

# Stock Analysis Report

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## Strategic Trading Analysis

Based on the detailed PDF report provided, here is the analysis for **ITC.NS** (ITC Ltd).

**Important Note on Context:** The report data is dated **February 2026**, indicating this is likely a backtest simulation or a future-projection scenario. I will treat the data as "current" real-time data for the purpose of this analysis.

### Step 1: Audit the Data

- **Data Present:**
  - **Price Structure:** Daily (3-year), Weekly, and 15-minute candlestick charts.
  - **Moving Averages:** EMA 20, 50, 200 data and visualizations.
  - **Momentum Indicators:** RSI, MACD (standard and multi-timeframe), Relative Strength (RS) against CNXFMCG.
  - **Volatility Tools:** Bollinger Bands and Squeeze/ATR metrics.
  - **Trend Following:** Supertrend analysis.
  - **Volume:** Volume moving averages and divergence analysis.
  - **Fundamentals:** Basic revenue/earnings growth and analyst estimates.
- **Data Missing:**
  - **News/Event Context:** There is a massive price drop visible (approx. INR 400 to INR 300) in late 2025/early 2026. The specific catalyst (regulatory change, earnings miss, etc.) is not in the text, which is a crucial risk factor.
  - **Option Chain Data:** Open Interest data is missing, which would help identify resistance levels.
- **Confidence Level: High.** The technical data is comprehensive, covering trend, momentum, volatility, and volume. The confluence of signals is clear enough to form a technical thesis despite the missing fundamental catalyst context.

### Step 2: Analyze the Setup

- **Price Structure & Trend:**
  - **The Crash:** The stock is recovering from a severe crash (approx. 25% drop). It is currently in a **Strong Downtrend** on the higher timeframes (Weekly/Daily) as price remains below the 200 EMA (384.69) and 50 EMA (347.99).
  - **The Reversal:** However, a short-term bottoming formation is evident. The price (325.80) has reclaimed the **20 EMA (324.01)**, signaling a shift in short-term momentum.
- **Momentum & Signals:**
  - **MACD:** A bullish crossover has occurred well below the zero line (Page 13), and momentum is classified as "Strengthening." This is a classic "oversold bounce" signal.
  - **RSI:** **Bullish** divergence is confirmed (Page 16), where price made lower lows while RSI made higher lows. Current RSI (45.81) has room to run before becoming overbought.
  - **Supertrend:** The daily Supertrend flipped to **UPTREND (Buy)** on 2026-02-06 with a support level at 300.50 (Page 10).
- **Volume & Classification:**
  - Candlestick classification shows "Buyer Strong Control" recently.
  - "Selling Exhaustion" was detected, and recent volume bars show accumulation off the lows (Page 21).



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● Relative Strength:



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- While the stock lagged significantly over 3-12 months, the **1-Month RS** is now leading (1.006), confirming the immediate short-term rotation into this stock.



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**Conclusion:** This is a **Counter-Trend Reversal Setup**. We are not buying a long-term uptrend; we are buying a "return to the mean" after a capitulation event. The target is the equilibrium price represented by the 50 EMA or 200 EMA.

## Step 3: Formulate the Recommendation

**Verdict: YES.** The confluence of the Supertrend Buy signal, MACD crossover, and the reclamation of the 20 EMA makes this a high-probability trade for an intermediate relief rally (5-15% upside).

- **Entry Price: INR 325.00 - INR 328.00** (Current Market Price zone).
  - *Rationale:* Entering close to the 20 EMA (324) minimizes risk.
- **Stop Loss: INR 312.00** (Closing Basis).
  - *Rationale:* This places the stop below the recent consolidation lows seen on the 15-minute chart and candlestick classification. A drop below 312 invalidates the immediate recovery thesis. (Note: The structural support is 300, but that is too wide a risk for a swing trade).
- **Take Profit:**
  - **Target 1: INR 348.00** (The 50 EMA).
    - *Upside:* ~7%. This is the first major resistance level where the stock is likely to pause or reject.
  - **Target 2: INR 380.00** (Gap Fill / Near 200 EMA).
    - *Upside:* ~16.5%. If the 50 EMA is breached, the price will likely magnetize toward the 200 EMA (384) and the analyst target (382).

**Risk Profile:** Medium/High. Since the primary trend is still down, active management is required. Move **Stop Loss** to Breakeven once the price hits INR 338.

## Candlestick Classification Analysis

Based on the **Candlestick Classification Analysis** found on **Page 20 and Page 21** of the report, here is my assessment as a Price Action Trader.

### 1. Current Market State: The Signal

- **Latest Classification: Buyer Strong Control (+2)**
- **Trend Score (10-day): 0.20** (Turning Positive)
- **Context:** The stock is emerging from a steep, high-momentum downtrend that took the price from ~INR 400 down to ~INR 300.

### 2. Anatomy of the Setup (Applying the Logic)

Looking at the chart on **Page 21** (bottom right corner) and applying the provided classification algorithm:

- **Step 1: Body Strength (Conviction):** The final candle is a large Green candle (Dark Green color code). Visually, the body is significantly larger than the preceding "No Control" (grey) candles. This indicates a **Strong Body (>1.5 ATR)**, scoring maximal points for conviction.
- **Step 2: Close Position:** The candle has virtually no upper wick. The price closed at or very near the high of the day. In the logic provided, this prevents any "downgrade" and suggests buyers held control right



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until the closing bell.

- **Step 3: Wicks (Rejection):** There is a minimal lower wick, indicating that at the open, sellers tried to push lower but failed immediately. The lack of an upper wick confirms that sellers could not defend any level intraday.
- **Step 4: Volume (The Validator):** Looking at the Volume chart at the bottom of Page 21, the volume bar corresponding to this latest green candle is a distinct spike compared to the previous ~5 trading sessions.
  - *Logic:* High Volume (>1.3x avg) acts as a **1.2x Multiplier**.
  - *Interpretation:* Institutional money stepped in. This wasn't a retail bounce; it was a high-conviction accumulation.

## 3. Distribution Analysis (Statistical Significance)

Referencing the summary on **Page 20**:\* **"Buyer Strong Control" Count: 2**\* **"No Control" Count: 114**

**Trader's Insight:** The rarity of this signal is its strength. The market has been dominated by "No Control" (indecision/chop) and "Seller Control". The sudden appearance of a rare "Buyer Strong Control" candle at a swing low (approx INR 310 support) signals a potential **Trend Change or Significant Relief Rally**. The market character has shifted from "drift" to "impulse."

## 4. Prediction & Price Action Forecast

**Direction: BULLISH (Short to Medium Term)**

The appearance of a **Buyer Strong Control** candle after a prolonged downtrend and a period of consolidation (grey candles) is a classic **"Ignition Bar"**.

- **Immediate Term:** Expect follow-through momentum. The high close suggests buyers are willing to hold overnight, often leading to a gap up or continuation the next morning.
- **Target Zones:** The price is likely to mean-revert toward the moving averages (seen on Page 23). The first major resistance will likely be the breakdown level around **INR 340 - INR 345** (where the 50 EMA sits).
- **Invalidation:** If the price drops below the low of this specific "Buyer Strong Control" candle (approx INR 310), the setup fails (Failed Signal = Strong reversal in opposite direction).

**Verdict:** The bulls have seized control with volume validation. The probability favors the **Long Side** for a reversion trade.

# News & Analyst Targets

As a stock research analyst, I have compiled the latest information on ITC Limited for the week of February 1-7, 2026.

## 1) Latest News for ITC This Week

The week has been highly volatile for ITC, dominated by government tax changes and the company's strategic response.

