

Gemini Stock Analysis Report

Based on the detailed analysis of the attached report for **ITC.NS**, here is the positional trading assessment.

Step 1: Audit the Data

- **Data Present:**
 - Multi-timeframe price charts (Weekly, Daily, 15-min) and Candle stick patterns.
 - Moving Averages (EMA 20, 50, 200) and Crossover summaries.
 - Momentum indicators (RSI, MACD, Supertrend).
 - Volatility indicators (Bollinger Bands, Squeeze analysis).
 - Volume analysis (Distribution days, Averages).
 - Fundamental snapshot (Revenue, Net Income, EPS) and Analyst Estimates.
- **Data Missing:**
 - Detailed delivery percentage vs. traded volume (to confirm institutional accumulation vs. churn).
 - Sector-wide breadth (FMCG sector performance is visible via the benchmark line, but peer comparison is limited).
- **Confidence Level: High.** The provided report offers a comprehensive technical and fundamental picture, allowing for a decisive trend analysis.

Step 2: Analyze the Setup

- **Price Structure & Trend:** The stock is in a **catastrophic downtrend**. The price (323.40) has collapsed well below the 200-day EMA (399.51) and the 50-day EMA (370.43). The weekly chart (Page 21) shows a massive breakdown from a consolidation zone, indicating a major shift in market sentiment.
- **Momentum:**
 - **RSI:** Currently at **15.38** (Page 16). This is deeply oversold. While this often precipitates a "dead cat bounce," it also signals extreme weakness.
 - **MACD:** Deeply negative with no immediate signs of a bullish crossover or divergence.
 - **Supertrend:** Remains in a Sell signal since Nov 2025.
- **Fundamentals:** The immediate catalyst for the drop appears to be the short-term fundamentals (Page 3). Recent Quarter-over-Quarter Net Income dropped **73.42%** and EPS growth is negative. This fundamental deterioration justifies the technical breakdown.
- **Confluence:** There is **no confluence** for a long position currently. Technicals, momentum, and immediate fundamental results are all aligned to the downside. The stock is falling on high volume (Distribution), indicating institutional exit.

Step 3: Formulate the Recommendation

Decision: NO. (Do not enter long).

Reasoning: As a positional trader looking for intermediate-term trends, this stock is currently "uninvestable." We do not catch falling knives. Although the RSI of 15 suggests a mathematical probability of a short-term bounce, the structural damage is severe. The stock needs to form a base and arrest the decline before a low-risk entry is possible. The fundamental earnings miss suggests the stock may be in the "penalty box" with institutional investors for several quarters.

Conditional Plan (Watchlist Only): Since the stock is approaching long-term value zones (Trendlyne Valuation Score 47.5/Undervalued), keep it on the watchlist for a potential reversal play *only* after stabilization.

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- **Condition to Buy:** The stock must stop making lower lows on the Daily chart. Wait for a **Daily Close above the 20 EMA** (currently ~345, though this will lower as time passes) accompanied by a bullish MACD crossover. Alternatively, wait for a distinct "Double Bottom" pattern on the daily chart.
- **Entry Price:** Hypothetical trigger would be a close above **INR 340 - INR 345** (depending on where the 20 EMA settles).
- **Stop Loss:** A hard stop at the recent swing low formed prior to the breakout (e.g., **INR 315**).
- **Take Profit:** First target at the 50 EMA gap fill (approx **INR 365 - INR 370**).

News & Analyst Targets

As a stock research analyst at an investment firm, I have compiled the latest research, news, and valuation changes for **ITC Limited** for the week ending **January 25, 2026**.

Executive Summary: The "Tax Shock" Impact

ITC stock is currently going through its most turbulent phase in nearly two decades. The narrative this week is entirely dominated by the **massive excise duty and GST hike** on cigarettes announced by the government (effective February 1, 2026). The stock has corrected approximately **18% in January 2026**, trading near 3-year lows (around INR 323-INR 325 levels), as the market digests the structural hit to the company's most profitable segment.

1) Latest News for ITC This Week (Jan 19 - Jan 25, 2026)

- **Historic Stock Correction:** ITC shares have continued their downward trajectory, trading in the **INR 320-INR 330 range**. Analysts note this is on track to be the stock's "biggest monthly fall in 20 years" (since May 2006).
 - **Regulatory "Double Whammy":** The market is reacting to the government's notification (Dec 31, 2025) of a new tax structure effective Feb 1, 2026. This includes:
 - **Excise Duty Hike:** A sharp increase in specific duty rates (INR 2,050-INR 8,500 per 1,000 sticks).
 - **GST Rate Hike:** GST on cigarettes has been raised from **28% to 40%**.
 - **Price Hike Necessity:** Analysts estimate ITC will need to take a weighted average price hike of **25-40%** to pass on these costs, raising fears of severe volume destruction.
 - **Q3 Earnings Preview:** ITC is scheduled to announce its Q3 FY26 results on **February 6, 2026**.
 - *Expectation:* Revenue growth may be moderate (driven by FMCG/Hotels), but **Net Profit** is expected to decline (some estimates suggest a 6-8% drop) due to the high base and input cost pressures, even before the full tax impact hits in Q4.
 - **Derivatives Action:** The January F&O series expiry (Jan 27, 2026) is seeing aggressive call writing at INR 340-INR 350 strikes, indicating traders do not expect a recovery in the short term. Huge short build-up has been observed.
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2) Brokerage Upgrades & Downgrades

There has been a **unanimous wave of downgrades** from major domestic and foreign brokerages this month. The sentiment has shifted from "Buy" to "Hold/Neutral/Reduce".

- **Macquarie:** Downgraded to **Neutral** (from Buy). Slashed target significantly, citing a potential 10%+ decline in Cigarette EBIT in FY27.
- **Nomura:** Downgraded to **Reduce** (from Buy). They flagged the tax hike as "unprecedented" and expect volumes to shrink.

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- **Motilal Oswal:** Downgraded to **Neutral**. They noted that the tax stability of the last few years is over, warranting a valuation de-rating.
- **JP Morgan:** Downgraded to **Neutral**. Cited "unprecedented taxation blues."
- **Jefferies:** Downgraded to **Hold**. Cut EPS estimates by ~15%.

3) Other News Impacting ITC

- **FMCG & Rural Demand:** While the cigarette business is under fire, the **FMCG-Others** segment (Aashirvaad, Sunfeast, etc.) is showing resilience with steady growth, though it cannot offset the profitability dent from cigarettes.
- **Hotel Business:** The Hotels segment continues to be a bright spot with strong ARR (Average Room Rates) and occupancy expected in the Q3 numbers, but it contributes less to the bottom line compared to tobacco.
- **"Fake GST" Raids:** There were minor reports of ED raids related to "fake GST input tax credit" cases involving various entities, which creates negative sentiment around GST compliance in the broader sector, though no direct major liability has been pinned on ITC's core operations in this specific news cycle.
- **Paperboards Pressure:** The Paperboards, Paper & Packaging segment is facing margin pressure due to low-priced Chinese imports and subdued demand.

4) Latest Analyst Targets (January 2026)

The consensus target price has collapsed from the INR 500+ levels seen in late 2025 to the INR 330-INR 415 range.

