A PROJECT REPORT ON

A STUDY ON EFFECTIVENESS OF RELATIVE STRENGTH INDEX SIGNALS IN TRADING STRATEGIES.

Submitted By

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Submitted To

VISVESVARAYA TECHNOLOGICAL UNIVERSITY, BELAGAVI

In partial fulfilment of the requirements for the award of the degree of

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Under the guidance of

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ALVA'S INSTITUTE OF ENGINEERING & TECHNOLOGY

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Date: 01-09-2023

CERTIFICATE

This is to certify that **HARSHITH D** bearing **USN 4AL21BA034** is a bonafide student of Master of Business Administration course of the Institute in 2021-23, affiliated to Visvesvaraya Technological University, Belgaum. Project report titled **"A STUDY ON EFFECTIVENESS OF RELATIVE STRENGTH INDEX SIGNALS IN TRADING STRATEGIES"** is prepared by him under the guidance of **Dr. Vishnu Prasanna K N, Professor,** PG Department of Business Administration in partial fulfillment of the requirements for the award of the degree of Master of Business Administration of Visvesvaraya Technological University, Belgaum Karnataka.

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DECLARATION

I **Harshith . D**, hereby declare that the project report entitled "A study on effectiveness of relative strength index signals in trading strategies." prepared by me under the guidance of **Dr. Vishnu Prasanna K. N,** Professor M.B.A Department, Alva's Institute of Engineering and Technology.

I also declare that this project work is towards the partial fulfilment of the university regulations for the award of the degree of Master of Business Administration by Visvesvaraya Technological University, Belgaum.

I have undergone a summer project for a period of six weeks. I further declare that this project is based on the original study undertaken by me and has not been submitted for the award of any degree/ diploma from any other University/ Institution.

Harshith. D

Place: Mijar **Signature of the student**

Date: 01/09/2023

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With Regards,

Harshith D

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EXECUTIVE SUMMARY

Technical analysis uses charts of previous market activity to forecast price changes and future market patterns..Technical analysis is a popular tool among traders and investors, especially in recent years, as it can be used to manage investments in a variety of markets. A technical indicator used in the study of financial markets is the Relative Strength Index RSI. Based on the closing prices of a recent trading period, it is estimated to chart the current and historical strength or weakness of a market. An indicator of momentum, the RSI measures the velocity and scope of directional price moves. Technical analysis and its tools, including the Relative Strength Index (RSI), have been gaining popularity among traders and investors in recent years. However, it is important to use multiple technical indicators and fundamental analysis when making investment decisions. The RSI is based on the concept of momentum, which is the rate of the rise or fall in price. It measures the strength of a stock by monitoring the changes in the closing prices over a recent trading period. It is important to use a combination of tools, including fundamental analysis and market knowledge, to make informed investment decisions.