- **Stock Recovery on Price Hikes (Feb 6):** ITC shares staged a strong recovery, jumping over **5%** on Friday, February 6. The rally was triggered by reports that the company has initiated price hikes of **15-30%** across select cigarette packs to pass on the burden of higher taxes to consumers.
- **Tax Hike Impact (Feb 1-2):** The stock hit a new **52-week low** earlier in the week (around INR 302-303) as



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the new cigarette tax regime came into effect on February 1, 2026. The government replaced the previous tax structure with a new excise duty model, effectively raising the tax burden by varying degrees (estimated at 15-20% by some analysts) depending on the stick length.

- **Interim Dividend Record Date (Feb 4):** The stock turned ex-dividend on Wednesday, February 4, for an interim dividend of **INR 6.50 per share**. Eligible shareholders as of this date will receive the payout later this month (expected between Feb 26-28).
- **NCCD Duty Change:** The Union Budget 2026 also proposed increasing the National Calamity Contingent Duty (NCCD) on tobacco products. While the *effective* duty remains unchanged for now due to a notification, the statutory limit was raised, creating headroom for potential future hikes without parliament approval.

## 2) Brokerage Upgrades & Downgrades

The analyst community has largely turned cautious, resulting in a wave of downgrades following the tax announcements, though some long-term bulls remain.

### Downgrades:

- **Macquarie** downgraded ITC to '**Neutral**' from 'Buy' and slashed its target price significantly, citing concerns over volume contraction due to the steep tax hikes.
- **Investec** downgraded the stock to '**Hold**' (from Buy), reducing its target price to reflect the "unprecedented increase in taxation slabs."
- **Motilal Oswal** downgraded the stock to '**Neutral**', terming the tax hike a negative surprise that disrupts the stable tax environment of recent years.
- **Prabhudas Lilladher** downgraded the stock to '**Reduce**'.

### Reiterations / Positive Stance:

- **Morgan Stanley** maintained its '**Equal Weight**' rating post-results, noting steady operating performance but lacking near-term triggers.
- **CLSA** (in a report earlier in the broader cycle) had maintained a high conviction '**Buy**' with a target of INR 485, focusing on the long-term FMCG and demerger value, though this target may be under review given the recent tax volatility.
- **Jefferies** has also maintained a constructive '**Buy**' stance, arguing that valuations have become attractive after the correction.

## 3) Other News Impacting ITC

- **Rise of Illicit Trade:** Industry bodies and analysts have flagged concerns that the sharp tax hike (and subsequent price hikes by ITC) could widen the price gap between legal and illegal cigarettes, potentially boosting the smuggled cigarette market which hurts ITC's volumes.
- **Demerger Progress:** ITC's hotels business demerger became effective on January 1, 2025. The company's latest quarterly results are now presented on a "continuing operations" basis, helping investors value the standalone FMCG and Agri businesses more clearly.
- **FMCG Sector Weakness:** The broader FMCG index also hit a 52-week low this week, indicating sector-wide pressure from slowing rural demand recovery and input cost fluctuations, which indirectly impacts ITC's non-cigarette FMCG division.

## 4) Latest Analyst Targets

Below is a summary of the most recent price targets and ratings issued by major brokerages for ITC.

Brokerage Firm	Rating	Target Price (INR )	Note / Date
CLSA	Buy	485	Focus on long-term value & FMCG growth.



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Brokerage Firm	Rating	Target Price (INR )	Note / Date
Axis Direct	Hold	380	Adjusted for tax headwinds.
Investec	Hold	367	Downgraded from Buy due to tax hike.
Morgan Stanley	Equal Weight	366	Issued Feb 2, 2026 (Post-results).
ICICI Direct	Hold	365	Cautious on near-term volume growth.
Motilal Oswal	Neutral	365	Downgraded; sees limited near-term upside.
Prabhudas Lilladher	Reduce	348	Concerns over volume loss from price hikes.
Macquarie	Neutral	330	One of the most bearish targets on the street.
Consensus	Hold/Neutral	~370	Average of major street estimates.

*Note: Targets are subject to change as analysts digest the full impact of the February 6th price hikes.*



# Stock Detailed Analysis Report

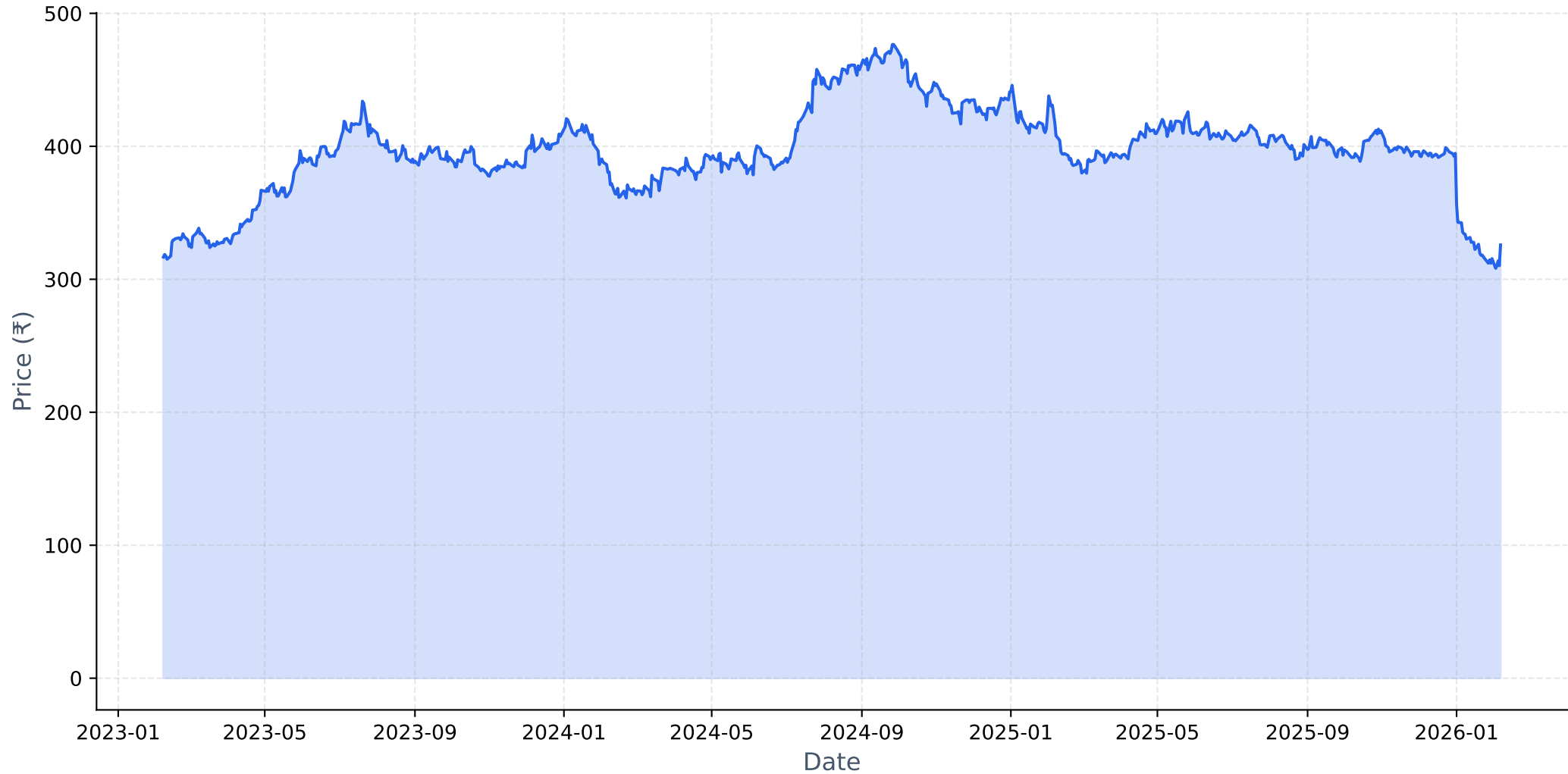
**ITC.NS**

Current Price: ₹325.80

Generated: 2026-02-07 10:25



# 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	-6.81%	0.47%
Net Income	Yes	-5.97%	54.80%
ROE	Yes	324.65%	324.65%
EPS	No	-5.97%	-3.06%