Brokerage Firm	New Rating	Old Target (INR)	New Target (INR)	Date of Report
Macquarie	Neutral	500	330	Jan 05, 2026
Nomura	Reduce	540	340	Jan 05, 2026
JP Morgan	Neutral	475	375	Jan 2026
Axis Direct	Hold	480	380	Jan 05, 2026
ICICI Direct	Hold	505	385	Jan 02, 2026
Motilal Oswal	Neutral	550	400	Jan 05, 2026
Nuvama	Hold	525	415	Jan 2026
Jefferies	Hold	--	(Cut by ~21%)	Jan 03, 2026

Analyst View: The stock is currently trading near the **INR 323** mark. The lowest targets (Macquarie/Nomura) suggest limited downside from here, but the upside is capped until the market sees the actual impact of the price hikes on volume data in Q1 FY27 (April-June 2026). **Caution is advised.**

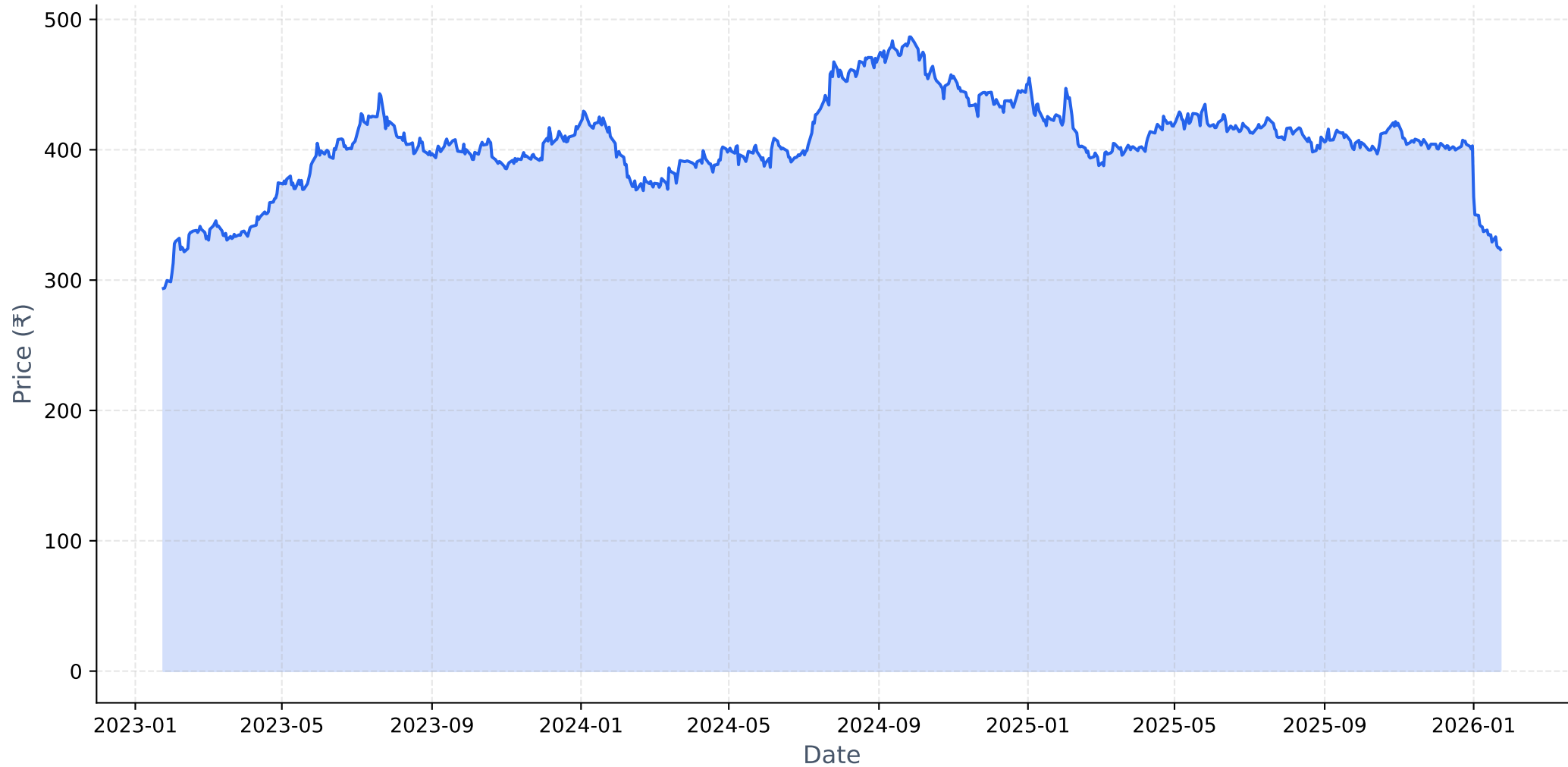
Stock Detailed Analysis Report

ITC.NS

Current Price: ₹323.40

Generated: 2026-01-24 18:21

ITC.NS - 3 Year Daily Price Chart



Long-term Fundamental Analysis (4 Years)

Metric	Is Growing?	Accelerating?	1Y Growth	3Y CAGR
Revenue	Yes	Yes	10.78%	7.51%
Net Income	Yes	Yes	69.84%	31.61%
ROE	Yes	Yes	80.69%	26.68%
EPS	Yes	Yes	69.24%	30.97%

Short-term Fundamental Analysis (6 Quarters)

Metric	Is Growing?	Recent QoQ	Avg QoQ
Revenue	Yes	15.12%	5.25%
Net Income	Yes	-73.42%	55.81%
ROE	Yes	324.65%	324.65%
EPS	No	-1.00%	-1.60%

ITC.NS - Relative Strength Analysis

== OVERVIEW ==:

Benchmark Index: ^CNXFMCG

Sector: FMCG

Classification: **Neutral**

RS Score: 42.4/100

:

== RS RATIOS ==:

1M RS: **0.848 [Neutral]**

3M RS: **0.848 [Neutral]**

6M RS: **0.860 [Neutral]**

1Y RS: **0.823 [Neutral]**

:

== TURNAROUND ANALYSIS ==:

Turnaround Status: **Not Detected**

:

SIGNAL CRITERIA::

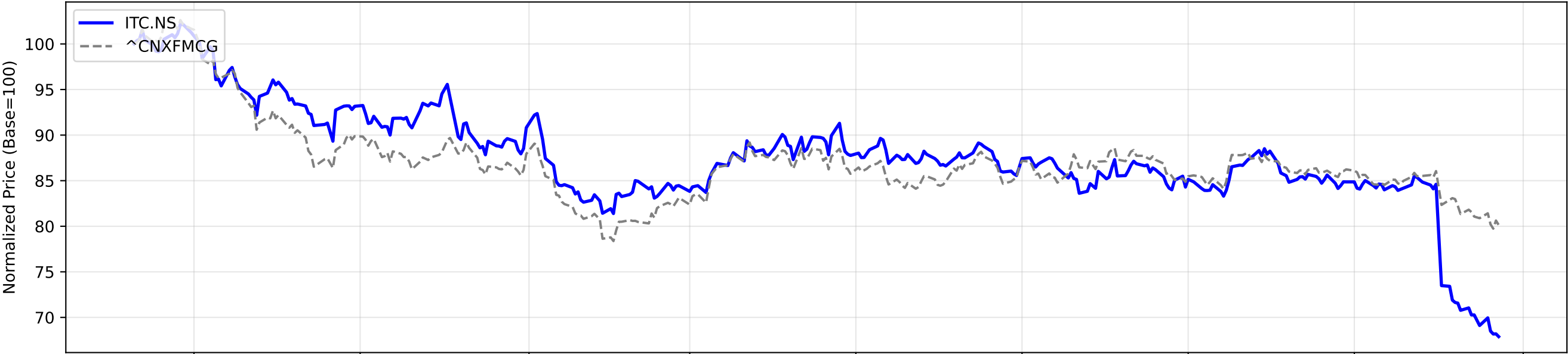
✗ **Emerging RS:** **Not accelerating**

✓ **Medium-term Lagging:** 6M=0.860, 1Y=0.823 (≤ 1.0)

