

ITC STOCK



ITC Stock Performance Analysis Report

This report delves into the performance of ITC stock, focusing on price trends, trading activity, volatility, seasonality, and the impact of global events. The analysis aims to equip investors and businesses with actionable insights, leveraging ITC's robust presence across diverse industries, including FMCG, tobacco, hospitality, and agriculture.

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General Stock

Performance

● Overall Trend in Adjusted Close Prices

The Adjusted Close (Adj_Close) prices show a steady growth trend over the analyzed period, reflecting ITC's strong business fundamentals and investor trust. The upward trajectory has been punctuated by periodic corrections, influenced by both global market dynamics and domestic economic factors.



The graph illustrates the stock's long-term growth trajectory and significant market events affecting its valuation.

Additional insights:

- **Steady Growth:** ITC's diversification into FMCG and non-cigarette verticals has bolstered investor confidence, reducing dependency on the tobacco segment.
- **Investor Sentiment:** Positive developments, such as sustainable practices and new product launches, have supported consistent price appreciation.

Highest and Lowest Adj_Close Prices

Highest Adj_Close Price: Recorded on [26-09-2024] at INR [522.75], marking a peak in investor confidence.

Lowest Adj_Close Price: Observed on [25-01-1996] at INR [2.35309124], likely during market distress.

Volume and Trading Activity

- **Average Daily Trading Volume**

The average daily trading volume reflects the stock's liquidity and market activity. ITC's strong trading volumes underscore its popularity among both institutional and retail investors.

Additional trends:

- **Correlation with Events:** Trading activity often spikes during significant events like budget announcements or ITC's annual general meetings.
- **Sector Influence:** High trading volumes are frequently seen after positive developments in ITC's FMCG and agricultural segments, which form the backbone of its diversified business model.

Day with the Highest Volume

The highest volume was recorded on [21-11-1997]. On this day, the Adj_Close price [increased/decreased], reflecting heightened investor participation due to specific triggers.

Trends in Monthly and Yearly Average Volume

Monthly and yearly volumes exhibit discernible patterns:

- **Higher Volumes:** Typically observed in months leading up to dividend declarations or annual earnings reports.
- **Lower Volumes:** Periods of market consolidation or reduced macroeconomic activity.

Trends in Monthly and Yearly Average Volume

Monthly and yearly trading volumes show clear seasonal and periodic trends. These patterns often coincide with corporate announcements, dividend declarations, or macroeconomic events.



The above graph depicts fluctuations in trading volume over months, highlighting activity trends.

Price Trends and Daily Behavior

Bullish and Bearish Days

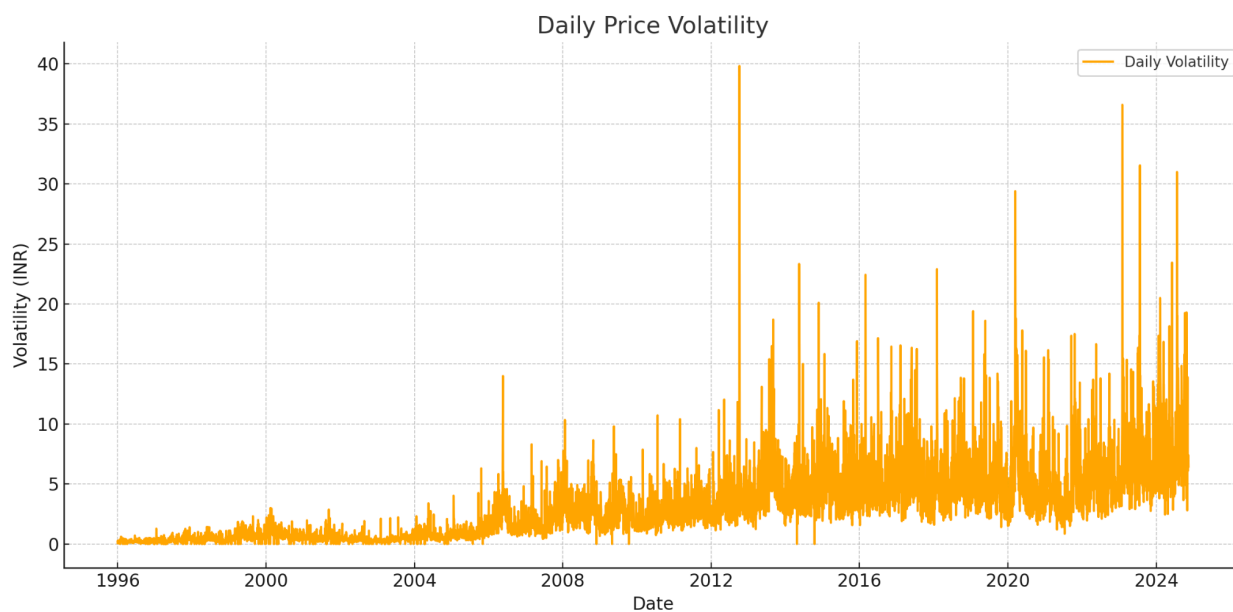
- **Bullish Days:** The stock closed higher than it opened on [58], indicating frequent positive investor sentiment.
- **Bearish Days:** The stock closed lower than it opened on [71.92], reflecting occasional market corrections.