# ITC.NS - Relative Strength Analysis

## == OVERVIEW ==:

Benchmark Index:	^CNXFMCG
Sector:	FMCG
Classification:	Emerging Leader
RS Score:	45.4/100
:	

## == RS RATIOS ==:

1M RS:	1.006 [Leader]
3M RS:	0.886 [Neutral]
6M RS:	0.870 [Neutral]
1Y RS:	0.822 [Neutral]
:	

## == TURNAROUND ANALYSIS ==:

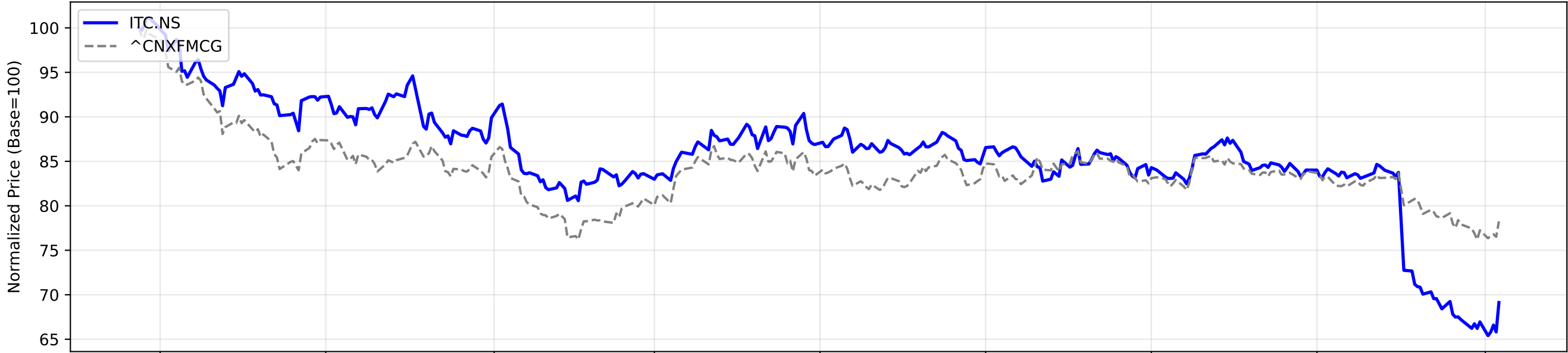
Turnaround Status:	!! DETECTED !!
:	

## SIGNAL CRITERIA::

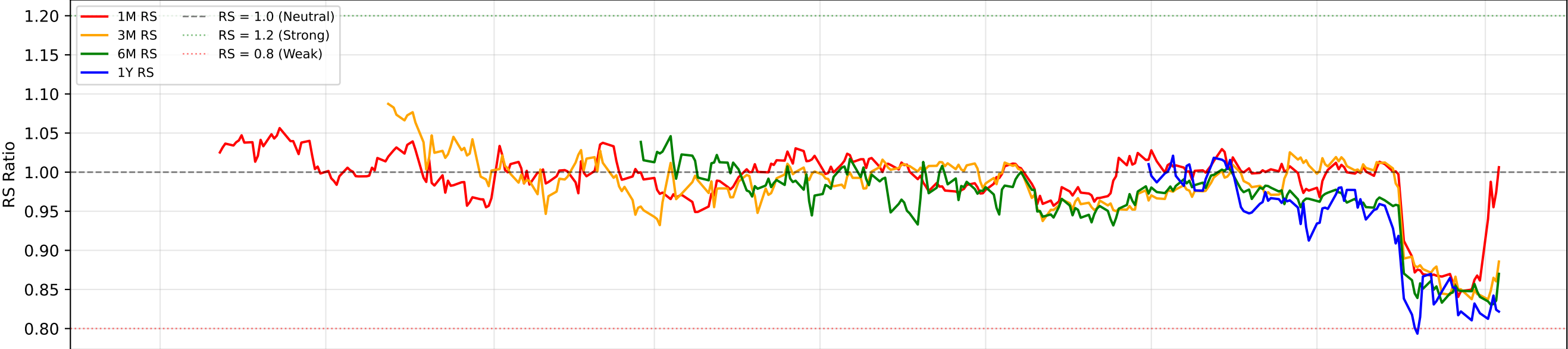
✓ Emerging RS:	1M (1.006) > 3M (0.886)
✓ Medium-term Lagging:	6M=0.870, 1Y=0.822 ( $\leq 1.0$ )
✓ Performance Improving:	3M (-18.4%) > 6M (-20.2%)



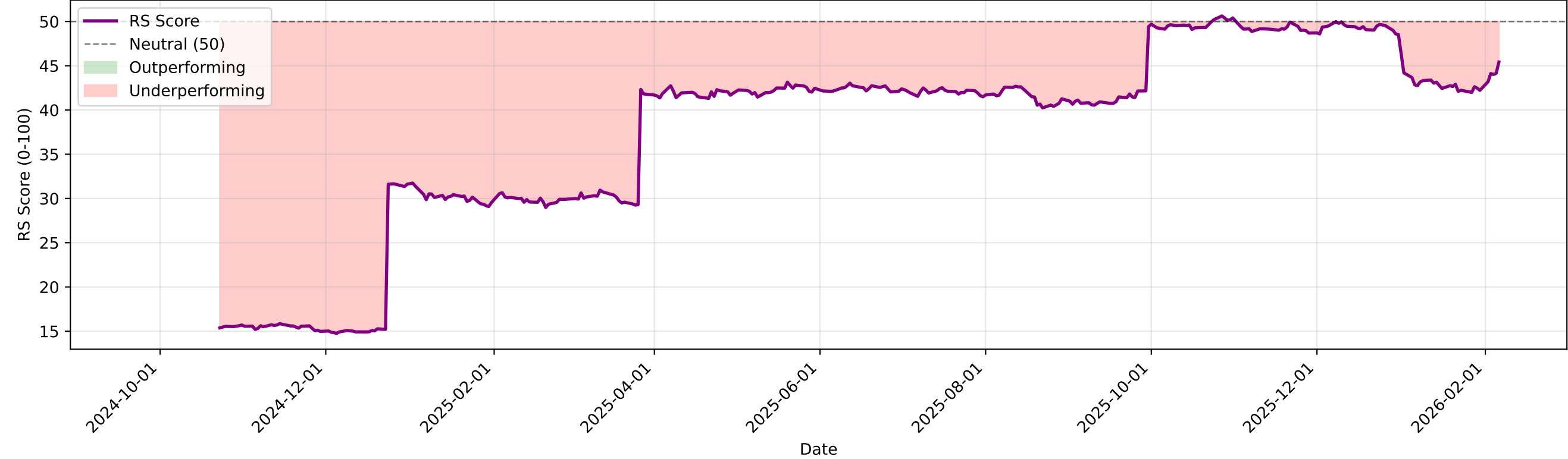
Relative Strength Analysis: ITC.NS vs ^CNXFMCG  
Classification: Emerging Leader  
Price Performance Comparison (Normalized)



RS Ratio Trends (Multiple Timeframes)



