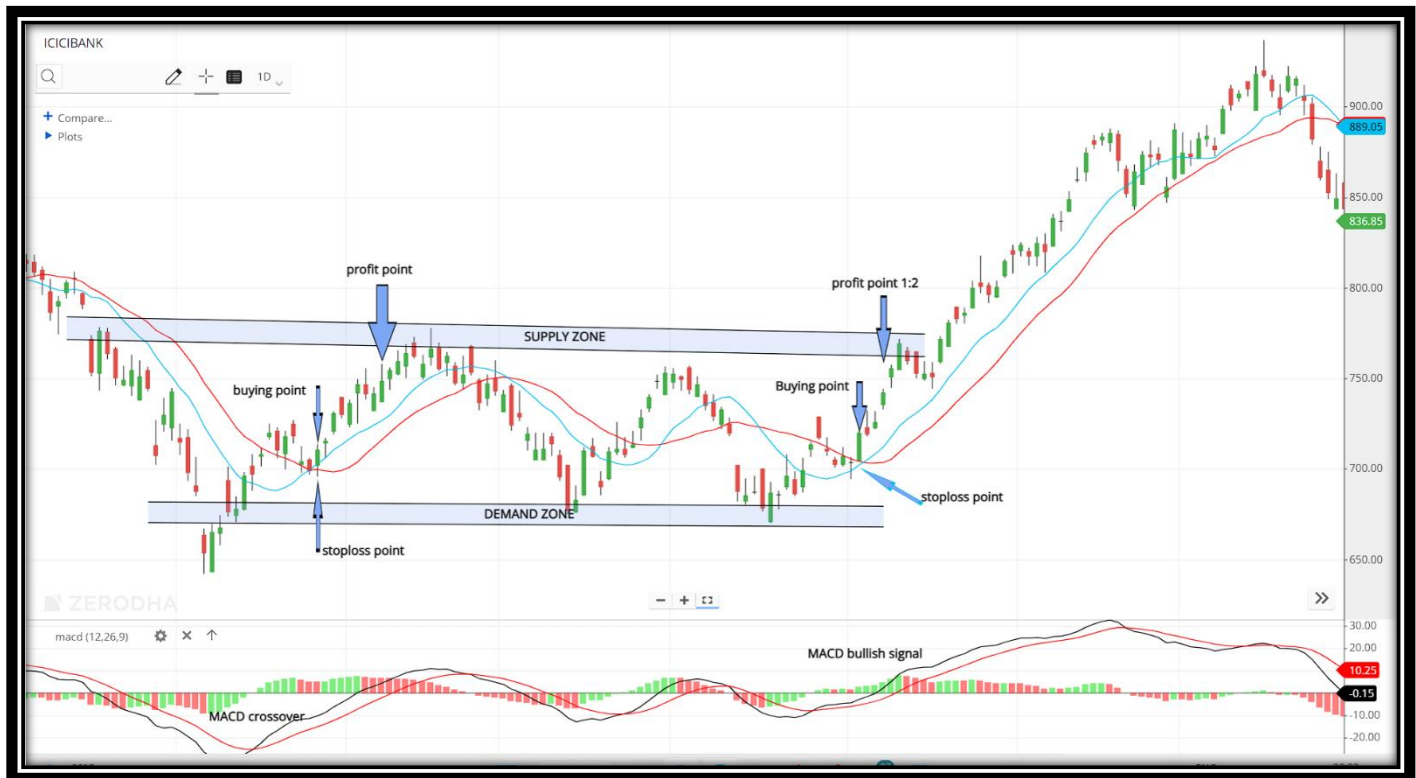
The price was taking constant support from the important support zone shown in the chart. The

MACD was also bullish, so after considering this factor we will take entry on crossover at the

closing price 647 and our stoploss will be at 632. According to 1:2 risk reward ratio profit point

was at 677 giving us return up to +12%.

28/03/2022 & 4/07/2022



As shown in above chart of ICICI Bank, there are two buying indication as per our technical criteria. First buying indication was on 28/03/2022, as per technical assumptions 12 MA crosses 20 MA with formation of bullish candlestick giving us direction indication of bullishness. Previously the price also take bounce from a support zone which gives us additional support for buying. The buying price was at 710 and stoploss was at 695, while according to our Minimum Risk Reward ratio 1:2 profit point was at 740, giving us return up to 9%.

As per our technical criteria, the second buying indication was at 4/07/2022 as 12MA crosses 20MA with formation of strong bullish candle after taking strong reversal from the previous support zone, while the MACD also indicate bullish signal. The buying price was at 720 and stop loss was at 700, while according to our Risk to Reward criteria (i.e.,1:2) profit point was at 760, giving us return up to 9%.

DATA INTERPRETATION

<u>COMPANY</u>	<u>ENTRY</u>	<u>RETURN ON INVESTMENT</u>
SBI BANK	1)5/05/2021 2)7/09/2021 3)4/07/2022	10% 5% 8%
ICICI BANK	1)5/07/2021 2)28/03/2022 3)4/07/2022	12% 9% 9%

Hypothesis Testing:

H0: Technical analysis doesn't help to find out risk involve in SBI and ICICI bank stock.

H1: Technical analysis helps to find out risk involve in SBI and ICICI bank stock.

Testing-

From the above analysis it is found that from the above given hypothesis 1 the alternate hypothesis i.e., H1 "Technical analysis helps to find out risk involve in SBI and ICICI bank stock." is found to be true. Hence, accepted whereas null hypothesis i.e., H0 "Technical analysis doesn't help to find out risk involve in SBI and ICICI bank stock." is rejected.

SUGGESTIONS AND CONCLUSION

CONCLUSION

Technical analysis is tool to predict the future direction of individual stock or securities. There are a greater number of tools to analysis the securities, but technical analysis is one of the best tools to provide practical exposure to investors. We can conclude from the result that technical indicators can play useful role in the timing stock market entry and exit. By applying technical tools brokers or investors enjoy substantial profit. Shares volatility of banking sectors differ from other sectors because banking share volatility depends upon RBI decision.

SUGGESTION

After doing research on this topic, I would like to suggest that investing in private sector bank (ICICI Bank) are the best option available to invest for investor's rather than investing in public sector bank (SBI Bank) stocks.

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