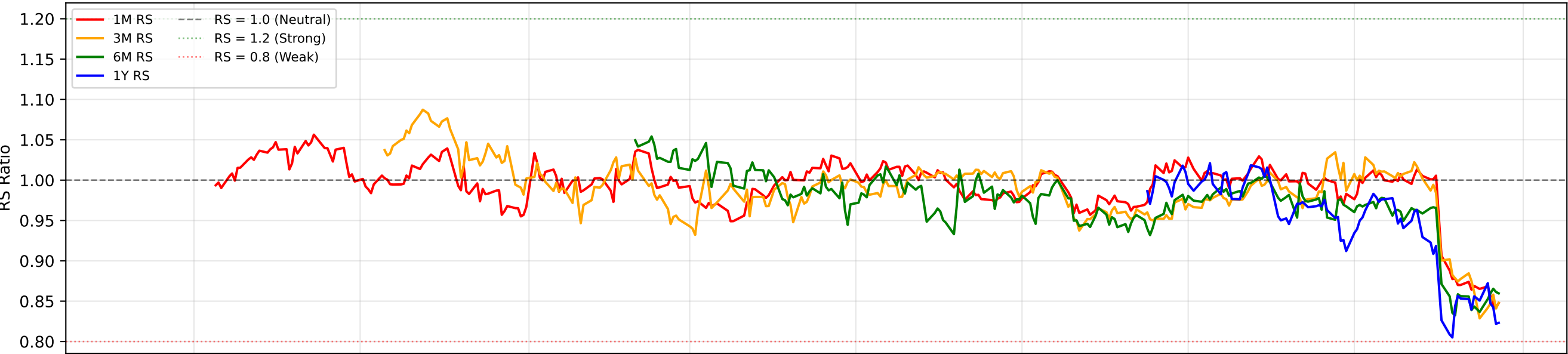
✓ **Performance Improving:** 3M (-22.3%) > 6M (-22.3%)

Relative Strength Analysis: ITC.NS vs ^CNXFMCG
Classification: Neutral

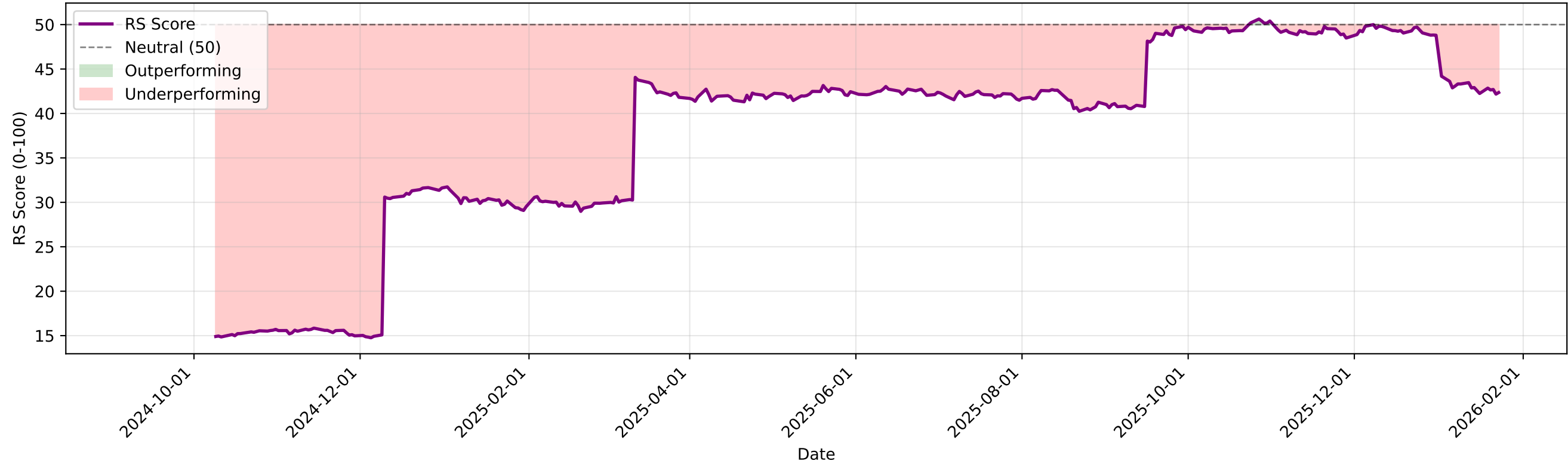
Price Performance Comparison (Normalized)



RS Ratio Trends (Multiple Timeframes)