RS Composite Score Timeline





## ITC.NS - EMA Crossover Summary

EMA 20:	324.01
EMA 50:	347.99
EMA 200:	384.69
Trend Status:	<b>Strong Downtrend</b>



ITC.NS EMA Crossover Analysis



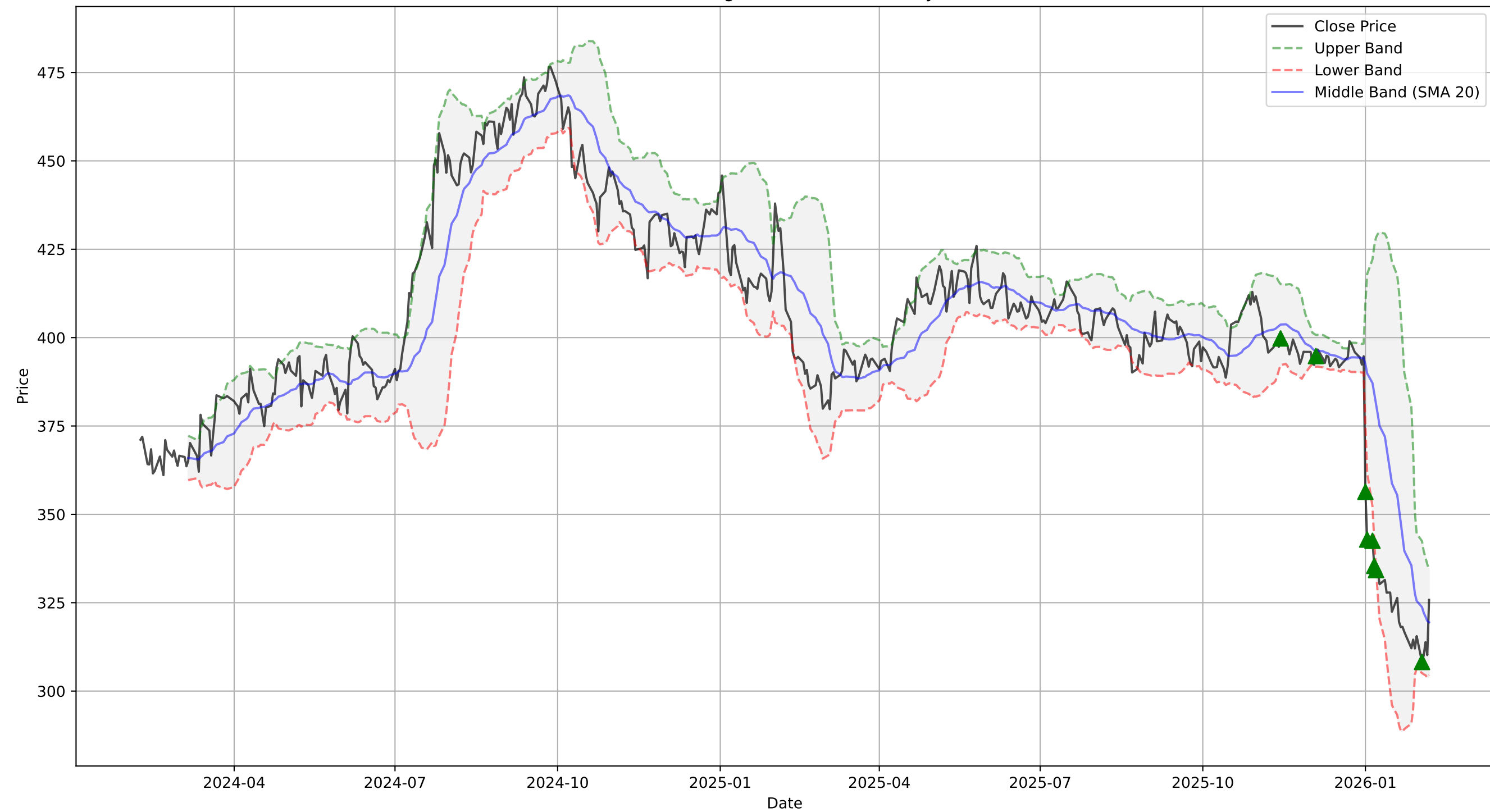


## ITC.NS - Bollinger Bands Summary

<b>Current Price:</b>	325.80
<b>Upper Band:</b>	334.38
<b>Middle Band (SMA 20):</b>	319.46
<b>Lower Band:</b>	304.54
<b>%B:</b>	0.7125
<b>Band Width:</b>	0.0934
<b>Status:</b>	Upper Half
<b>Signal:</b>	None
<b>Recent Signal 1:</b>	<b>Buy Signal at 2026-01-06 00:00:00+05:30</b>
<b>Recent Signal 2:</b>	<b>Buy Signal at 2026-01-07 00:00:00+05:30</b>
<b>Recent Signal 3:</b>	<b>Buy Signal at 2026-02-02 00:00:00+05:30</b>



