

Stock Analysis Report

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Strategic Trading Analysis

Based on the detailed analysis of the HCLTECH.NS report provided (generated date: 2026-02-07), here is my assessment as a Positional Equity Trader.

Step 1: Audit the Data

● Data Present:

- **Price Structure:** Daily (3-year), Weekly, and 15-minute timeframe charts.
- **Moving Averages:** EMA 20, 50, and 200 with crossover analysis.
- **Momentum Indicators:** RSI (with divergence), MACD, Supertrend, and Bollinger Bands.
- **Fundamentals:** Long-term (4 years) and Short-term (6 quarters) growth metrics.
- **Relative Strength:** Comparison against CNXIT (Sector Index).
- **Volume:** Distribution days analysis and Volume Moving Averages.

● Data Missing:

- **Granular Order Flow:** While volume bars are present, specific delivery percentages vs. intraday speculation are not detailed.
- **Specific News Catalysts:** The report notes a -10.77% QoQ drop in Net Income, but the specific qualitative reasons (guidance cut, margin pressure) are not detailed in the text.

● Confidence Level: High. The technical and quantitative fundamental data is comprehensive enough to make a sound technical decision.

Step 2: Analyze the Setup

● Price Structure & Trend:

- **Intermediate Trend: Bearish.** The stock has broken down significantly from highs of ~1800+ to 1593. It is currently trading *below* the 20 and 50 EMAs.
- **Long-Term Support:** The stock is approaching a critical juncture. The **200 EMA is at 1582.01**. The current price (1593.70) is hovering just above this major institutional support level.
- **Candlestick Analysis:** The chart shows large red candles and gaps down, indicating aggressive selling pressure.

● Momentum:

- **Bollinger Bands:** The price (1593.70) is **below the Lower Band (1599.54)**. While this suggests the stock is oversold, "walking down the bands" indicates extreme bearish momentum.
- **RSI:** Currently at **35.88**. It is approaching oversold territory but has not yet turned up.
- **MACD:** Strongly bearish with the MACD line below the Signal line and expanding negative histograms.

● Fundamentals & Volume:

- **Red Flag:** Short-term Net Income dropped **10.77% QoQ**. This fundamental weakness likely invalidates immediate "buy the dip" strategies until the market fully prices in the earnings miss.
- **Distribution:** The report identifies multiple recent "Distribution Days," confirming institutions are selling into this move.

Step 3: Formulate the Recommendation

Should you enter this stock now? NO.

Reasoning: While the stock is nearing a major support level (200 EMA), entering now is catching a falling knife. The momentum is too strongly bearish (Price < Lower Bollinger Band, Net Income drop, recent

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Distribution Days). A risk-averse positional trader requires evidence that the 200 EMA will actually hold before committing capital.

Conditional Plan (Watchlist for Reversal): You should watch this stock closely over the next 1-2 weeks. We are looking for a "Mean Reversion" play off the 200 EMA, but only after stabilization.

- **Condition to Buy:** The stock must demonstrate a successful defense of the 200 EMA (1582). Look for a **Daily Close back inside the Bollinger Bands** (above ~1600) followed by a "Green" candle that closes above the previous day's high.
- **Entry Price: INR 1615 - INR 1620** (This builds in a buffer to ensure the 1600 psychological level and 200 EMA hold).
- **Stop Loss: INR 1570** (A strict close below the 200 EMA and recent swing low. If 1582 breaks, the trend is severely damaged).
- **Take Profit: INR 1720** (This targets the underside of the Supertrend resistance and the breakdown area of the 50 EMA).

Estimated Reward/Risk Ratio: ~2.3:1

Candlestick Classification Analysis

Based on the **Candlestick Classification Report (Page 20)** and the **Chart Analysis (Page 21)**, here is my assessment as a seasoned Price Action Trader.

Executive Summary: The "Weak Recovery" Phase

- **Current Signal: Buyer Control (+1)**
- **10-Day Trend Score: 0.20 (Neutral/Weak Bullish)**
- **Dominant Behavior: No Control (Indecision)**

We are currently seeing a pause in selling pressure, but significantly lacking the "institutional conviction" required to call a definitive bottom. The market has shifted from a sell-off to a tentative drift.

Deep Dive Analysis

1. The Classification Signals (Page 21)

Looking at the far right of the chart (Feb 2026), we see a distinct shift in market character:^{*} **The Drop:** Leading up to the current price, we saw a cluster of Red/Pink candles (**Seller Control**) taking the price from ~1750 down to the 1600 zone. This was a clear impulsive move down.^{*} **The Halt:** The decline was arrested not by a "Buyer Strong Control" (Dark Green) candle—which would indicate a V-shaped institutional reversal—but rather by a series of Grey (**No Control**) and Light Green (**Buyer Control**) candles.^{*} **Current State:** The latest classification is **Buyer Control**. In our algorithm, this is a score of **+1**. This means we likely had a moderate bullish body, or a strong body that failed volume validation (low volume). This is **retail buying**, not necessarily smart money accumulation.

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2. The "Trend Score" Reality Check

The **10-day Average Score** is **0.20**. This is the most telling metric in the report.* In a strong uptrend, I expect this score to hover above **+1.0**.* In a crash, it sits below **-1.0**.* A score of **0.20** indicates that over the last two weeks, the net result of the battle between bulls and bears is effectively a **draw (stalemate)**. The bulls are winning by a tiny margin, likely just covering shorts rather than initiating fresh aggressive longs.

3. Volume & Conviction (The "No Control" Problem)

The distribution statistics on Page 20 are critical: * **103 Days of "No Control"** vs only **2 Days of "Buyer Strong Control"**.* This stock has a personality of "grinding." It does not trend cleanly.* The chart confirms this. The vast majority of candles are Grey (Small bodies/Long wicks). This implies that HCLTECH requires significant patience. The current "Buyer Control" signal is fragile because it hasn't been confirmed by a "Strong" signal (+2) recently.

Scenario Prediction: Which side is the price likely to move?

Short-Term Prediction: Sideways to Weak Bullish (The "Dead Cat Bounce")

The price action suggests we are in a **Volatility Contraction** following a sharp drop.

The Bull Case (Low Probability of Sustained Trend): The current "Buyer Control" suggests the immediate panic selling has dried up. We may see a drift upward to test the previous breakdown levels (likely around the 1650-1680 resistance area). However, without a **"Buyer Strong Control" (+2)** candle (Dark Green body + High Volume), this rally is suspect.

The Bear Case (continuation): Since the trend score is only 0.20, the bulls have not seized control. This setup often looks like a "Bear Flag" formation. The price pauses (current state), buyers show weak conviction (current state), and then sellers return to push it lower.

Trader's Verdict: I would **fade the current strength** or wait for confirmation.

- **Warning Sign:** If the next 1-2 candles flip back to Grey (No Control) or Pink (Seller Control), the current "Buyer Control" signal was just a pause in the downtrend.
- **The Trade:** I would not go long aggressively here. The "Buyer Control" signal lacks the volume/body strength ($ATR > 1.5$) to justify a high-conviction entry. The market is waiting for a catalyst. Expect a re-test of the recent lows (around 1590) before any genuine reversal occurs.