RS Composite Score Timeline



ITC.NS - EMA Crossover Summary

EMA 20:	345.57
EMA 50:	370.43
EMA 200:	399.51
Trend Status:	Strong Downtrend

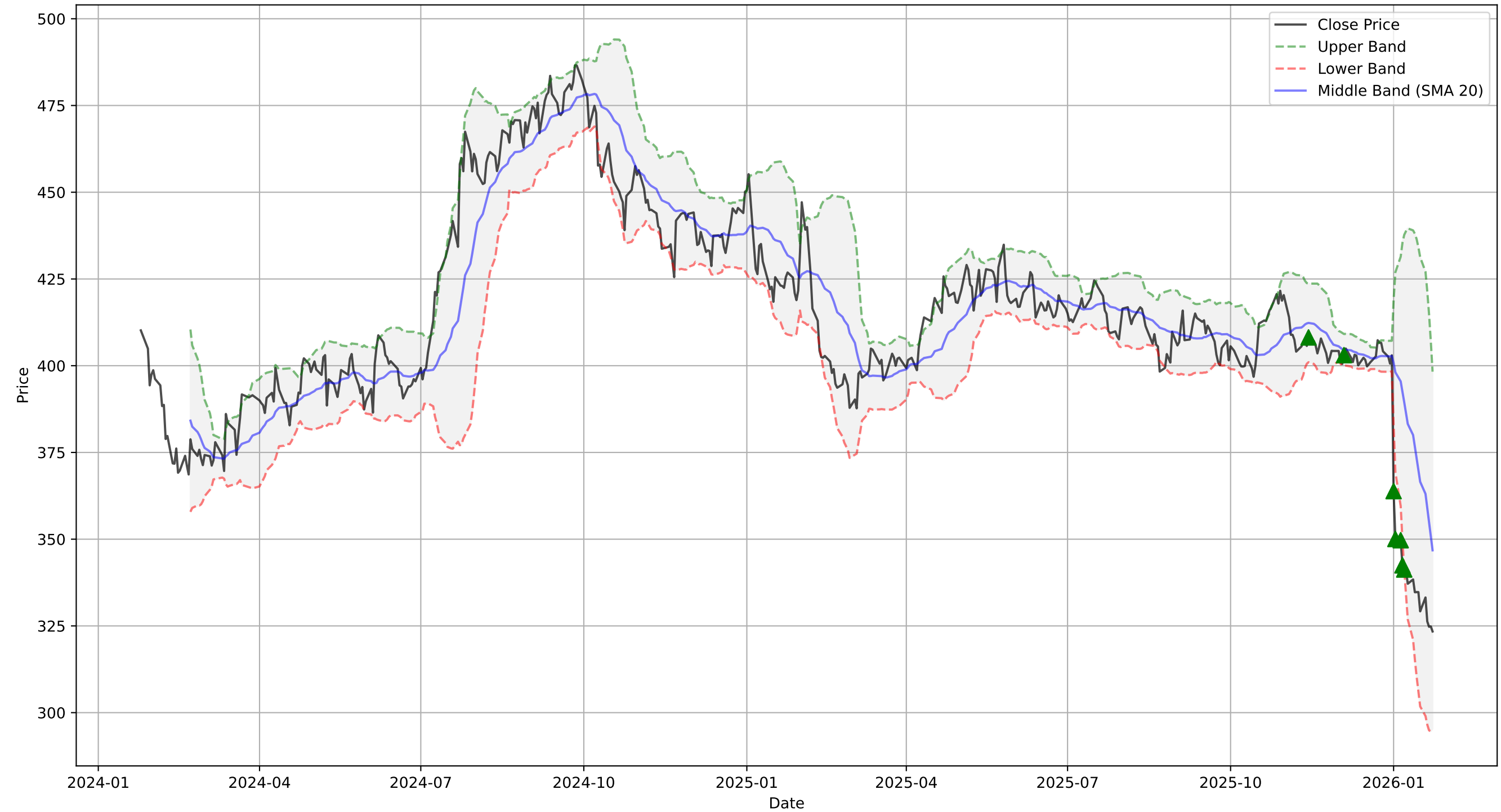
ITC.NS EMA Crossover Analysis



ITC.NS - Bollinger Bands Summary

Current Price:	323.40
Upper Band:	398.28
Middle Band (SMA 20):	346.79
Lower Band:	295.31
%B:	0.2728
Band Width:	0.2969
Status:	Lower Half
Signal:	None
Recent Signal 1:	Buy Signal at 2026-01-05 00:00:00+05:30
Recent Signal 2:	Buy Signal at 2026-01-06 00:00:00+05:30
Recent Signal 3:	Buy Signal at 2026-01-07 00:00:00+05:30

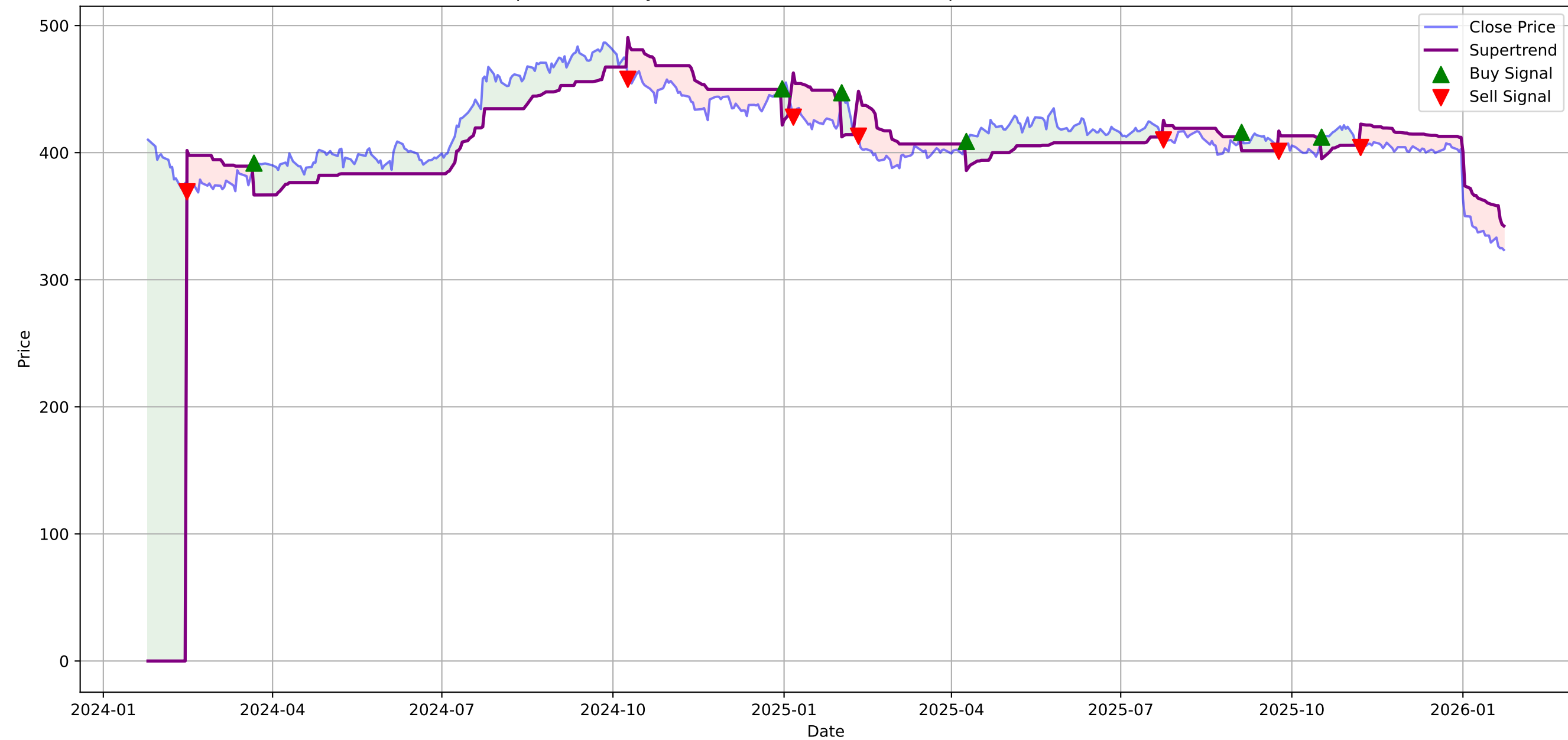
ITC.NS Bollinger Bands (20, 2) Analysis



ITC.NS - Supertrend Summary

Status:	DOWNTREND (Sell)
Supertrend Value:	342.30
Signal Identified On:	2025-11-07