ITC.NS Bollinger Bands (20, 2) Analysis



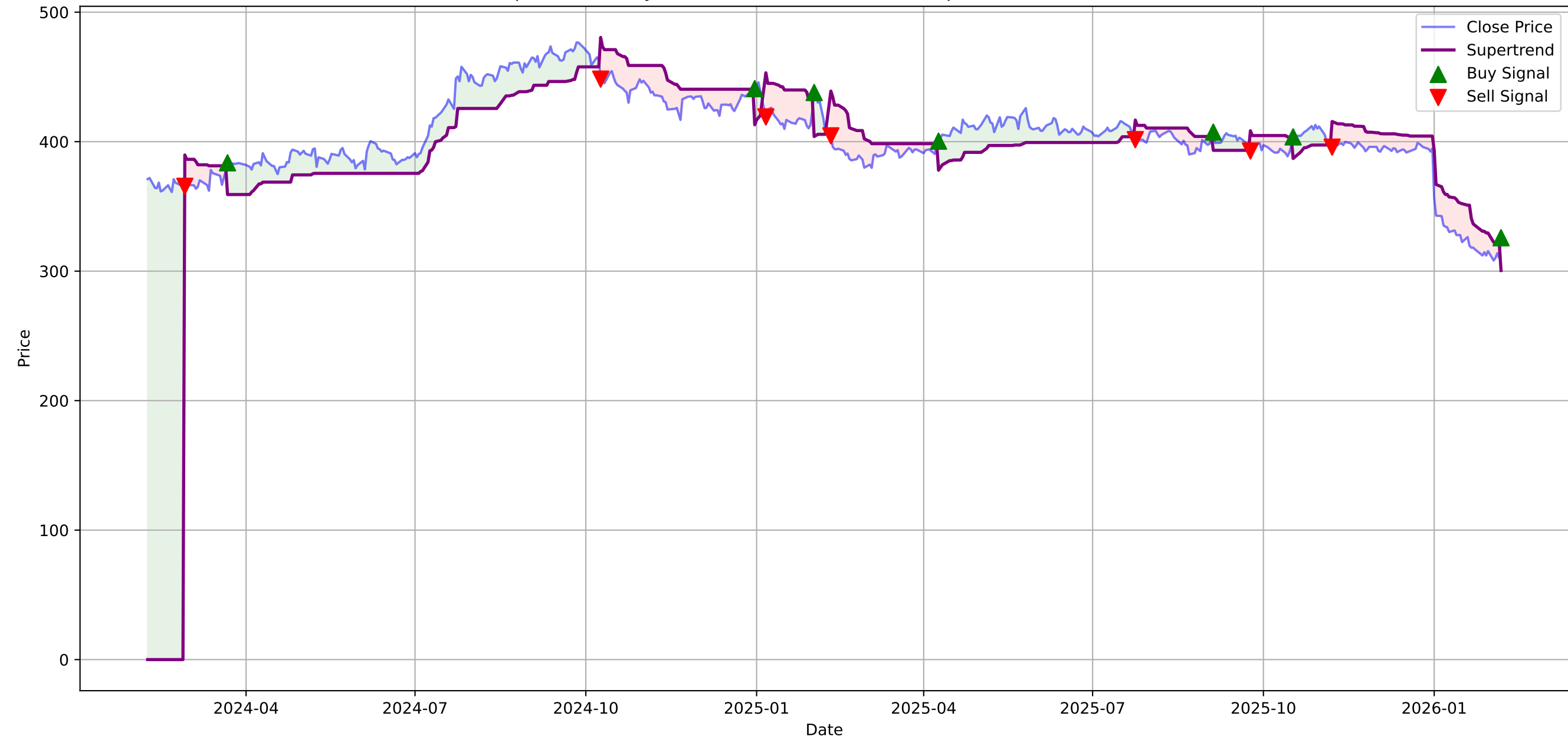


## ITC.NS - Supertrend Summary

Status:	UPTREND (Buy)
Supertrend Value:	300.50
Signal Identified On:	2026-02-06



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



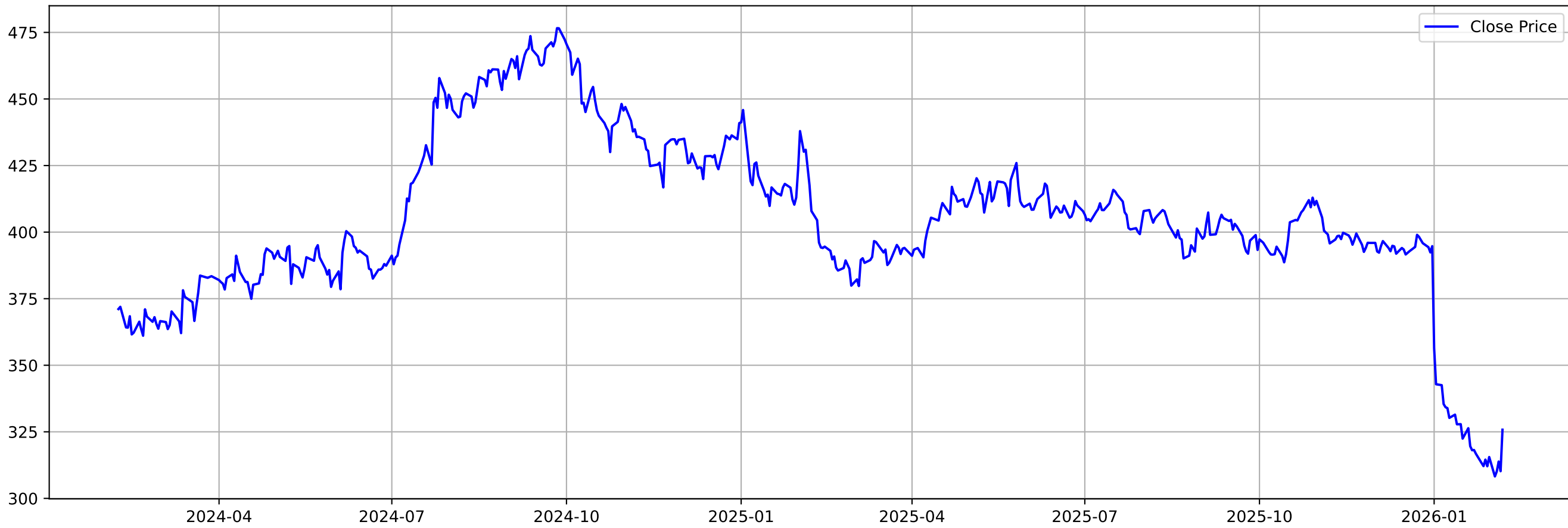


## ITC.NS - MACD Summary

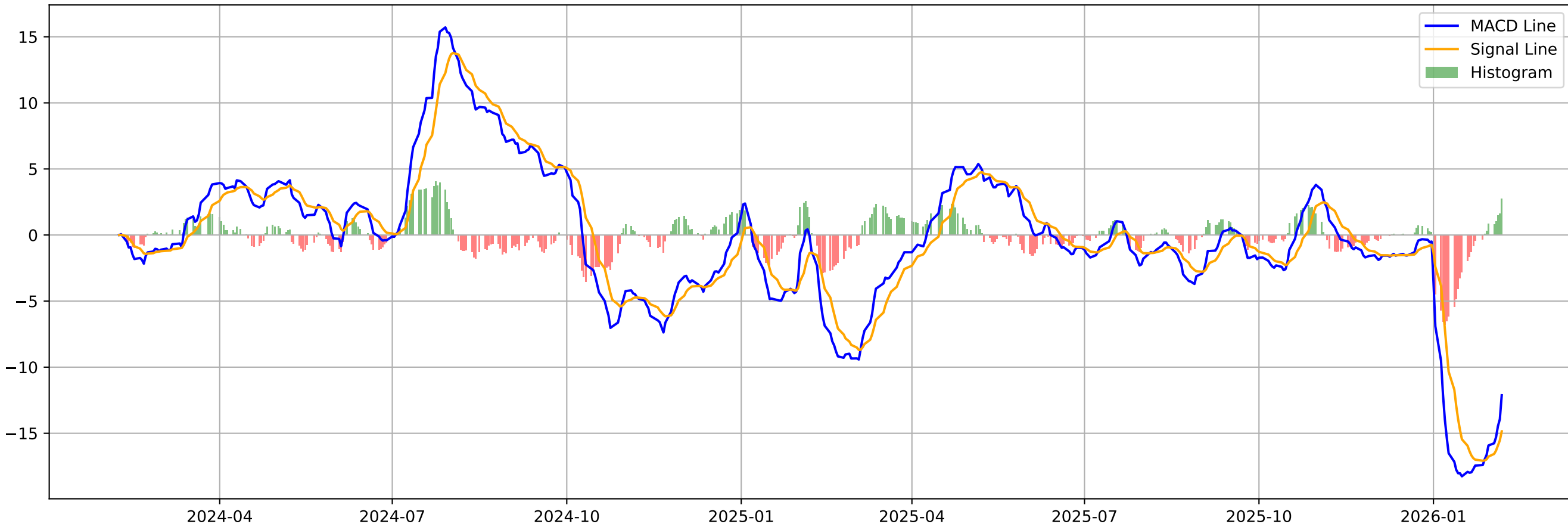
MACD Line:	-12.12
Signal Line:	-14.86
Histogram:	2.73
Trend:	<b>Bullish</b>
Momentum:	<b>Strengthening</b>
Signal:	None



ITC.NS Price



ITC.NS MACD (12, 26, 9)