Bottom Line: The internal strength is weak (0.20). Do not mistake "lack of selling" for "strong buying."

News & Analyst Targets

As a stock research analyst at an investment firm, I have compiled the latest research, news, and analyst

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calls for **HCL Technologies (HCLTECH)** for the week ending February 7, 2026.

1) Latest News for HCLTECH (Week of Feb 1 - Feb 7, 2026)

- **Partnership with Circles (Feb 6, 2026):** HCLTech announced a strategic partnership with Circles, a global technology company, to accelerate connectivity innovation for the telecom industry. The deal focuses on enhancing Mobile Virtual Network Operator (MVNO) and Enabler (MVNE) platforms using HCLTech's product engineering and AI capabilities.
- **Fortune's "Most Admired" List (Feb 6, 2026):** The company was named to *Fortune Magazine's* 2026 list of the "World's Most Admired Companies," underscoring its strong reputation in the IT services sector.
- **Aviation MRO Deal (Feb 4, 2026):** HCLTech was selected by Hong Kong Aero Engine Services Limited (HAESL) to transform its aviation maintenance, repair, and overhaul (MRO) operations. HCLTech will deploy its "iMRO/4" asset management solution integrated with SAP S/4HANA.
- **Investor Engagement (Feb 2, 2026):** The company announced its participation in several major investor conferences in Mumbai throughout February 2026, signaling a proactive approach to investor relations.

2) Upgrade/Downgrade Activity from Brokerages

- **MarketsMojo (Feb 1, 2026):** Downgraded HCL Technologies from "Strong Buy" to "Buy." The firm cited mixed technical signals and premium valuation as reasons for the adjustment, despite the company's robust fundamental quality and return on equity (ROE).
- **Motilal Oswal (Feb 1, 2026):** Included HCLTech in its "High Return Stocks for 2026" list, maintaining a positive stance with a target of **INR 2,150**, citing the company's leadership in the shift to global AI services.
- **Broad Analyst Sentiment:** following Q3 earnings in mid-January, the sentiment remains mixed. While domestic brokerages like **Motilal Oswal** and **Antique** are bullish, global firms like **CLSA, Morgan Stanley, and Jefferies** have largely retained "Hold" or "Equal-weight" ratings, citing limited near-term upside and potential macro headwinds.

3) Indirect News & Market Impact

- **AI Disruption Fears (Feb 5-6, 2026):** The broader Indian IT sector, including HCLTech, faced selling pressure mid-week following news regarding AI advancements (specifically from Anthropic) that could erode traditional application services revenue. However, analysts noted HCLTech has lower exposure (~40%) to application services compared to peers like TCS (~55-60%), potentially insulating it slightly better from this specific risk.
- **Sector-Wide Weakness:** The Nifty IT index has shown volatility this week due to shifting expectations around US interest rates and the "agentic AI" narrative, which is causing investors to reassess long-term growth models for IT service exporters.

4) Latest Analyst Price Targets

Below is a summary of the latest price targets and recommendations from major brokerage firms.

Brokerage Firm	Rating / Action	Price Target (INR)	Date / Note
Motilal Oswal	Buy	2,150 - 2,200	Featured in "Top Picks 2026" list (Feb 1); raised post-Q3 results.
Macquarie	Outperform	2,080	Maintained post-Q3 earnings; sees HCLT as a growth leader.
Axis Direct	Buy	1,860 - 1,880	Updated early Feb 2026; positive on defensive strength.

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Brokerage Firm	Rating / Action	Price Target (INR)	Date / Note
Antique Stock Broking	Buy	1,825	Raised from INR 1,775; cites strong deal pipeline.
Nomura	Buy	1,810	Cites GenAI focus and asset-light approach.
Morgan Stanley	Equal-weight	1,760	Raised from lower target; expects ~18% margins as base.
Kotak Inst. Equities	Reduce	1,680	Cautious on premium valuations vs. growth.
CLSA	Hold	1,661	Sees limited immediate catalysts for outperformance.
ICICI Securities	Hold	1,590	Valuation concerns despite decent execution.

Summary: The consensus target implies a modest upside from current levels (~INR 1,600), with domestic analysts generally more optimistic than their global counterparts.

Stock Detailed Analysis Report

HCLTECH.NS

Current Price: ₹1593.70

Generated: 2026-02-07 10:28

HCLTECH.NS - 3 Year Daily Price Chart



Long-term Fundamental Analysis (4 Years)

Metric	Is Growing?	Accelerating?	1Y Growth	3Y CAGR
Revenue	Yes	No	6.50%	10.97%
Net Income	Yes	Yes	10.75%	8.81%
ROE	Yes	Yes	8.54%	4.62%
EPS	Yes	Yes	10.64%	8.83%

Short-term Fundamental Analysis (6 Quarters)

Metric	Is Growing?	Recent QoQ	Avg QoQ
Revenue	Yes	0.34%	1.70%
Net Income	No	-10.77%	-2.85%
ROE	Yes	0.56%	0.56%
EPS	Yes	8.45%	8.45%

HCLTECH.NS - Relative Strength Analysis

== OVERVIEW ==:

Benchmark Index:	^CNXIT
Sector:	IT
Classification:	Weakening Leader
RS Score:	53.0/100
:	

== RS RATIOS ==:

1M RS:	1.039 [Leader]
3M RS:	1.051 [Leader]
6M RS:	1.062 [Leader]
1Y RS:	1.123 [Leader]
:	