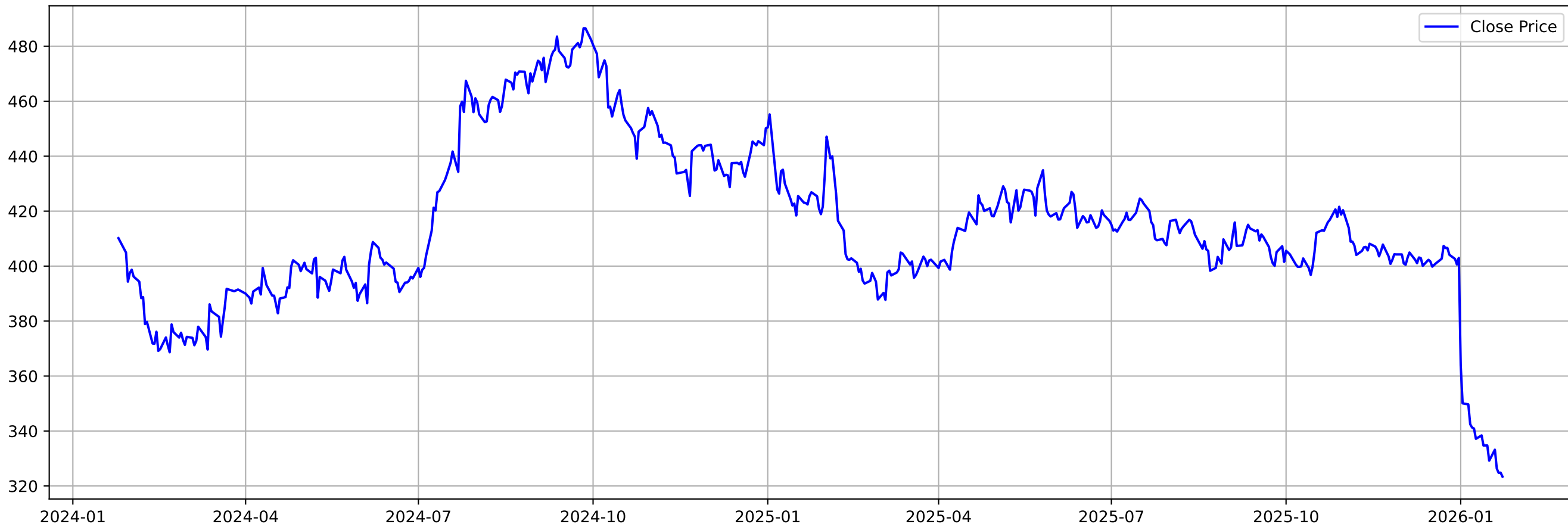
Supertrend Analysis for ITC.NS (Period: 14, Multiplier: 3.0, Interval: 1d)



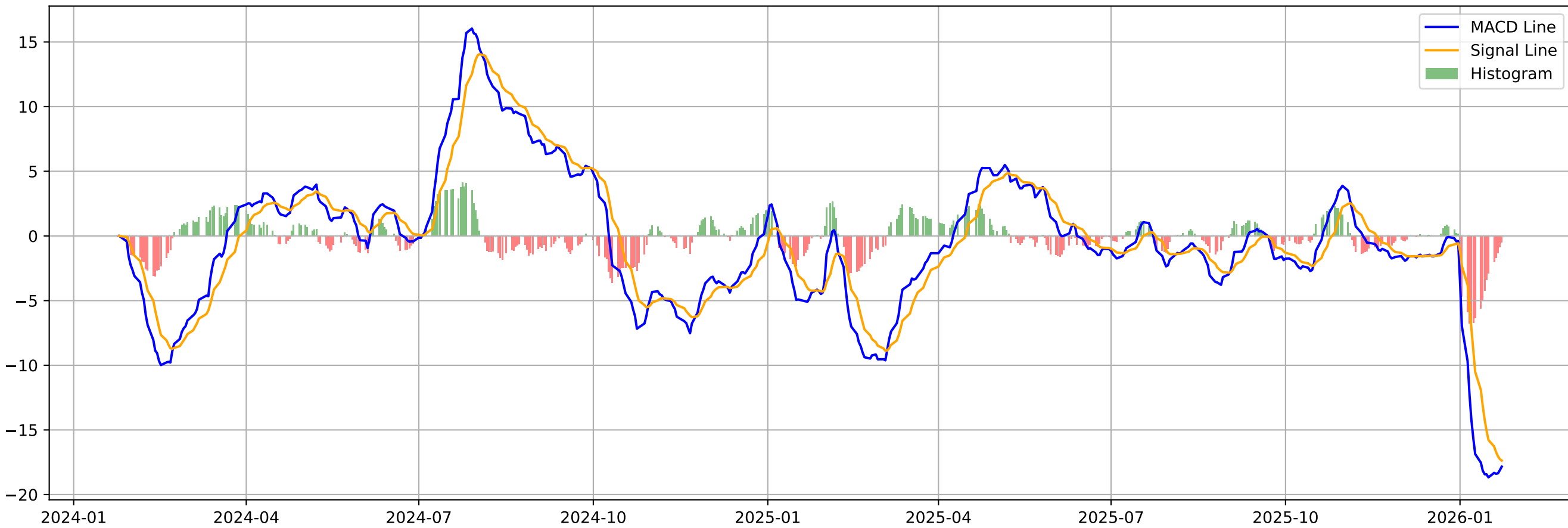
ITC.NS - MACD Summary

MACD Line:	-17.84
Signal Line:	-17.37
Histogram:	-0.47
Trend:	Bearish
Momentum:	Weakening
Signal:	None

ITC.NS Price



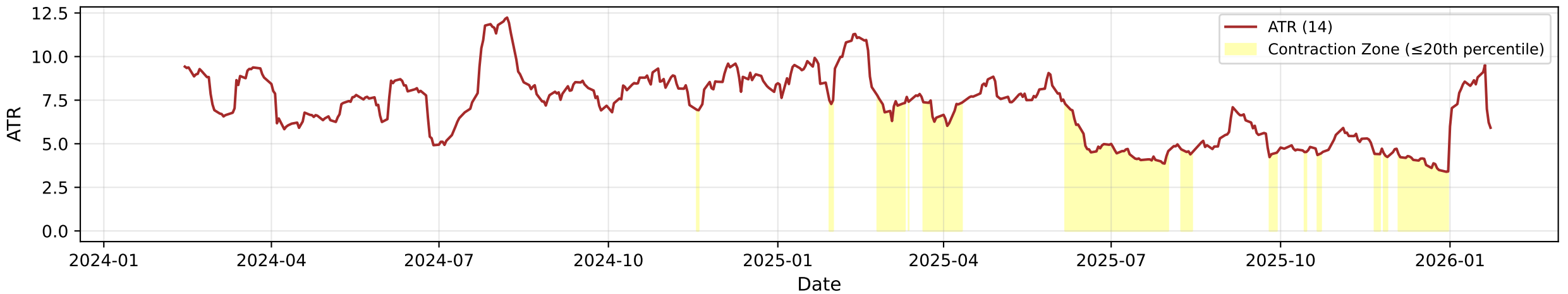
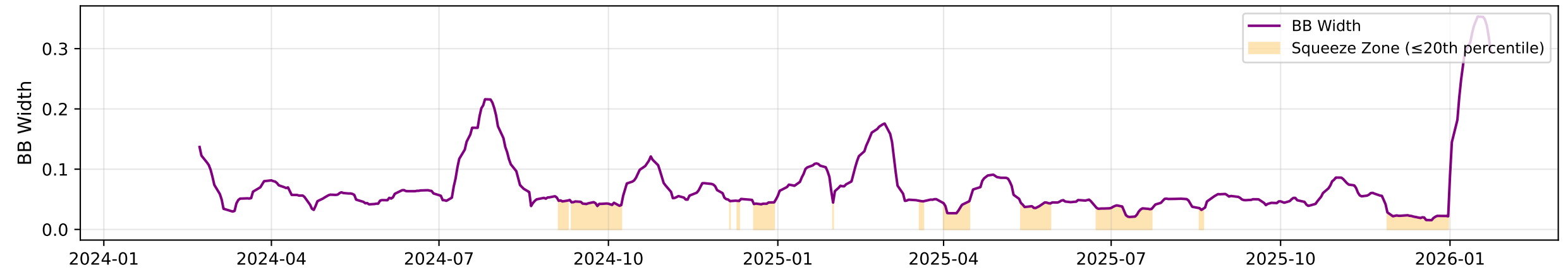
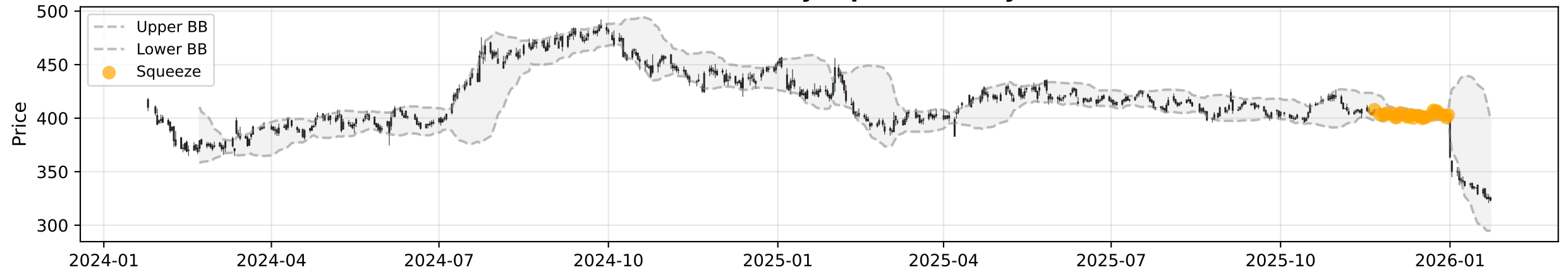
ITC.NS MACD (12, 26, 9)