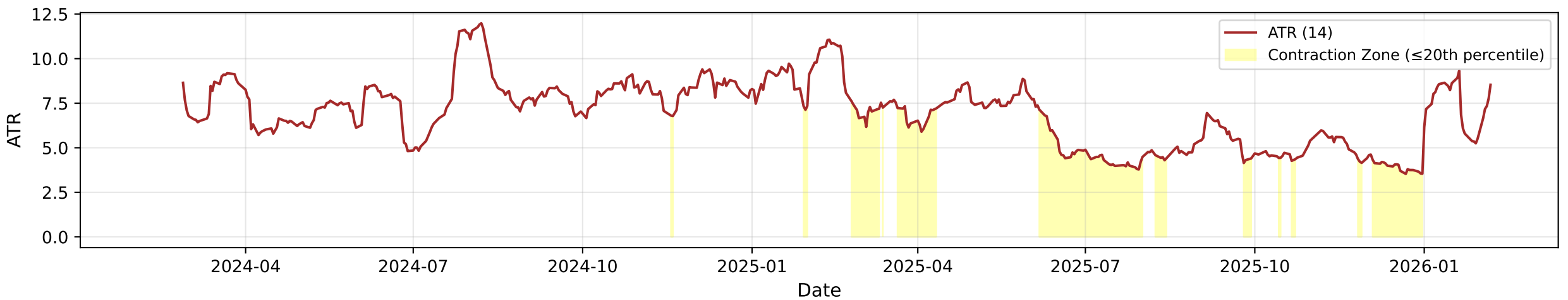
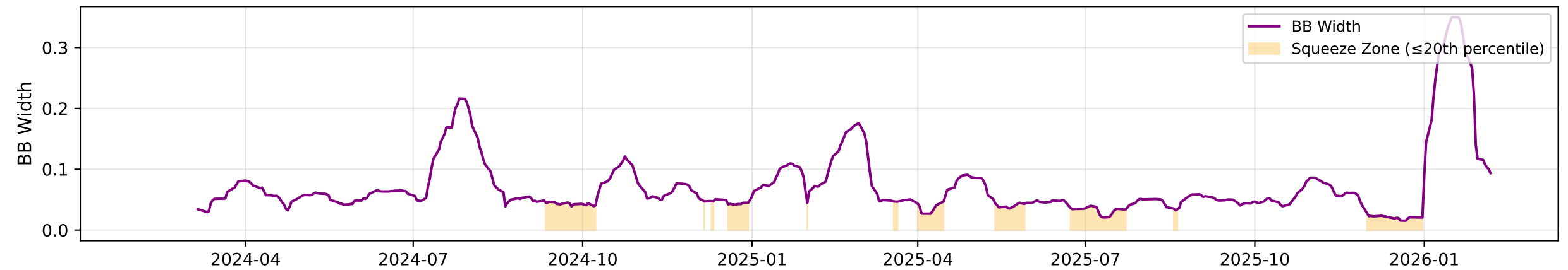


# ITC.NS - Volatility Squeeze Summary

BB Width:	0.0934
ATR:	8.5343
Total Signals:	25
Signal 1:	BB Squeeze + ATR Contraction at 2025-12-24 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



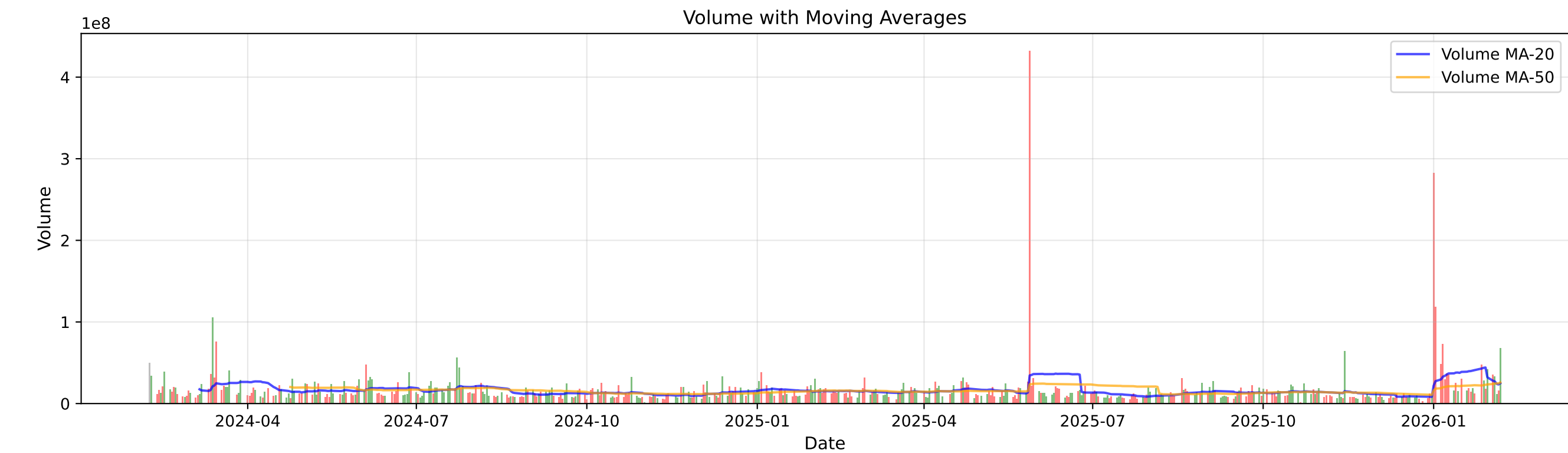
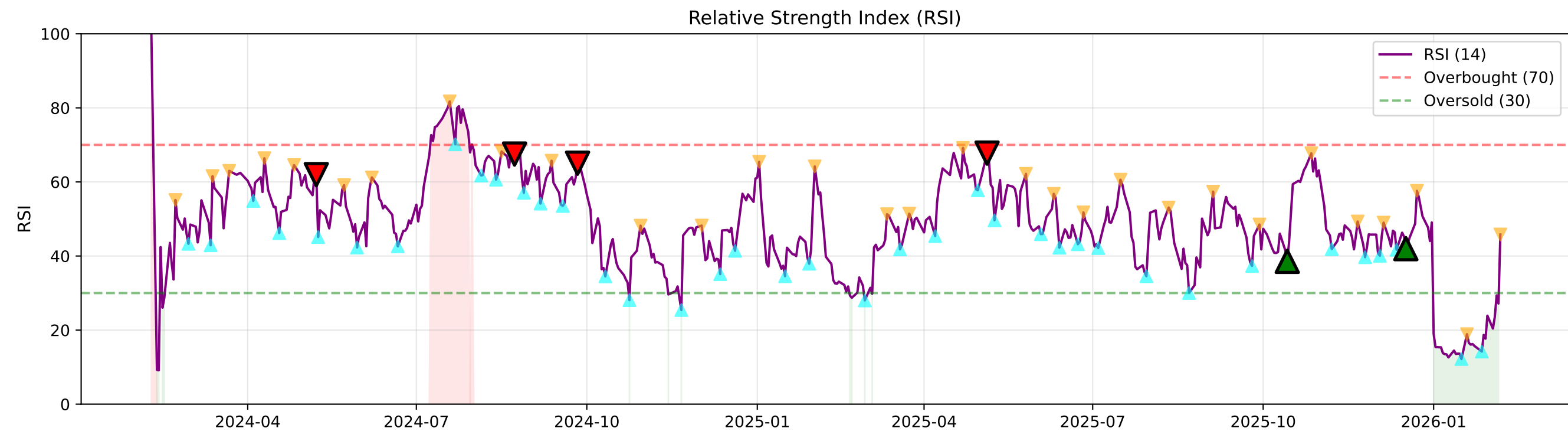
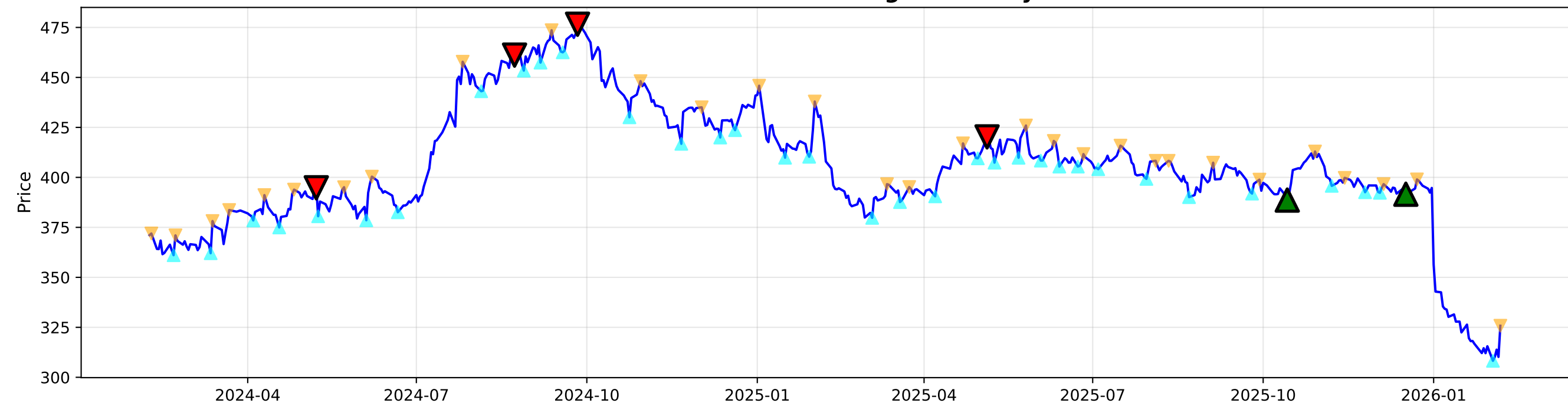