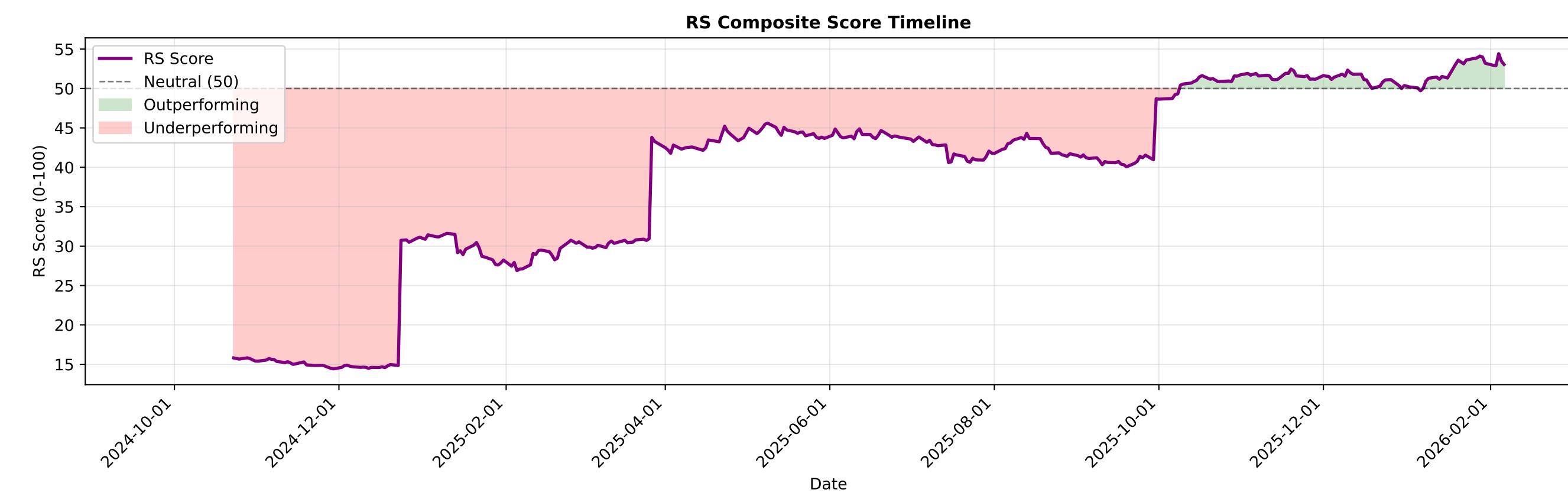
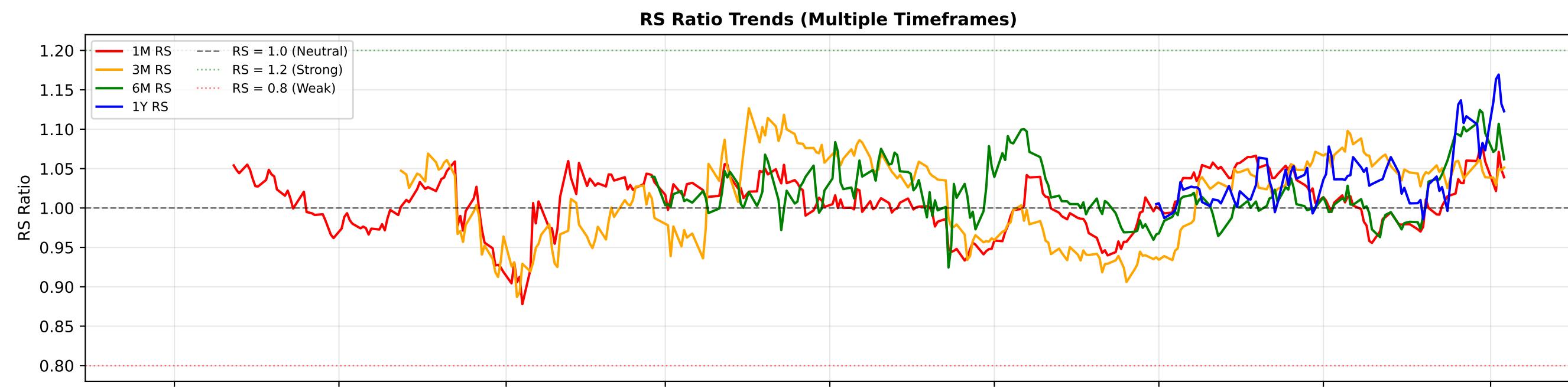
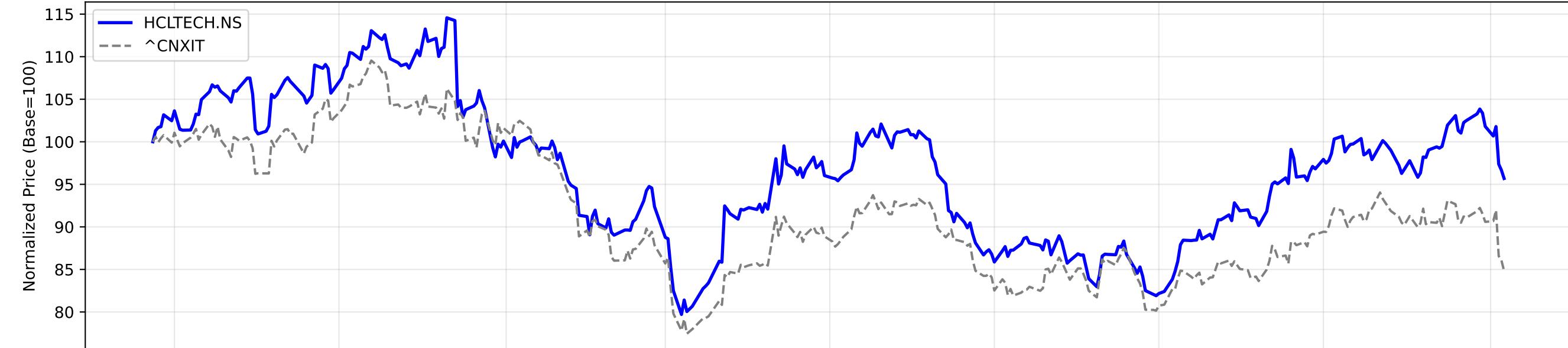
== TURNAROUND ANALYSIS ==:

Turnaround Status:	Not Detected
:	

SIGNAL CRITERIA::

X Emerging RS:	Not accelerating
X Medium-term Lagging:	Not lagging
X Performance Improving:	Not improving

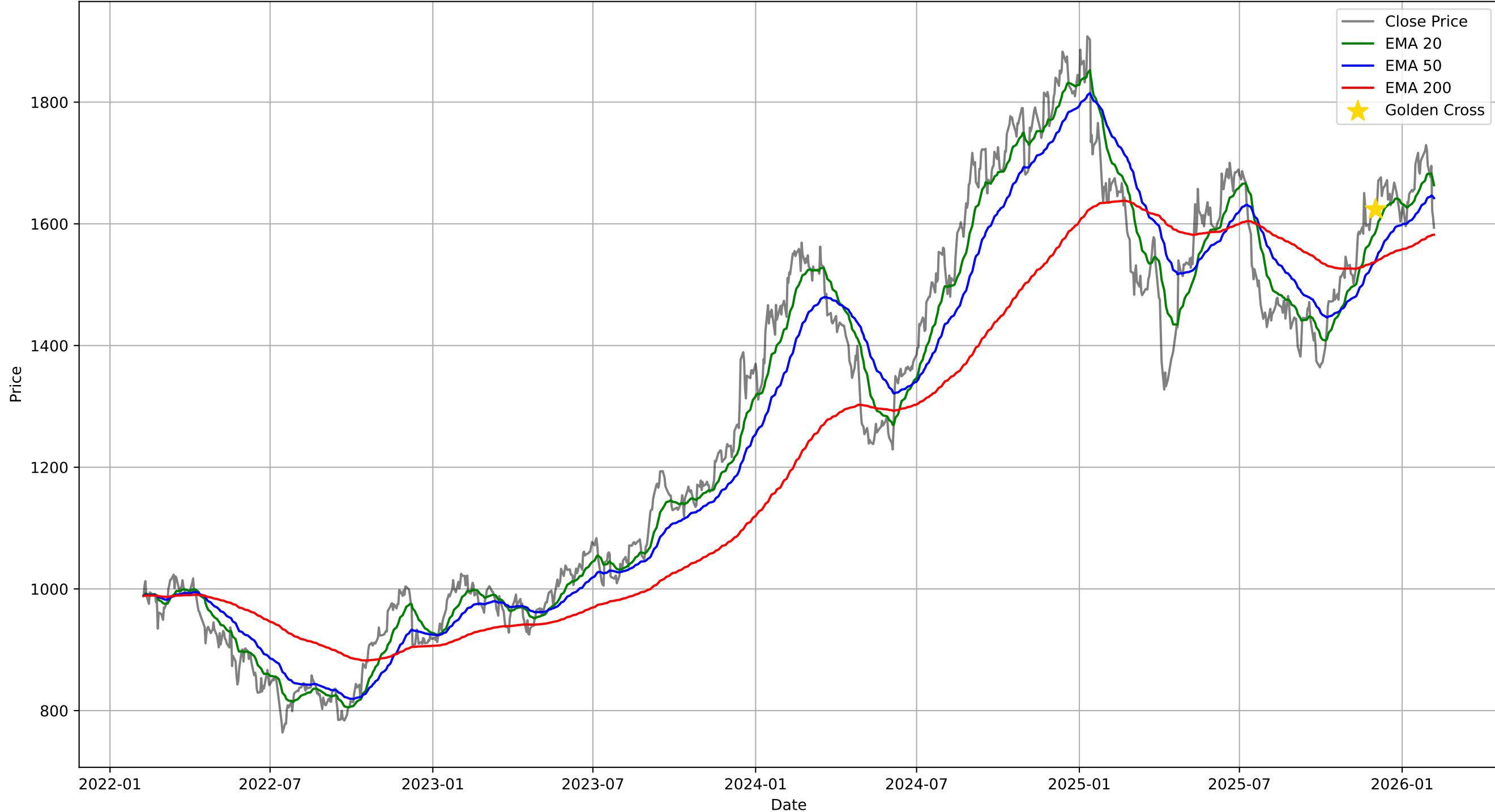
Relative Strength Analysis: HCLTECH.NS vs ^CNXIT
Classification: Weakening Leader
Price Performance Comparison (Normalized)



