A Study On Technical Analysis Of Rubfila International Limited, Kanjikode

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Abstract- This article presents a comprehensive technical analysis of Rubfila International Limited, Kanjikode, over the period from 2019 to 2023, using a three-month frequency. Key indicators such as Moving Average Convergence Divergence (MACD), Relative Strength Index (RSI), and Rate of Change (ROC) are utilized to evaluate stock performance, identify trends, and suggest potential investment opportunities. The study aims to provide investors with detailed insights into the stock's behaviour, aiding in informed decision-making and strategic planning. The findings highlight periods of strong performance and potential areas of concern, offering valuable recommendations for maximizing returns and minimizing risks.

I. INTRODUCTION

Rubfila International Limited, located in Kanjikode, is a prominent player in the rubber thread industry, known for its innovative products and sustainable practices. This study aims to conduct a comprehensive technical analysis of Rubfila International Limited to evaluate its financial performance and market position.

Overview of the Stock Market

The stock market serves as a critical platform for companies to raise capital by issuing stocks and for investors to own a stake in these companies. Key stock exchanges like the New York Stock Exchange (NYSE), Nasdaq, London Stock Exchange (LSE), and Bombay Stock Exchange (BSE) facilitate these transactions. Stock prices are influenced by factors such as company performance, economic indicators, interest rates, and geopolitical events. Investors use strategies like fundamental analysis and technical analysis to make trading decisions. The stock market also plays a significant role in wealth creation and economic development, fostering corporate governance and transparency.

The pointer utilized in this report is the RSI (Relative Strength Index), which estimates the speed and change of value developments, while MACD (Moving Average Index), which clarifies the connection between two moving normal costs, ROC (Rate Change) communicated as a proportion between an adjustment in one variable with respect to a comparing change in another. The findings of this study are expected to provide valuable insights for investors, analysts, and stakeholders interested in understanding Rubfila International Limited's financial performance and market dynamics. By leveraging technical analysis, this study aims to provide a comprehensive and detailed assessment of Rubfila International Limited's stock performance and potential investment opportunities.

INDUSTRY PROFILE

Natural Rubber Industry

Natural rubber, primarily harvested from the para rubber tree (Heveabrasiliensis), is used extensively in many applications and products due to its high stretch ratio, resilience, and waterproof properties. The latex is collected by making incisions into the bark and is refined into rubber for commercial use.

Properties of Rubber

Rubber exhibits unique physical and chemical properties. It strain-crystallizes, making it susceptible to vulcanization and sensitive to ozone cracking. Its elasticity is due to the preponderance of wrinkled conformations over linear ones. Rubber particles are formed in the cytoplasm of specializedlatex-producing cells called lacticifers within rubber plants.

COMPANY PROFILE

Rubfila International Limited is a leading manufacturer of rubber threads, catering to various industries such as textiles, healthcare, and automotive. The company is known for its innovative products and sustainable practices, positioning itself as a significant player in the market.Rubfila International Limited is a public limited company promoted by RubproSdn. Bhd., Malaysia and Kerala state Industrial Development Corporation. The company which started with manufacturing extruded round latex rubber thread later ventured in the manufacturing of industrial adhesives used in

various applications like footwear, leather goods, lamination/ printing, carpet, construction, etc. The state-of-the-art infrastructure facility is located at Kanjikode, Palakkad, Kerala is the heartland of natural rubber.

II. REVIEW OF LITERATURE

Kristina levisauskaite(2010). Leonardo da vinci program project. A study on "Investment analysis and portfolio management". Objective was to understand and practiced for sound investment decisions making. Target investors were entrepreneurs and practitioners. Variance and standard deviation are used when investor was focused on estimating total risk. Sample variance and sample standard deviation more often used when investor evaluate total risk. The coefficient of determination was calculated as the square of correlation coefficient. Theoretical interpretation involves every single risky asset in the global economic system.

MassoudMetghalchi (2012). International journal of economics and finance. A study on "Technical analysis of the Taiwanese stock market." 'To identify a trend was reversal at a relatively early stage and ride on that trend until the weight of evidence shows or proves that the trend was reversed.' The use of daily open, high, low, close and volume of the Taiwanese stock index from NOV. 15th of 1990 to August 16th of 2010. The Technical indicator MA, RSI, PSAR, DMS, histogram, stochastic, MFI overall test were used. Technical analysis was help to reveal non-fundamental variable in the short term. The study of market action, primarily through the use of charts, for the purpose of forecasting future prices.

Dr. Asha E.Thomas (2014).A study on technical analysis and its usefulness in Indian stock market. The aim of this study was to evaluate technical analysis from Indian perspective and to find out its usefulness in Indian stock market. Sample size was 29 company's shares. T- tests conducted for various holding periods and formulation periods. Weak form market inefficiency in India was most likely to be caused. Technical analysis was tries to do away with the complexity by basing everything on price action. Trader experience and judgment was the key to success in using technical analysis tools.