## ITC.NS - RSI-Volume Summary

<b>Current RSI:</b>	45.81
<b>Current Volume:</b>	68057745
<b>Volume MA 20:</b>	25007588
<b>Bullish Divergences:</b>	2
<b>Bearish Divergences:</b>	4
<b>Bullish Div 1:</b>	Date: 2025-10-14 00:00:00+05:30, Price: 388.65
<b>Bullish Div 2:</b>	Date: 2025-12-17 00:00:00+05:30, Price: 391.59
<b>Bearish Div 1:</b>	Date: 2024-09-26 00:00:00+05:30, Price: 476.59
<b>Bearish Div 2:</b>	Date: 2025-05-05 00:00:00+05:30, Price: 420.24



# ITC.NS RSI-Volume Divergence Analysis





# ITC.NS - Volume Analysis

## == VOLUME ANALYSIS ==:

Status:

**41 Signals Detected**

:

**2025-12-17 [+]:**

**Selling Exhaustion (Bullish Div)**

**2025-12-30 [-]:**

Distribution Day

**2026-01-05 [-]:**

Distribution Day

**2026-01-08 [-]:**

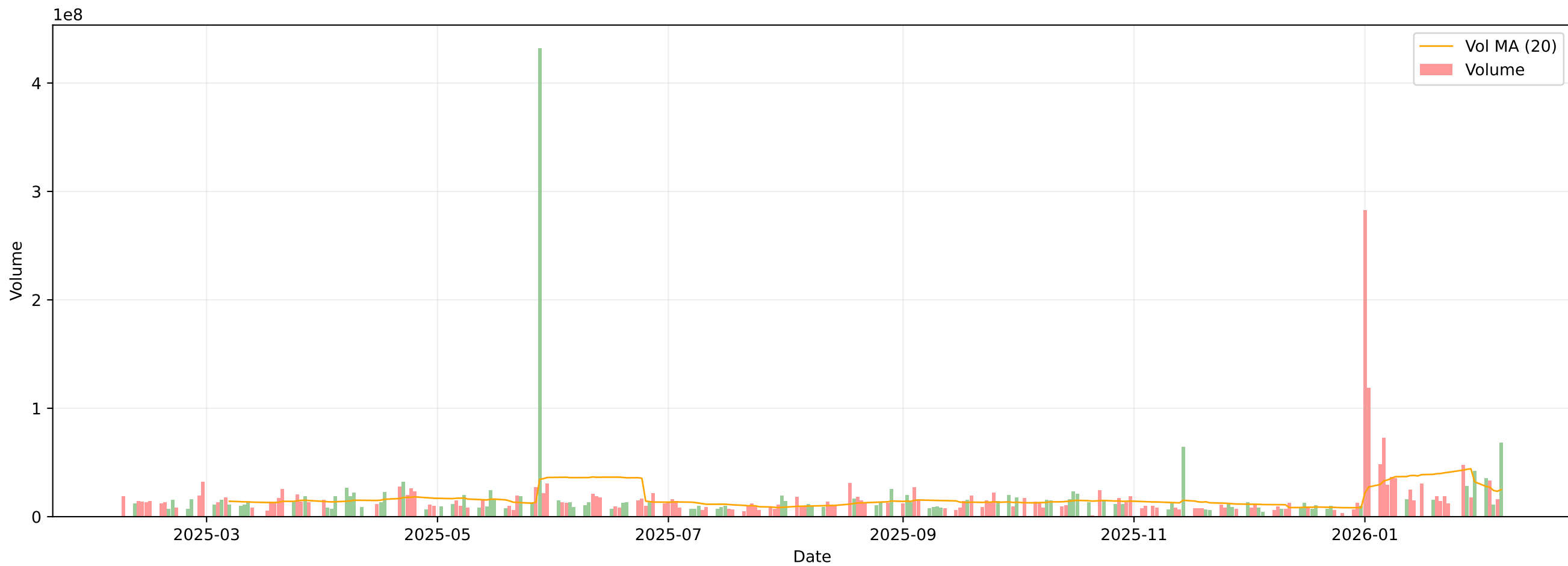
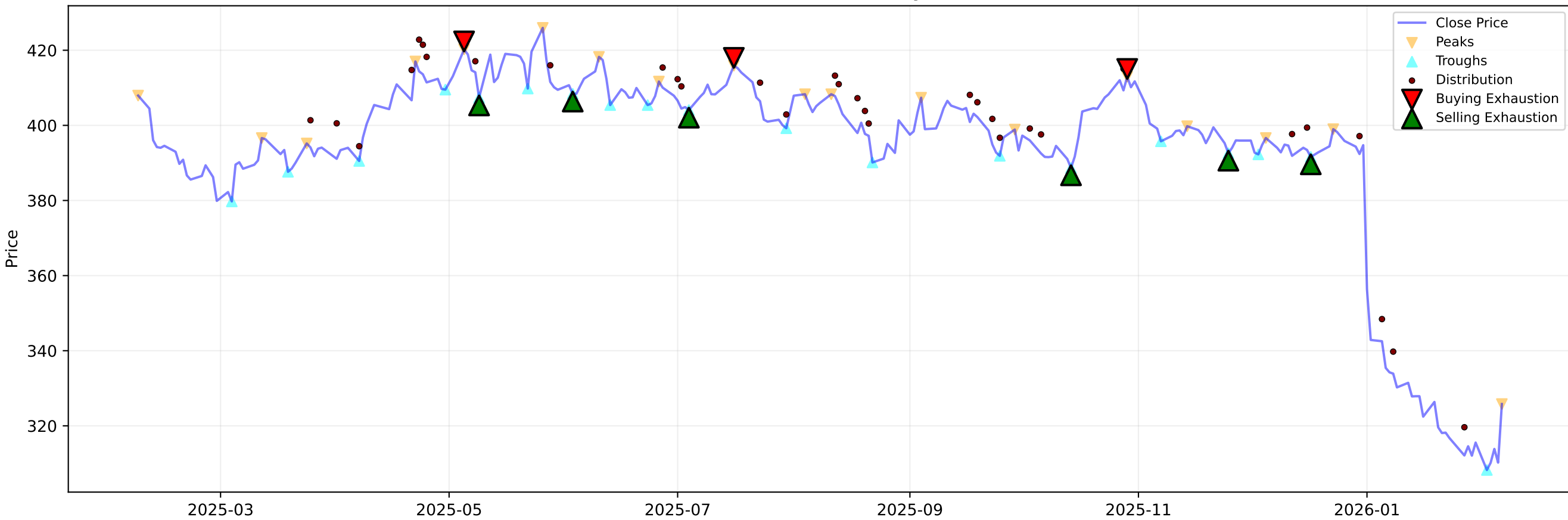
Distribution Day