HCLTECH.NS - EMA Crossover Summary

EMA 20:	1663.50
EMA 50:	1642.27
EMA 200:	1582.01
Trend Status:	Strong Uptrend
Golden Cross Date:	2025-12-02 00:00:00+05:30
Golden Cross Price:	1623.74

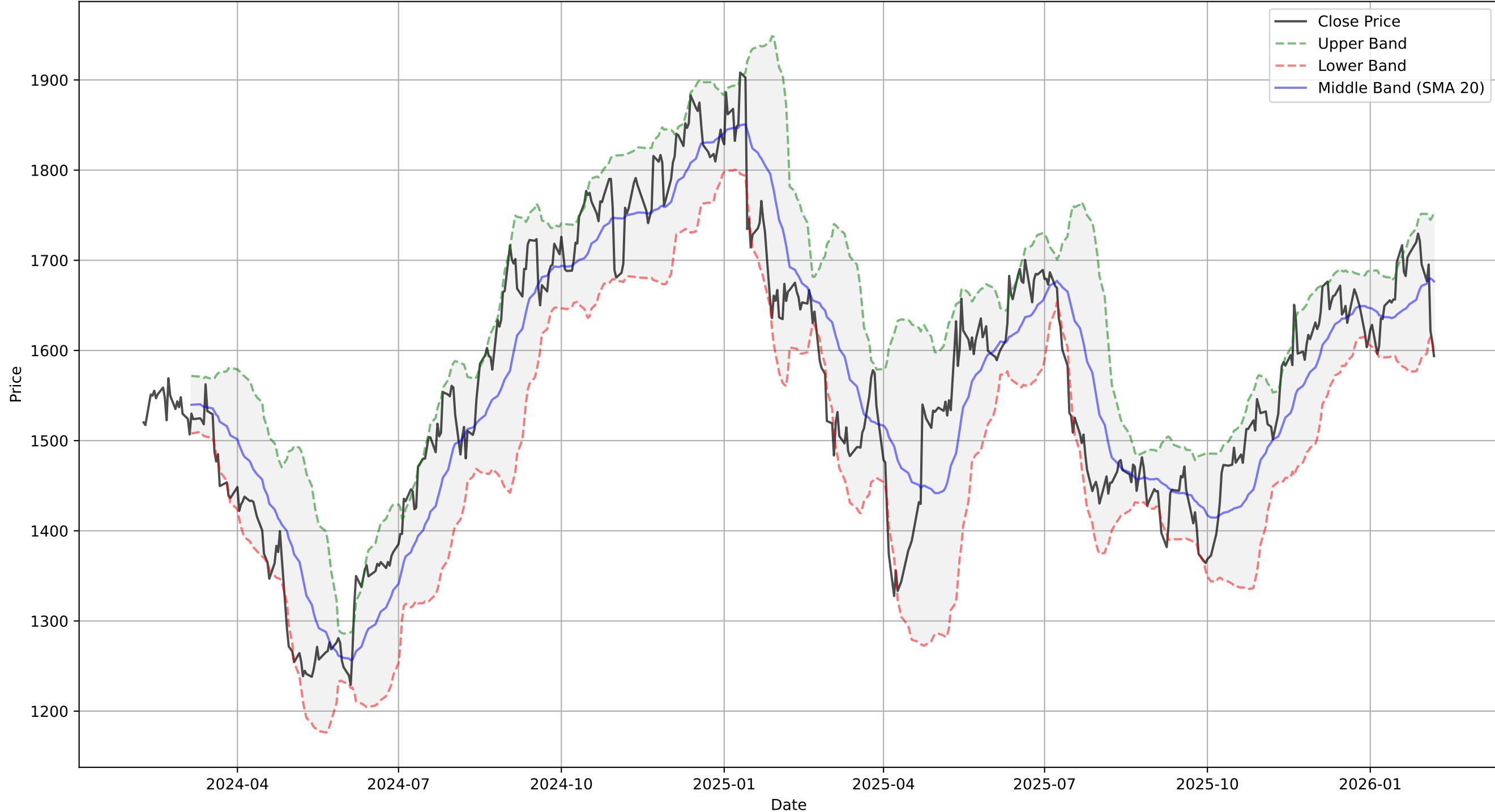
HCLTECH.NS EMA Crossover Analysis



HCLTECH.NS - Bollinger Bands Summary

Current Price:	1593.70
Upper Band:	1753.50
Middle Band (SMA 20):	1676.52
Lower Band:	1599.54
%B:	-0.0379
Band Width:	0.0918
Status:	Below Lower Band
Signal:	None

HCLTECH.NS Bollinger Bands (20, 2) Analysis



HCLTECH.NS - Supertrend Summary

Status: DOWNTREND (Sell)

Supertrend Value: 1724.28

Signal Identified On: 2026-02-04

SuperTrend Analysis for HCLTECH.NS (Period: 14, Multiplier: 3.0, Interval: 1d)