Benjamin AsubamWeyori's (2019) A systematic review of fundamental and technical analysis of stock market predictions. This is a systematic review aimed to provide an overview of the literature on fundamental and technical analysis in predicting stock market movements. The review likely analysed a range of studies and research articles related to both types of analysis from around the world. The results of the review were likely varied, with some studies showing positive results for both fundamental and technical analysis, while others may have shown conflicting or inconclusive findings. This variability in results is common in the field of stock market prediction, as different studies may use different methodologies or focus on different aspects of analysis.

BACKGROUND OF THE STUDY

The study aims to analyse the financial performance of Rubfila International Limited using technical analysis methods. By examining historical price and volume data, the study seeks to forecast future price movements and provide insights into potential investment opportunities.

NEED AND SIGNIFICANCE OF THE STUDY

Technical analysis helps investors predict future price changes based on historical price fluctuations. This study is significant for investors, analysts, and stakeholders interested in understanding Rubfila International Limited's financial performance and market dynamics.

OBJECTIVES OF THE STUDY

- To analyse the stock performance of Rubfila International Limited using technical analysis.
- To identify trends and patterns in the stock's price movements.
- To provide investment recommendations based on the analysis.

SCOPE OF THE STUDY

The study covers the period from 2019 to 2023, analysing the stock performance of Rubfila International Limited with a three-month frequency.

RESEARCH METHODOLOGY

Research Design

The study employs a quantitative research design, analysing historical price and volume data of Rubfila International Limited's stock.

Types of Data

The study uses secondary data obtained from stock exchanges and financial databases.

Source of Data

Historical price and volume data of Rubfila International Limited's stock are sourced from reliable financial databases and stock exchanges.

Population

The population for the study includes all historical price and volume data of Rubfila International Limited's stock from 2019 to 2023.

Sampling Design

The study uses a time-based sampling design, analysing data with a three-month frequency.

Method of Data Collection

Data is collected from financial databases and stock exchanges, focusing on historical price and volume data.

Tools and Techniques

The study employs various technical analysis tools and techniques, including MACD, RSI, and Bollinger Bands, to analyse the stock's performance and identify trends and patterns.

III. DATA ANALYSIS TECHNIQUES

The data analysis section involves the application of technical analysis tools and techniques to historical price and volume data of Rubfila International Limited's stock. The analysis identifies potential buy and sell signals, trends, and patterns in the stock's price movements.

Moving Average Convergence Divergence (MACD)

MACD is a trend-following momentum indicator that shows the relationship between two moving averages of a stock's price. It is used to identify potential buy and sell signals.

Relative Strength Index (RSI)

RSI is a momentum oscillator that measures the speed and change of price movements. It is used to identify overbought or oversold conditions in a stock.

Rate of Change (ROC)

ROC is a momentum oscillator that measures the percentage change between the current price and a previous price. It is used to identify potential reversals in price movements.

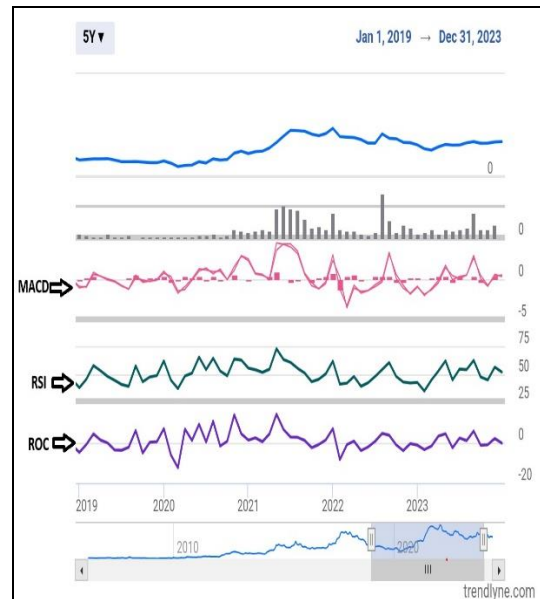**Graph showing MACD, RSI, ROC From Jan 2019 to Dec 2023**

Table showing MACD, RSI, ROC Values from Jan 2019 to Dec 2023 with 3 monthsfrequency

TIME FREQUENCY	PRICE	MACD	RSI	ROC
Jan to March 2019	41.35	-0.42	48.56	-5.49
April to June 2019	38.8	-0.12	44.19	-0.13
July to Sep 2019	36.95	0.04	56.43	0.27
Oct to Dec 2019	32.15	-0.07	46.91	-1.53
Jan to Mar 2020	22.8	0.02	36.85	-13.47
April to June 2020	34	-0.1	60.64	4.94
July to Sep 2020	39.8	-0.39	52.21	-4.1
Oct to Dec 2020	59.75	0.41	67.1	10.96
Jan to Mar 2021	58.3	-0.37	46.02	-4.74
April to June 2021	93.3	0.18	58.6	-7.44
July to Sep 2021	106.6	-0.48	48.85	-4.48
Oct to Dec 2021	100.05	0.01	49.31	-1.77