**2026-01-27 [-]:**

Distribution Day



# ITC.NS - Volume Analysis





# ITC.NS - Candlestick Classification Summary

## == CANDLESTICK CLASSIFICATION ==:

**Latest Classification:** **Buyer Strong Control**

**Recent Trend Score (10-day avg):** 0.20

:

### **Distribution:**

**No Control:** 114

**Seller Control:** 58

**Buyer Control:** 52

**Buyer Strong Control:** 2

**Seller Strong Control:** 2



# ITC.NS - Candlestick Classification





## Multi-Timeframe Supertrend Analysis

Timeframe	Status	Value	Last Price	Signal Date
1 Week	DOWNTREND (Sell)	354.5	325.8	2024-10-07
1 Day	DOWNTREND (Sell)	329.11	325.8	2025-11-07
15 Min	UPTREND (Buy)	321.37	326.35	2026-02-06

## Multi-Timeframe MACD Analysis

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



ITC.NS - 1 Week (Candlestick + EMAs)



ITC.NS - 1 Day (Candlestick + EMAs)

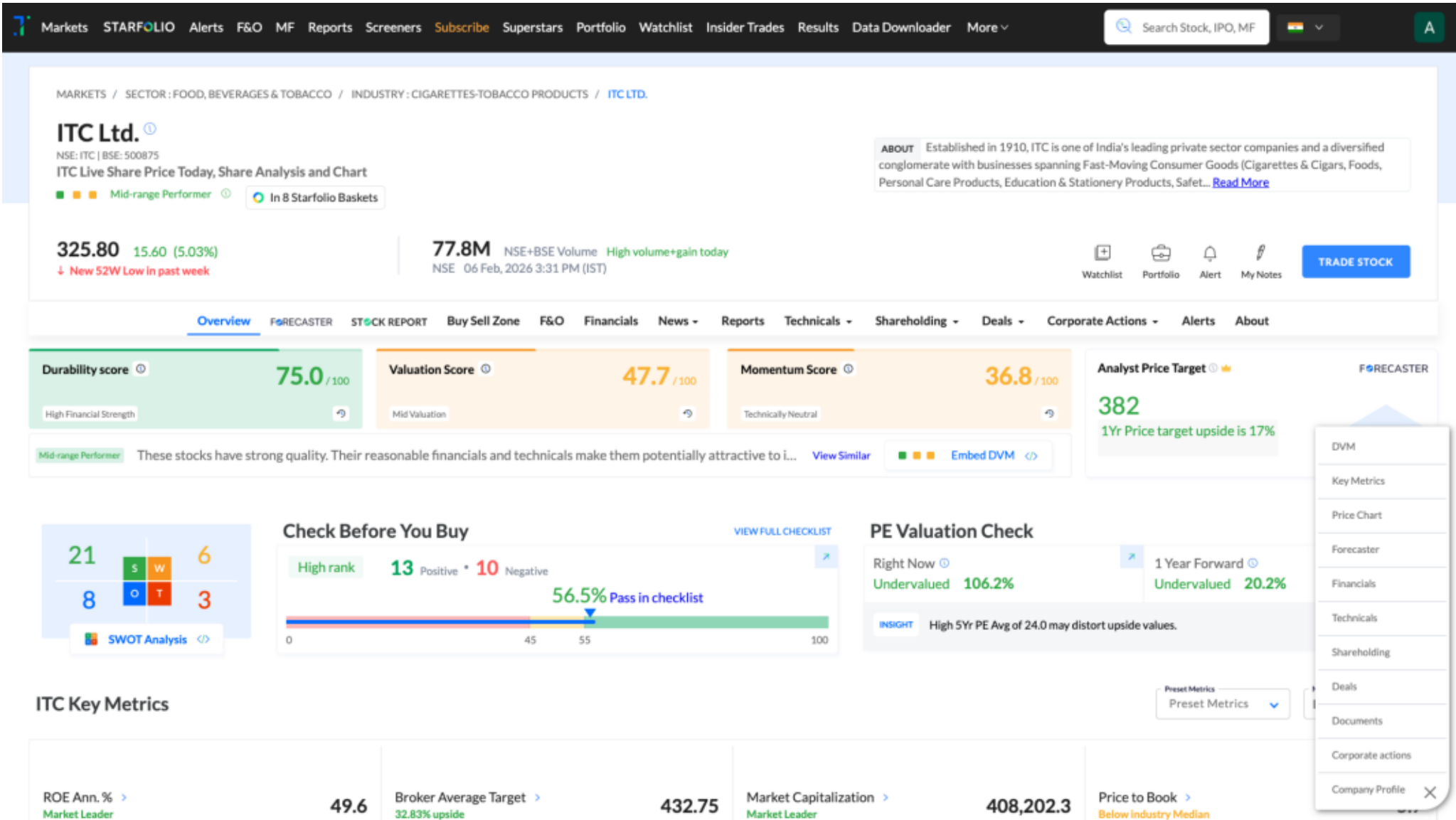


ITC.NS - 15 Min (Candlestick + EMAs)



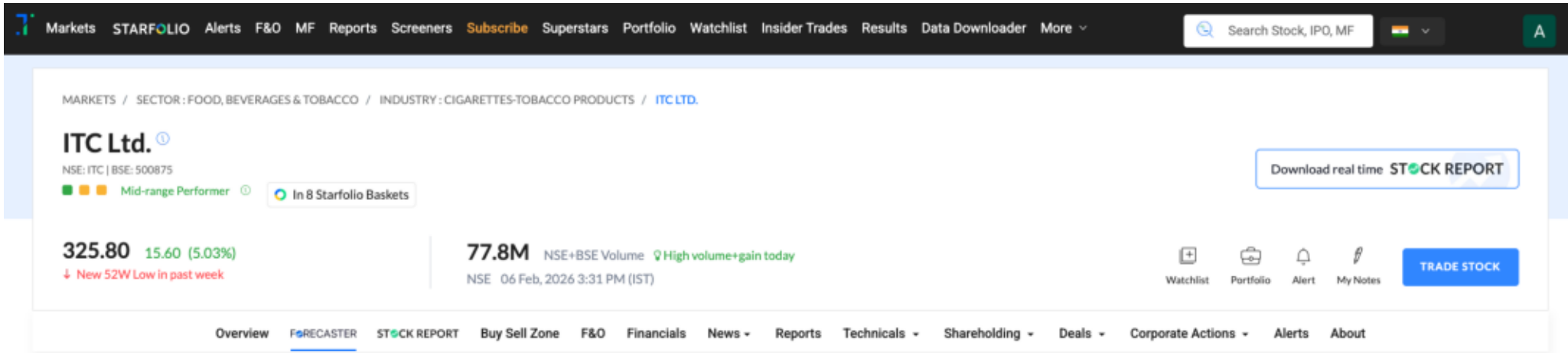


## Trendlyne Snapshot - ITC\_main





## Trendlyne Snapshot - ITC\_forecaster



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

ITC has a share price target of Rs 382, revenue growth forecast of 8.2%, and profit growth estimate of -42.0% for FY26, based on top 36 analyst calls.

## ITC FORECASTER - Analyst Estimates <sup>1</sup>

[FORECASTER DASHBOARD](#) →