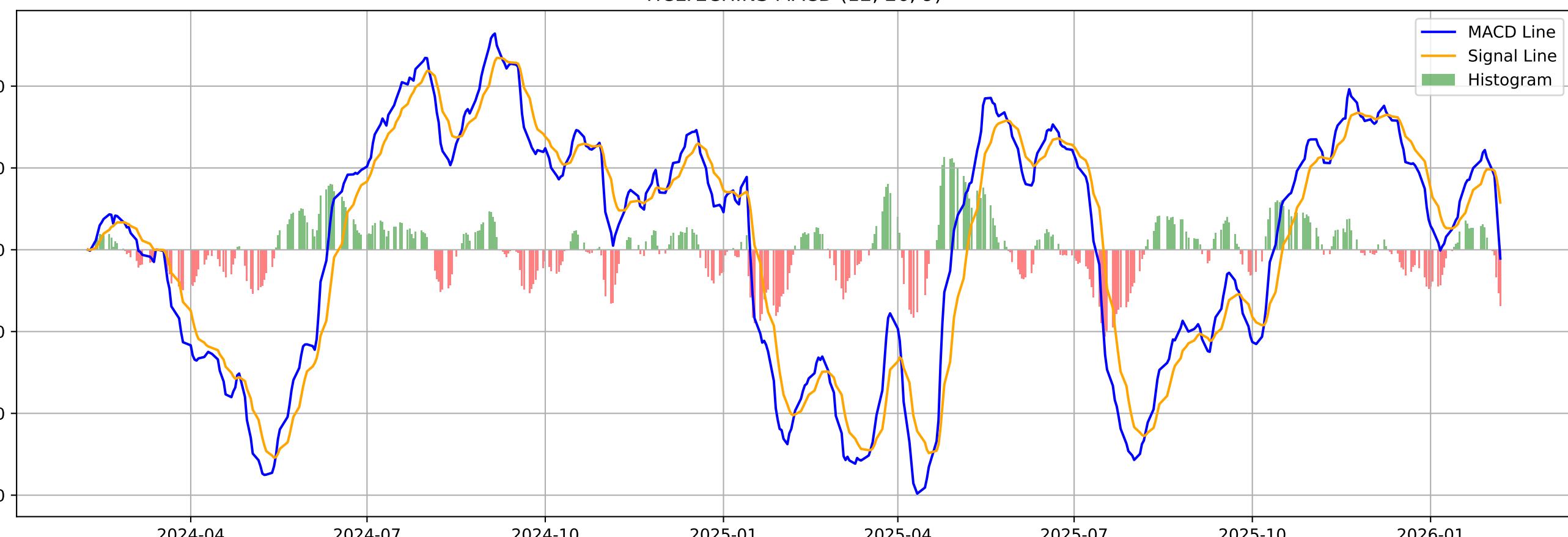
HCLTECH.NS - MACD Summary

MACD Line:	-2.15
Signal Line:	11.55
Histogram:	-13.70
Trend:	Bearish
Momentum:	Strengthening
Signal:	None

HCLTECH.NS Price



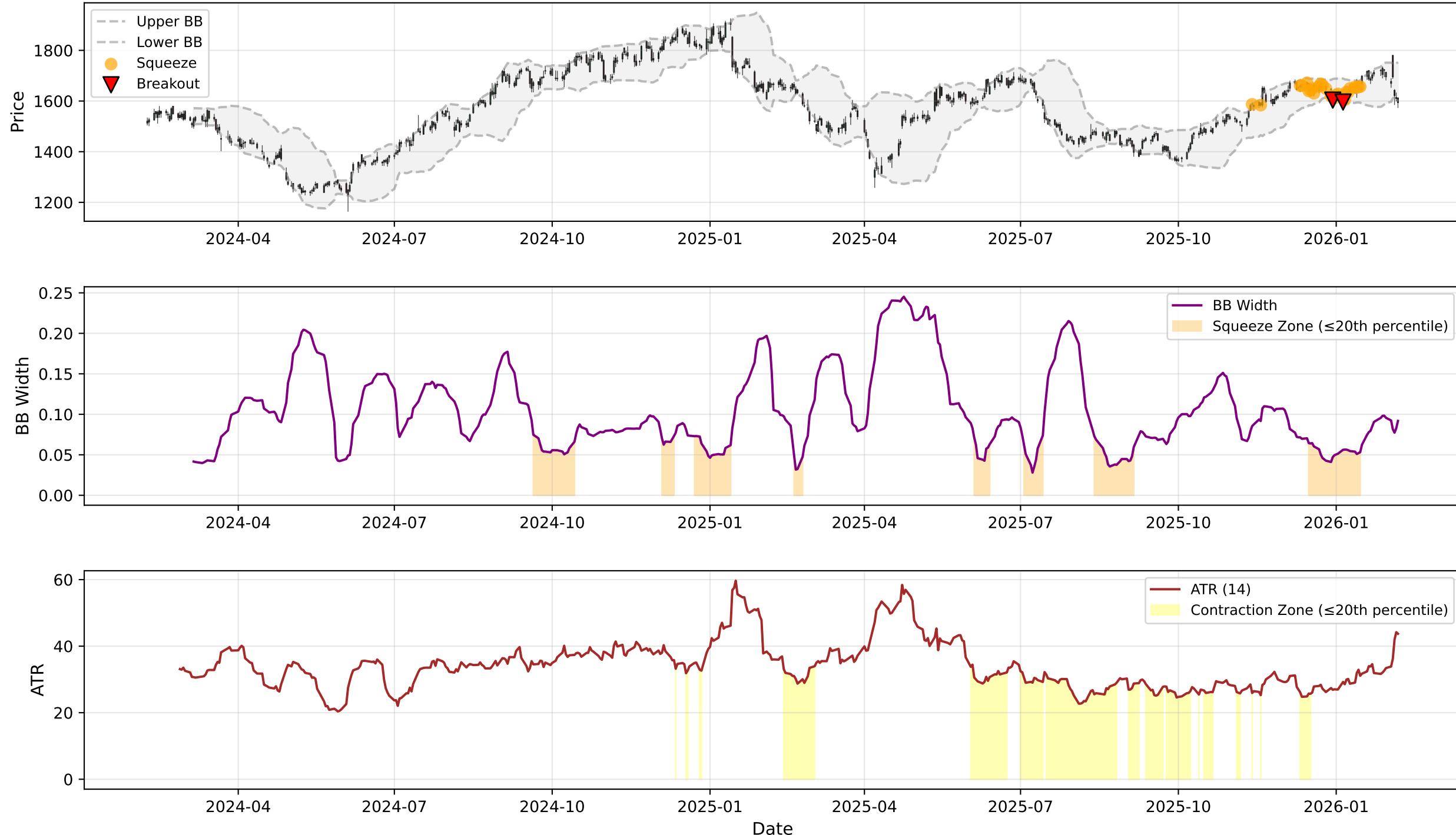
HCLTECH.NS MACD (12, 26, 9)



HCLTECH.NS - Volatility Squeeze Summary

BB Width:	0.0918
ATR:	43.7429
Total Signals:	27
Signal 1:	BB Squeeze at 2026-01-09 00:00:00+05:30 (Price: 1649.45)
Signal 2:	BB Squeeze at 2026-01-12 00:00:00+05:30 (Price: 1655.61)
Signal 3:	BB Squeeze at 2026-01-13 00:00:00+05:30 (Price: 1653.03)
Signal 4:	BB Squeeze at 2026-01-14 00:00:00+05:30 (Price: 1656.50)
Signal 5:	BB Squeeze at 2026-01-15 00:00:00+05:30 (Price: 1656.50)