Jan to Mar 2022	89.75	-0.17	42.05	-4.72
April to June 2022	78.05	-0.1	40.86	-0.89
July to Sep 2022	89.85	-1.18	47.82	-5.42
Oct to Dec 2022	79.2	0.02	47.89	-2.64
Jan to Mar 2023	61.7	-0.31	35.91	-9.9
April to June 2023	71.09	-0.18	45.12	0.61
July Sep 2023	81.84	-0.94	46.9	-6.83
Oct to Dec 2023	61.7	-0.31	35.91	-9.9

INTERPRETATAION

To interpret the provided data for Rubfila International Limited, we will look at the trends and patterns in the key indicators: MACD (Moving Average Convergence Divergence), RSI (Relative Strength Index), and ROC (Rate of Change), along with the price movements over the specified periods from January 2019 to December 2023.

Price Analysis

- The stock price shows significant fluctuations over the five-year period.
- The price starts at 41.35 in early 2019, dips to a low of 22.8 in early 2020, and reaches a peak of 106.6 in mid-2021.
- After mid-2021, the price generally trends downward with some fluctuations, ending at 61.7 in late 2023.

MACD Analysis

- The MACD is a trend-following momentum indicator that shows the relationship between two moving averages of a security's price.
- Positive MACD values indicate upward momentum, while negative values indicate downward momentum.
- Significant fluctuations in MACD values are observed, with both positive and negative values throughout the period.
- Notable periods with positive MACD values are Oct-Dec 2020 (0.41) and April-June 2021 (0.18), suggesting upward momentum.

- The MACD values are mostly negative in other periods, indicating downward momentum or consolidation.

RSI Analysis

- The RSI is a momentum oscillator that measures the speed and change of price movements, typically used to identify overbought or oversold conditions.
- RSI values below 30 typically indicate an oversold condition, while values above 70 indicate an overbought condition.
- The RSI values fluctuate between 35.91 and 67.1, suggesting that the stock experienced both oversold and overbought conditions at different times.
- High RSI values (close to 70) are observed in Oct-Dec 2020 (67.1), indicating a potential overbought condition.
- Low RSI values (close to 30) are observed in early 2023 (35.91), indicating a potential oversold condition.

ROC Analysis

- The ROC measures the percentage change in price over a specified time period, used to identify the strength of price trends.
- Positive ROC values indicate upward price momentum, while negative values indicate downward momentum.
- Significant positive ROC values are observed in Oct-Dec 2020 (10.96), indicating strong upward momentum.
- Significant negative ROC values are observed in Jan-Mar 2020 (-13.47) and Jan-Mar 2023 (-9.9), indicating strong downward momentum.

Summary

- 2019: The price gradually decreases with mixed MACD signals and RSI hovering around the mid-40s, indicating a relatively neutral momentum.
- 2020: The price drops significantly in early 2020, accompanied by negative ROC and RSI values in the mid-30s, suggesting oversold conditions. A recovery is seen in mid-2020, with a significant increase in price and positive ROC.
- 2021: The price peaks in mid-2021 with a positive MACD and RSI indicating strong upward

momentum. However, the latter half of 2021 sees a decrease in price with mixed momentum signals.

- 2022: The price fluctuates with mostly negative MACD and ROC values, indicating general downward pressure and weakening momentum.
- 2023: The price shows a downward trend with negative ROC values, indicating continued downward momentum and oversold conditions, particularly in early and late 2023.

Overall, Rubfila International Limited experienced significant volatility over the five-year period with periods of both upward and downward momentum. Key indicators like MACD, RSI, and ROC provided valuable insights into the stock's momentum and potential overbought or oversold conditions at various points in time.

IV. FINDINGS

The analysis reveals that Rubfila International Limited's stock exhibited significant trends and patterns over the five-year period. Key findings include periods of strong performance and potential risk areas. The stock demonstrated resilience and growth potential despite market fluctuations.

V. SUGGESTIONS

Investors are advised to use a combination of technical indicators to make informed decisions. Strategies should include monitoring MACD for trend changes, using RSI to identify overbought or oversold conditions, and employing RSI to gauge market volatility.

VI. CONCLUSION

This study provides valuable insights into the technical analysis of Rubfila International Limited's stock. By understanding the historical price movements and applying various technical indicators, investors can enhance their decision-making processes. The recommendations offered serve as a strategic guide for maximizing returns and minimizing risks in stock market investments.

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