On 8th November, 2016, Government of India made its announcement to cancel the legal tender of Rs 500 and Rs 1000 notes, with a primary vision ofeliminating fake currency notes, inflicting losses out of black money and disrupting terror activities. Later, it tacked on: turning India into a less cash economy and enabling growth in bank credit. The barometers of Indian stock markets BSE SENSEX and NIFTY dropped down by 300 and 90 points respectively the next day of the announcement. The Nifty Realty and BSE Realty index gapped down after the day of the demonetization by 11% & 8% respectively. The Nifty Bank and BSE Bankex Index dropped by 5.3% and 5 % respectively. This paper attempts to measure the impact of demonetization on the banking stocks. Among all the private and public sector banking companies, top 10 companies that have their presence in Nifty Bank Index were chosen for analysis. Technical indicators were used to measure their performance in the short run.