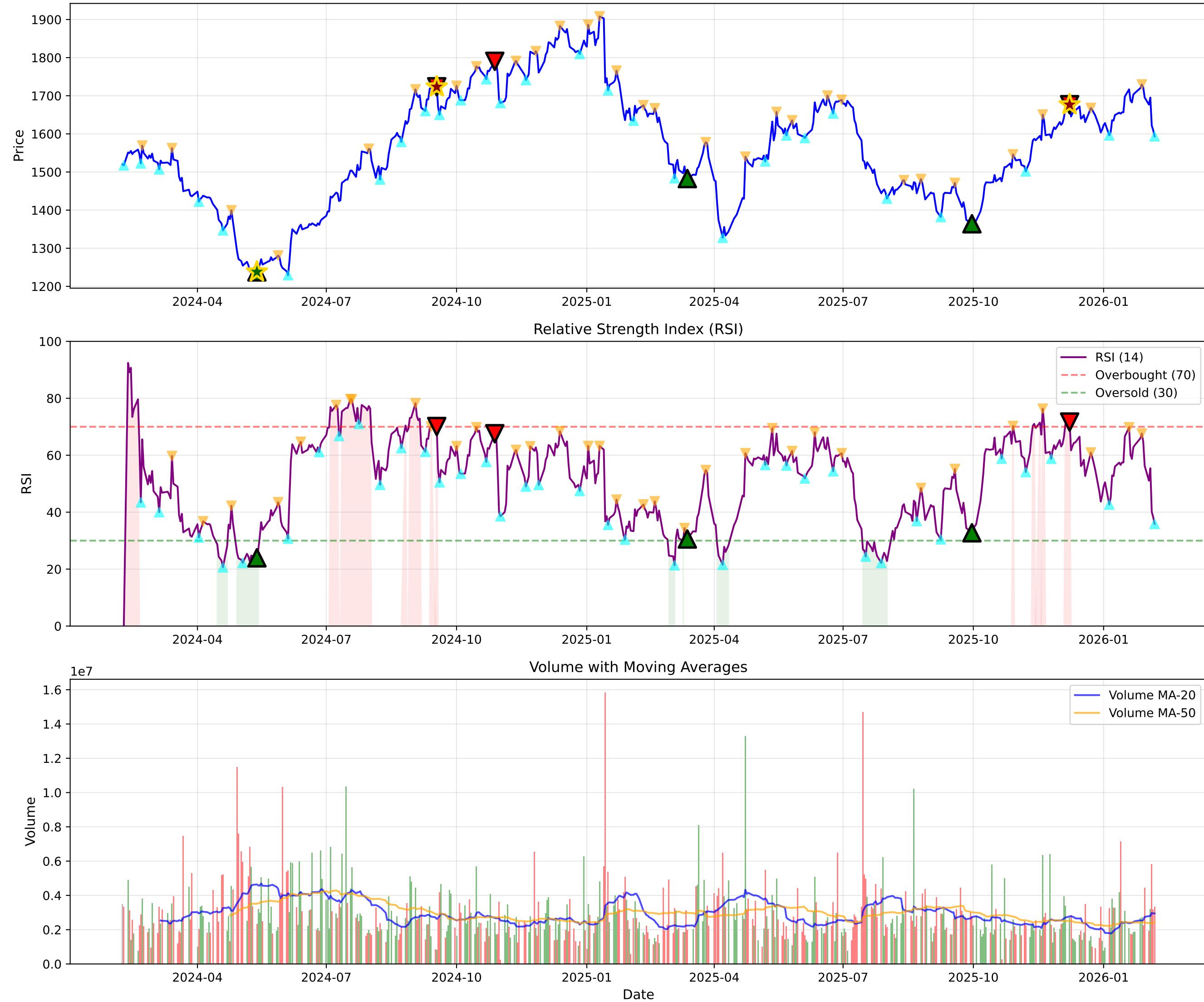
HCLTECH.NS - Volatility Squeeze Analysis



HCLTECH.NS - RSI-Volume Summary

Current RSI:	35.88
Current Volume:	3342992
Volume MA 20:	2950359
Bullish Divergences:	3
Bearish Divergences:	3
Bullish Div 1:	Date: 2025-03-13 00:00:00+05:30, Price: 1482.79
Bullish Div 2:	Date: 2025-09-30 00:00:00+05:30, Price: 1364.25
Bearish Div 1:	Date: 2024-10-28 00:00:00+05:30, Price: 1790.21
Bearish Div 2:	Date: 2025-12-08 00:00:00+05:30, Price: 1676.46

HCLTECH.NS RSI-Volume Divergence Analysis



HCLTECH.NS - Volume Analysis

== VOLUME ANALYSIS ==:

Status: 39 Signals Detected

:

2025-12-30 [-]: Distribution Day

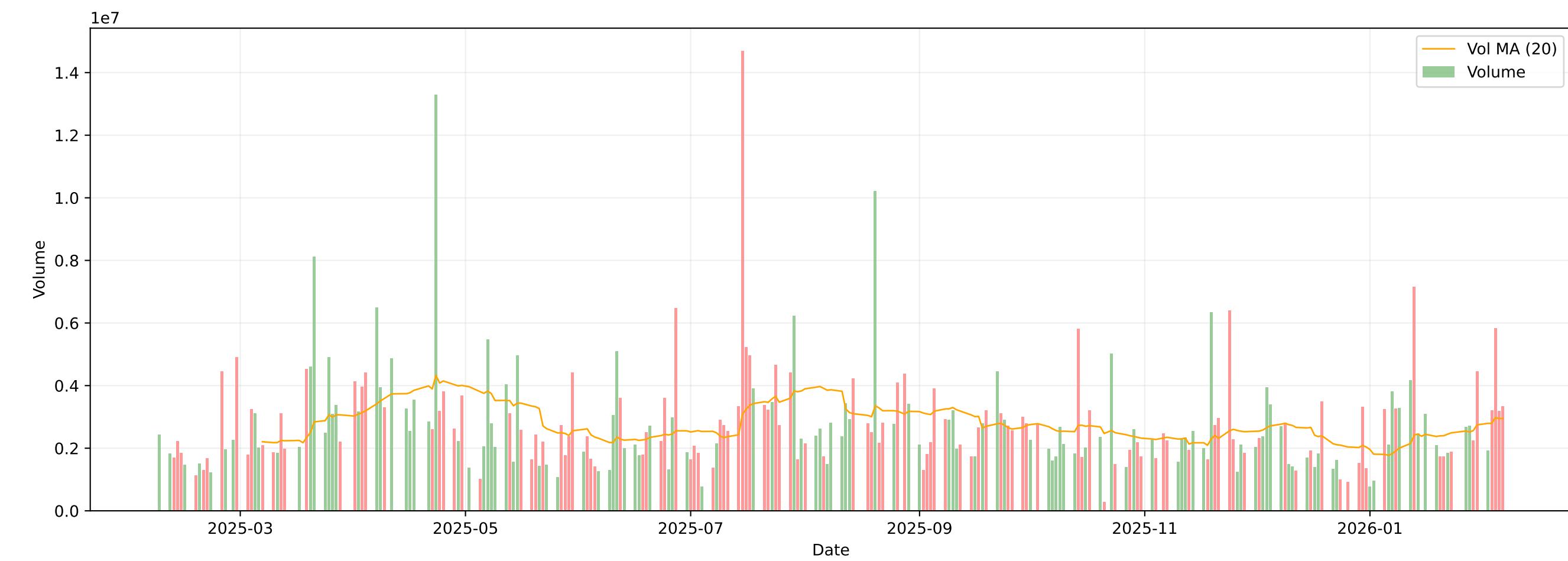
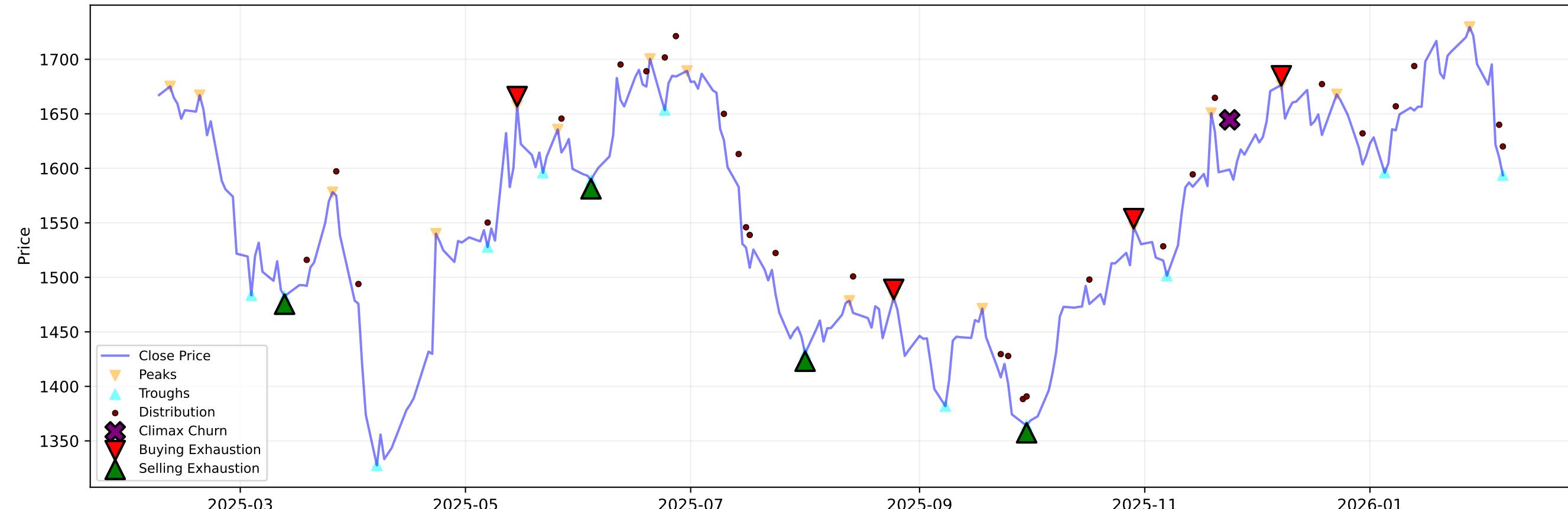
2026-01-08 [-]: Distribution Day

2026-01-13 [-]: Distribution Day

2026-02-05 [-]: Distribution Day

2026-02-06 [-]: Distribution Day

HCLTECH.NS - Volume Analysis



HCLTECH.NS - Candlestick Classification Summary

== CANDLESTICK CLASSIFICATION ==:

Latest Classification: Buyer Control

Recent Trend Score (10-day avg): 0.20

:

Distribution:

No Control: 103

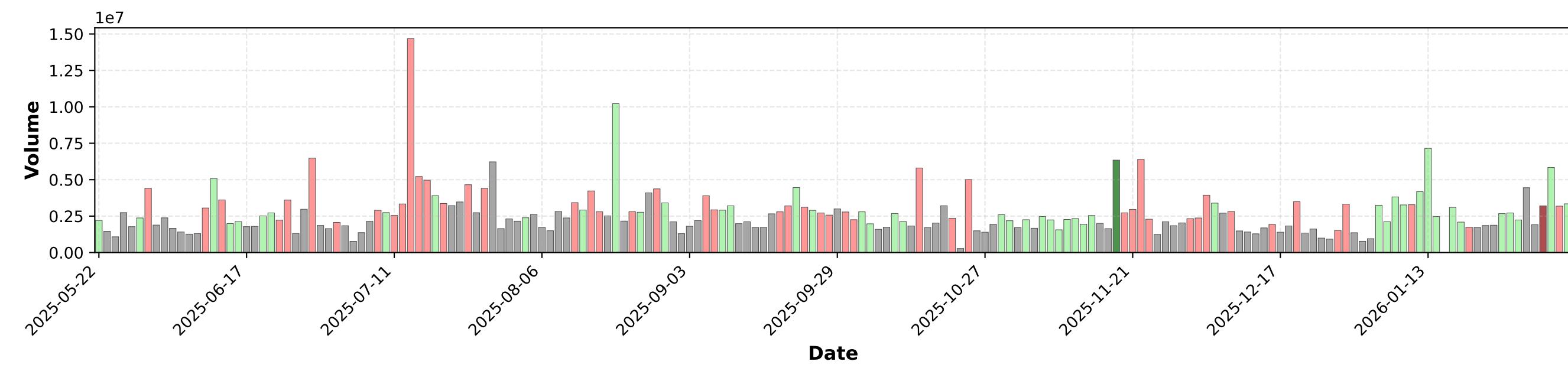
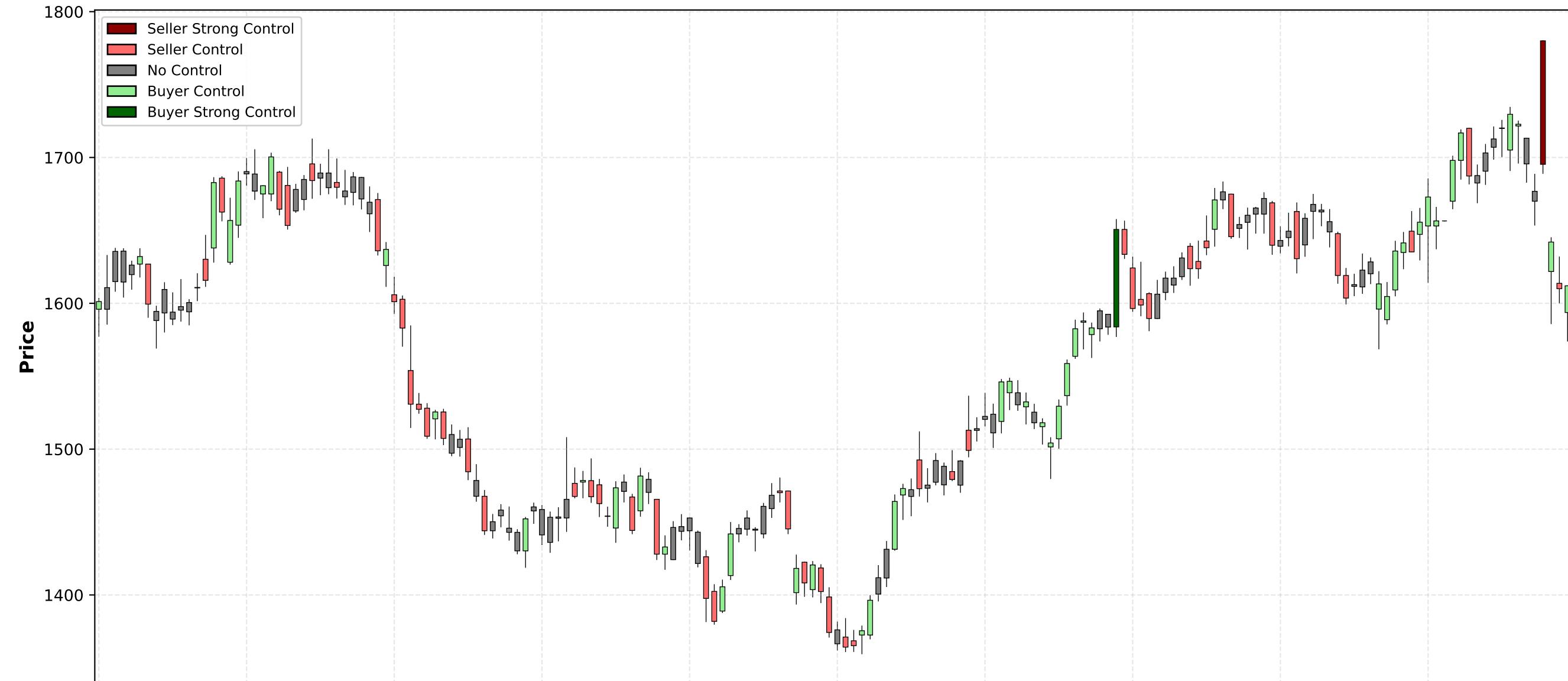
Seller Control: 63