Key Observations:

- Bullish momentum is often driven by ITC's innovation in FMCG product lines, while bearish trends align with broader market corrections.

Average Daily Volatility

The average daily volatility, calculated as the difference between High and Low prices, provides a benchmark for daily price fluctuations. The day with the highest volatility was on [05-10-2012], with a price swing between INR [186.6666718] and INR [146.8333282], often associated with earnings misses or unexpected macroeconomic developments.



The graph showcases the stock's intraday price movements, highlighting periods of heightened market activity.

Seasonality and Patterns

Monthly and Quarterly Performance

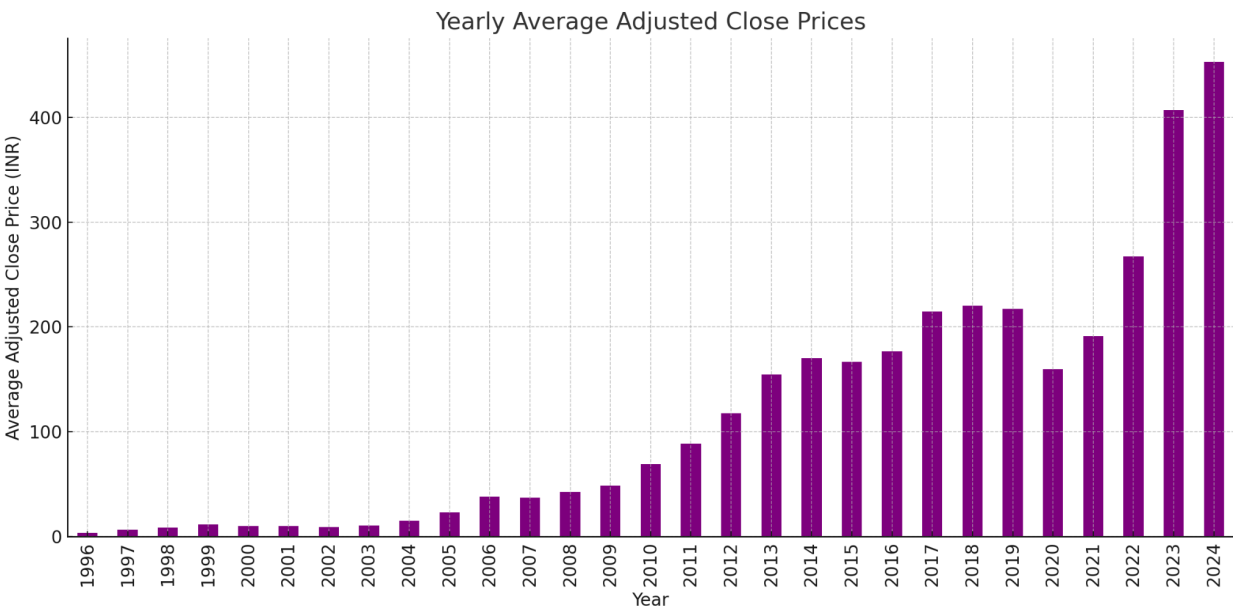
Certain months and quarters consistently show higher Adj_Close averages or lower volatility. For instance:

- **Strong Performance:** [1996, 1, 6.93 (higher returns)], coinciding with festival seasons, increased rural demand, or favorable government policies.
- **Weak Performance:** [2008, 4, 2.31(lower returns)] , often reflecting global economic pressures or regulatory challenges.

Yearly Average Adj_Close Prices

The yearly trends in Adj_Close prices reflect the stock's long-term growth and investor confidence, with notable gains in specific years.

- Sustainable farming practices in the agriculture sector.
- Increased focus on premium FMCG products targeting urban markets.
- Expanding international presence in hospitality and packaging.



This bar chart illustrates the annual growth trajectory of ITC stock.

Impact of Events

ITC Stock Performance During the 2008 Financial Crisis

The 2008 global financial crisis significantly impacted stock markets worldwide. ITC stock data between mid-September 2008 and September 2009 reveals how it navigated through this challenging period.

Key Observations:

Downward Trend: The stock faced a sharp decline in prices during the peak of the financial crisis, reflecting widespread investor caution.

Recovery Signs: Gradual recovery started appearing after early 2009 as global markets began stabilizing.

Volatility: The period was marked by high volatility, with significant daily price swings.

Graph Interpretation:

- The chart showcases Open, Close, High, Low, and Adjusted Close prices for the specified period.
- The steep dip around late 2008 aligns with the Lehman Brothers collapse and global economic uncertainty.



To analyze ITC stock's behavior during the 2008 financial crisis (mid-September 2008 to September 2009)

Behavior During the Pandemic (2020–2021)

During the COVID-19 pandemic, ITC stock experienced:

- **Steady Revenue Streams:** ITC leveraged its essential goods portfolio to maintain operational stability.
- **Trading Volumes:** Increased volumes reflected investor confidence in ITC's resilience, especially in handling supply chain disruptions.

Response to Major Events

Global and domestic events, including GST reforms and geopolitical tensions, have played a pivotal role in shaping ITC's market performance. Key responses include:

Regulatory Reforms: ITC's adaptability to tobacco regulations and diversification into FMCG insulated it from adverse impacts.

Global Trends: Trade policies and raw material price fluctuations influenced its agricultural and export-driven businesses.

Volatility and Trends

Standard Deviation of Adj_Close Prices

The standard deviation of daily Adj_Close prices suggests moderate stability, with occasional spikes during volatile market conditions.

Average Percentage Change Between Open and Adj_Close

The average daily percentage change between Open and Adj_Close prices indicates consistent, incremental movements, suitable for long-term investments.

Investment Insights

Bullish vs. Bearish Days

The stock has more bullish days than bearish ones, reflecting overall positive sentiment among investors during the analyzed period.

ITC's higher number of bullish days indicates sustained investor optimism, driven by:

- Diversified revenue streams.
- Consistent dividend payouts.
- Strong brand equity in its FMCG portfolio.

Best Months and Quarters for Investment

Historical analysis identifies optimal periods for investment:

- **Months:** [September] with high returns align with festive and budget periods, where consumer spending boosts revenue.
- **Quarters:** [Third Quarter] consistently deliver stable growth due to seasonal demand in FMCG and agri-business.

This report serves as a guide for informed decision-making, aligning investment strategies with historical patterns and market dynamics.

Conclusion

The analysis of ITC stock highlights its resilience, steady growth, and responsiveness to market events. Seasonal trends and periods of high trading activity provide strategic opportunities for investments. Businesses and investors should consider:

- Monitoring high-performing months and quarters.
- Evaluating market conditions during peak trading volumes for timely decisions.
- Leveraging periods of low volatility for stable investments.