ITC.NS - Volatility Squeeze Summary

BB Width:	0.2969
ATR:	5.9179
Total Signals:	28
Signal 1:	BB Squeeze + ATR Contraction at 2025-12-25 00:00:00+05:30 (Pr
Signal 2:	BB Squeeze + ATR Contraction at 2025-12-26 00:00:00+05:30 (Pr
Signal 3:	BB Squeeze + ATR Contraction at 2025-12-29 00:00:00+05:30 (Pr
Signal 4:	BB Squeeze + ATR Contraction at 2025-12-30 00:00:00+05:30 (Pr
Signal 5:	BB Squeeze + ATR Contraction at 2025-12-31 00:00:00+05:30 (Pr

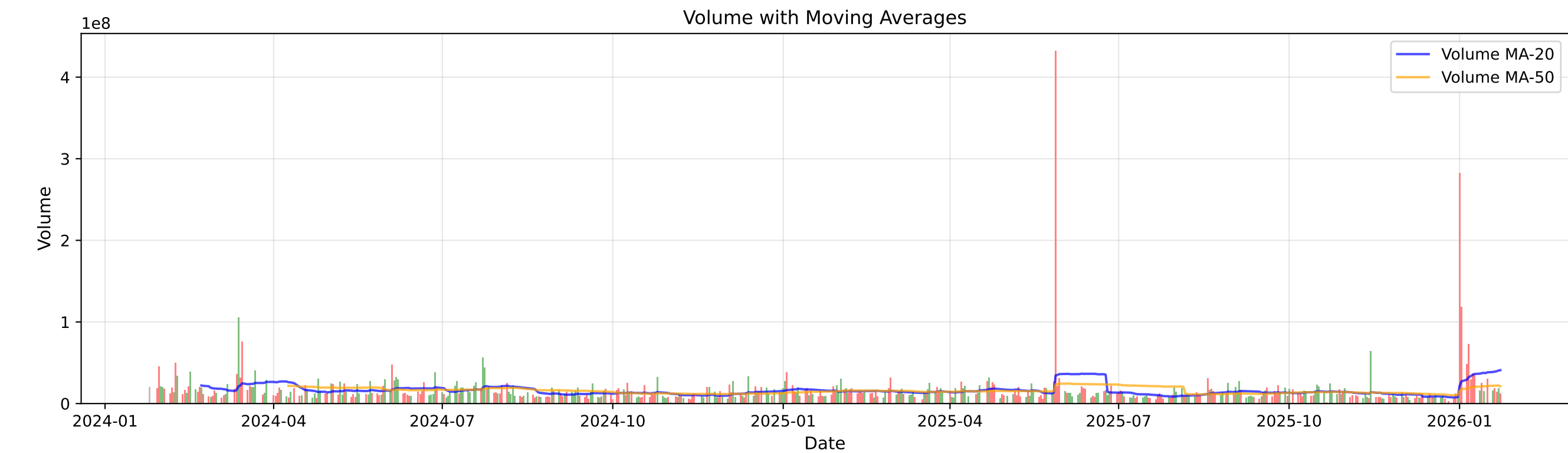
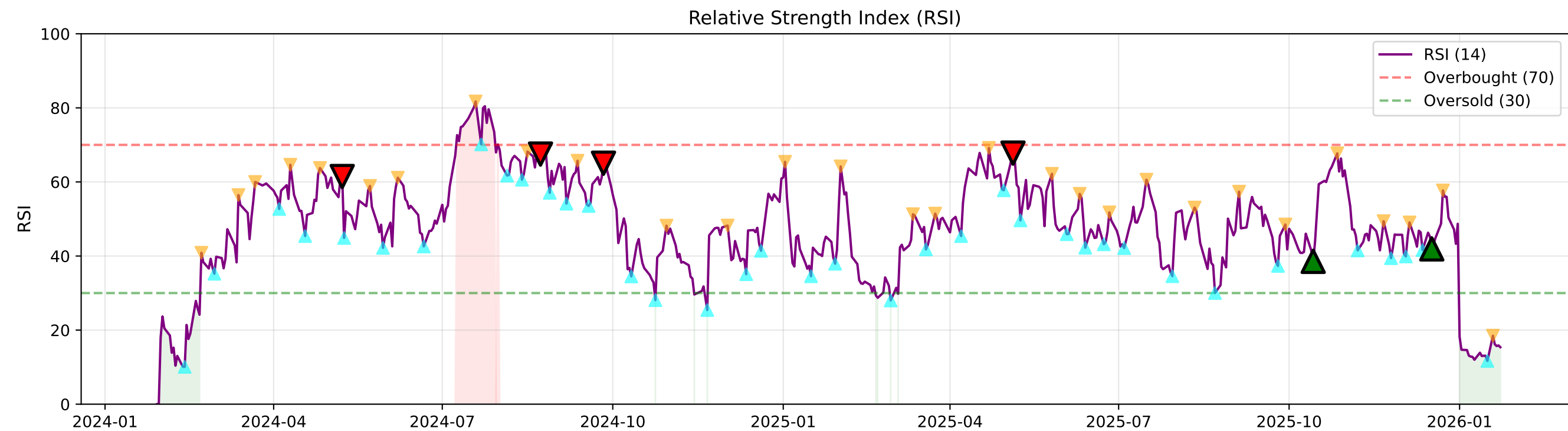
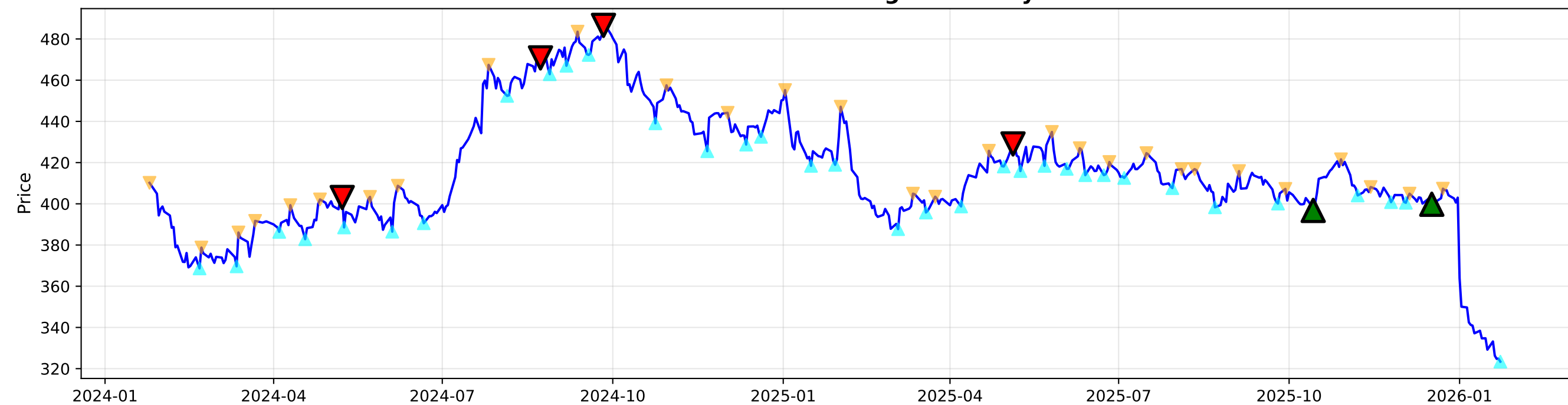
ITC.NS - Volatility Squeeze Analysis