Buyer Control: 59

Buyer Strong Control: 2

Seller Strong Control: 1

HCLTECH.NS - Candlestick Classification



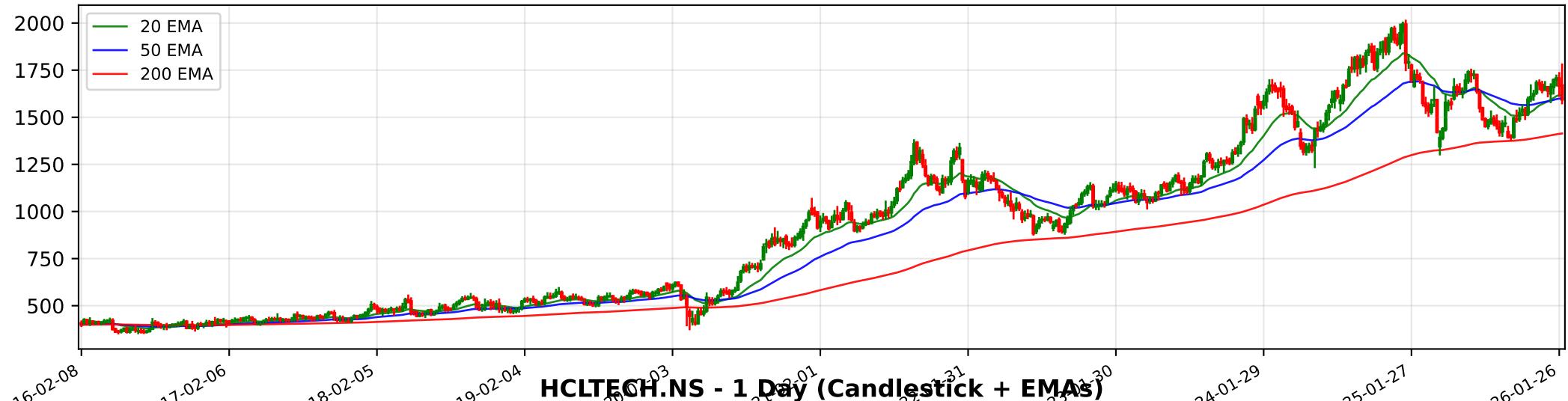
Multi-Timeframe Supertrend Analysis

Timeframe	Status	Value	Last Price	Signal Date
1 Week	UPTREND (Buy)	1575.49	1593.7	2025-10-20
1 Day	DOWNTREND (Sell)	1724.28	1593.7	2026-02-04
15 Min	DOWNTREND (Sell)	1607.23	1590.0	2026-02-03

Multi-Timeframe MACD Analysis

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

HCLTECH.NS - 1 Week (Candlestick + EMAs)



HCLTECH.NS - 1 Day (Candlestick + EMAs)



HCLTECH.NS - 15 Min (Candlestick + EMAs)



Trendlyne Snapshot - HCLTECH_main

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HCL Technologies Ltd. [①](#)

NSE: HCLTECH | BSE: 532281
HCL Technologies Live Share Price Today, Share Analysis and Chart

1593.70 **-16.30 (-1.01%)** ↑ New 52W High in past week

3.6M NSE+BSE Volume
NSE 06 Feb, 2026 3:31 PM (IST)

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Durability score [①](#) **65.0 /100** Valuation Score [①](#) **36.7 /100** Momentum Score [①](#) **49.5 /100** Analyst Price Target [①](#) **1,763** [FORECASTER](#)

High Financial Strength Mid Valuation Technically Neutral

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17 **7**
5 **2** [SWOT Analysis](#)

Check Before You Buy [VIEW FULL CHECKLIST](#)
High rank **14** Positive **9** Negative **60.9% Pass in checklist**

PE Valuation Check
Right Now [①](#) **Fairly Valued** -4.8% [1 Year Forward](#) [①](#) **Fairly Valued** 0.9%
INSIGHT HCL Technologies is fairly valued at both current PE and future earnings estim...

HCL Technologies Key Metrics

ROE Ann. % [①](#) **25** High in industry Broker Average Target [①](#) **1,778** Market Capitalization [①](#) **432,476.8** Price to Book [①](#) **Below Industry Median**
11.56% upside

DVM
Key Metrics
Price Chart
Forecaster
Financials
Technicals
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Documents
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Trendlyne Snapshot - HCLTECH_forecaster

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1593.70 -16.30 (-1.01%) ↑ New 52W High in past week

3.6M NSE+BSE Volume
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HCL Technologies - HCLTECH - stock price prediction, stock forecast, target price, analyst ratings from 44 analysts

HCL Technologies has a share price target of Rs 1763, revenue growth forecast of 10.5%, and profit growth estimate of -1.8% for FY26, based on top 44 analyst calls.

HCL Technologies FORECASTER - Analyst Estimates [②](#)

[FORECASTER DASHBOARD →](#)