ITC.NS - RSI-Volume Summary

Current RSI:	15.38
Current Volume:	11950089
Volume MA 20:	40908984
Bullish Divergences:	2
Bearish Divergences:	4
Bullish Div 1:	Date: 2025-10-14 00:00:00+05:30, Price: 396.80
Bullish Div 2:	Date: 2025-12-17 00:00:00+05:30, Price: 399.80
Bearish Div 1:	Date: 2024-09-26 00:00:00+05:30, Price: 486.58
Bearish Div 2:	Date: 2025-05-05 00:00:00+05:30, Price: 429.04

ITC.NS RSI-Volume Divergence Analysis



ITC.NS - Volume Analysis

== VOLUME ANALYSIS ==:

Status:

42 Signals Detected

:

2025-12-16 [-]:

Distribution Day

2025-12-17 [+]:

Selling Exhaustion (Bullish Div)

2025-12-30 [-]:

Distribution Day

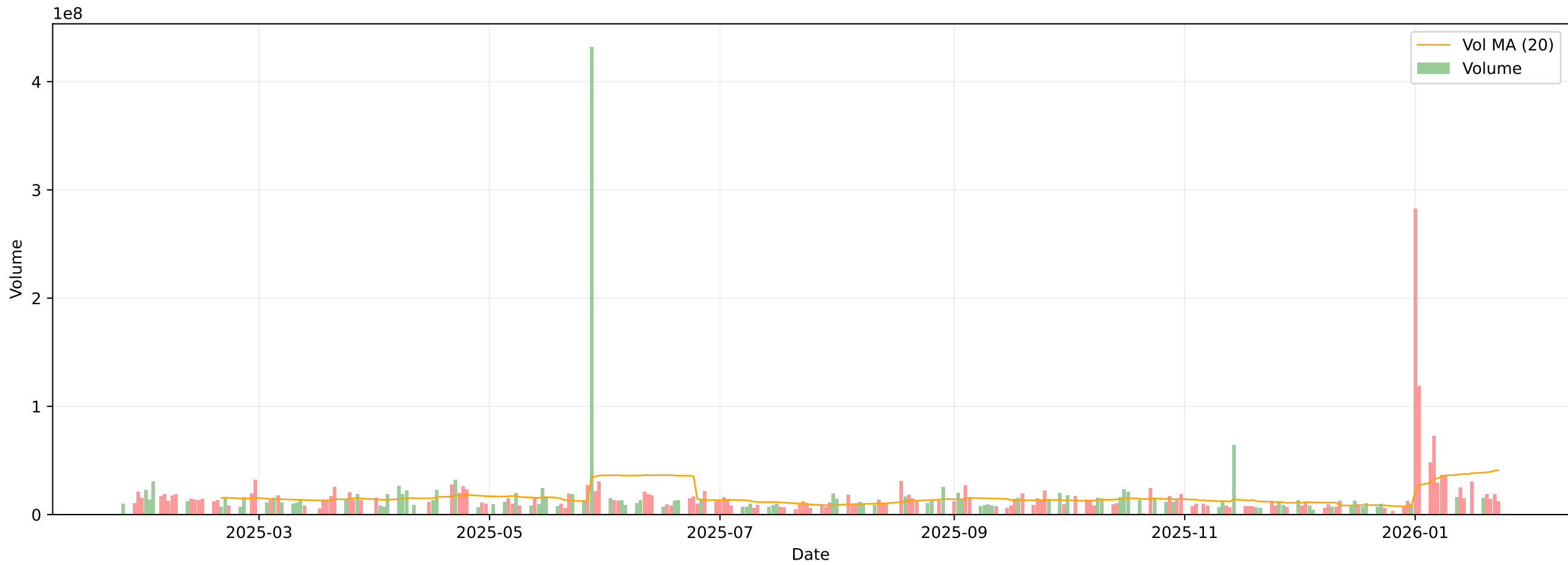
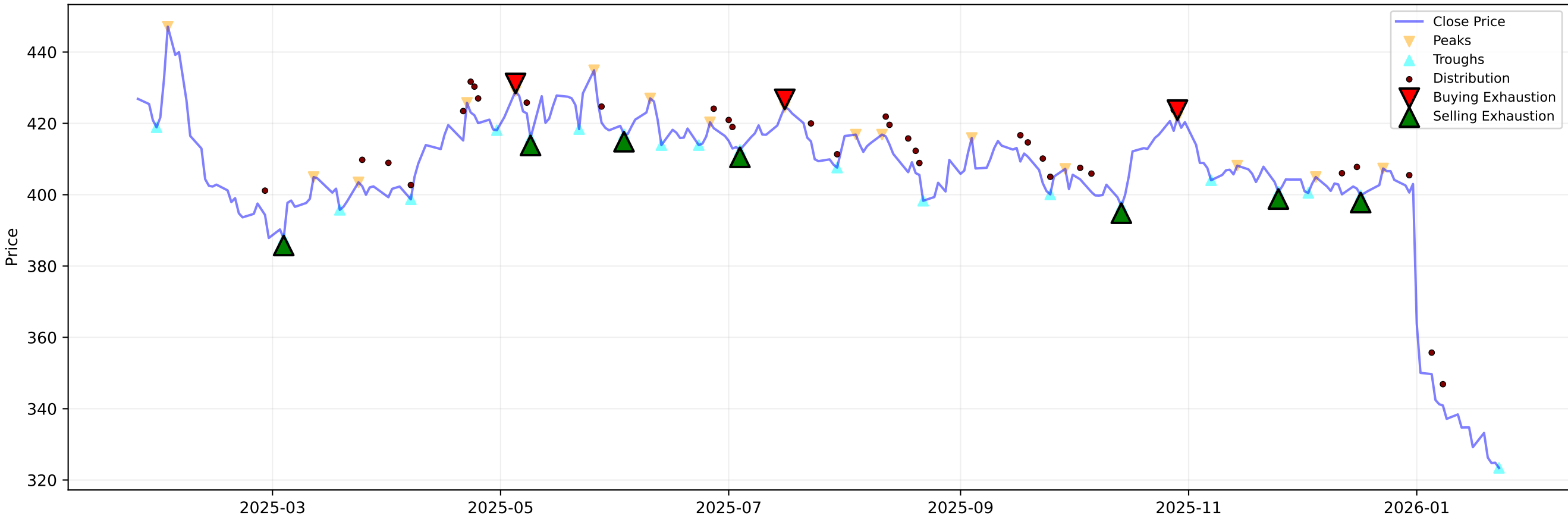
2026-01-05 [-]:

Distribution Day

2026-01-08 [-]:

Distribution Day

ITC.NS - Volume Analysis



Multi-Timeframe Supertrend Analysis

Timeframe	Status	Value	Last Price	Signal Date
1 Week	DOWNTREND (Sell)	362.84	323.4	2024-10-07
1 Day	DOWNTREND (Sell)	342.3	323.4	2025-11-07
15 Min	DOWNTREND (Sell)	325.24	323.2	2026-01-22

Multi-Timeframe MACD Analysis

Timeframe	Trend	Momentum	Signal
1 Week	Bearish	Strengthening	No Signal
1 Day	Bearish	Weakening	No Signal
15 Min	Bearish	Strengthening	No Signal

ITC.NS - 1 Week (Candlestick + EMAs)



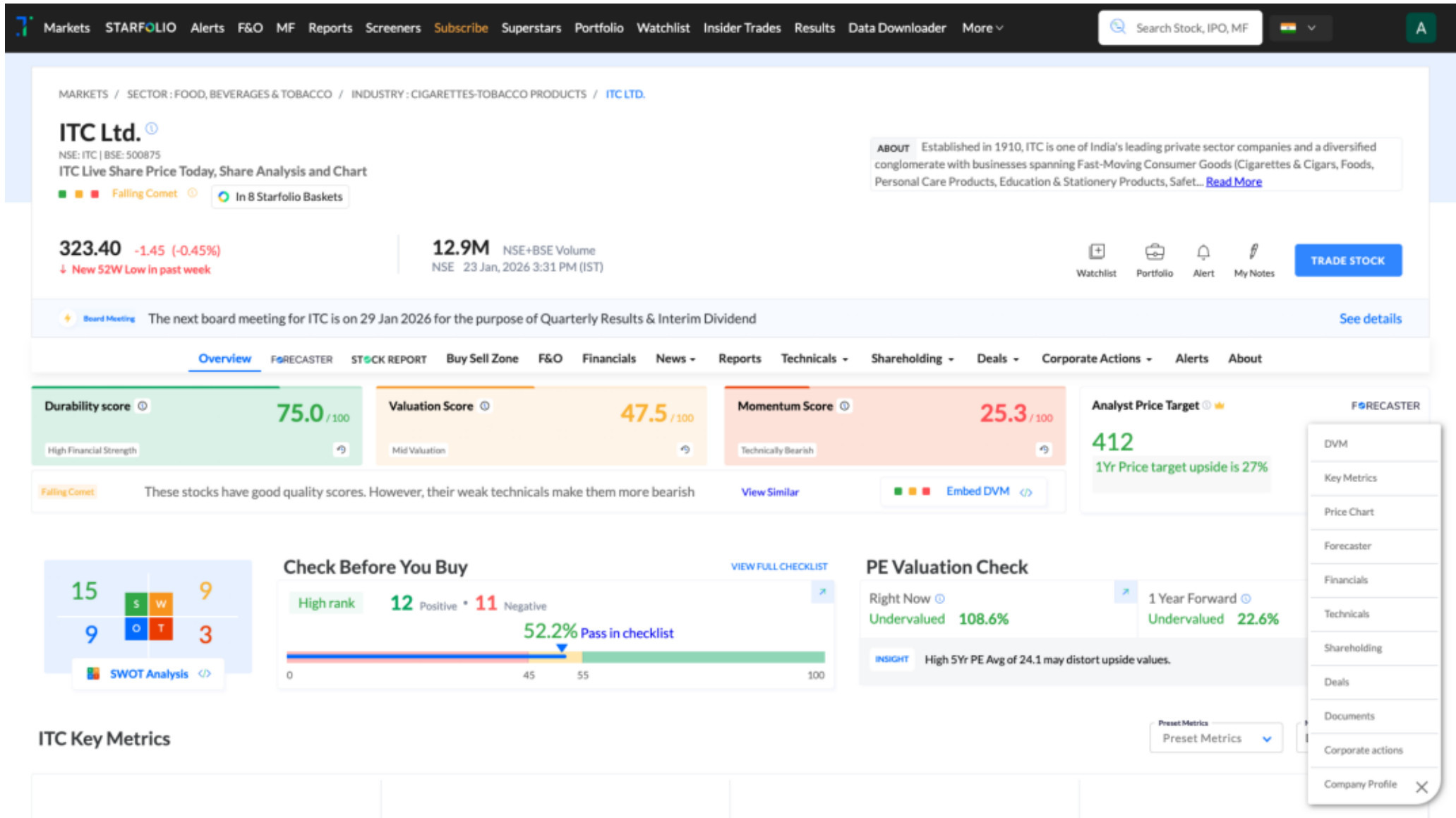
ITC.NS - 1 Day (Candlestick + EMAs)



ITC.NS - 15 Min (Candlestick + EMAs)



Trendlyne Snapshot - ITC_main



Trendlyne Snapshot - ITC_forecaster

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MARKETS / SECTOR : FOOD, BEVERAGES & TOBACCO / INDUSTRY : CIGARETTES-TOBACCO PRODUCTS / [ITC LTD.](#)

ITC Ltd.

NSE: ITC | BSE: 500875

Falling Comet

In 8 Starfolio Baskets

323.40

-1.45 (-0.45%)

New 52W Low in past week

12.9M

NSE+BSE Volume

NSE 23 Jan, 2026 3:31 PM (IST)

Watchlist

Portfolio

Alert

My Notes

TRADE STOCK

Board Meeting

The next board meeting for ITC is on 29 Jan 2026 for the purpose of Quarterly Results & Interim Dividend

See details

Overview

FORECASTER

STOCK REPORT

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About

ITC - ITC - stock price prediction, stock forecast, target price, analyst ratings from 36 analysts

ITC has a share price target of Rs 412, revenue growth forecast of 9.7%, and profit growth estimate of -41.6% for FY26, based on top 36 analyst calls.

ITC FORECASTER - Analyst Estimates

[FORECASTER DASHBOARD](#)