

Gemini Stock Analysis Report

This analysis is conducted from the perspective of a positional equity trader, focusing on the intermediate-term (1-4 month) trend for BHARATFORG.NS.

Step 1: Audit the Data

- **Data Present:**
 - 3-year daily price action and trend structure.
 - Comprehensive technical suite: EMA Crossovers (20/50/200), Bollinger Bands, Supertrend, MACD, and RSI.
 - Specialized Volatility Squeeze analysis and Relative Strength (RS) scoring against the Auto benchmark.
 - Multi-year (4-year) and short-term (6-quarter) fundamental growth metrics.
 - **Data Missing:**
 - Weekly and Monthly price charts (essential for identifying long-term structural resistance/support).
 - Volume Profile or Deliverable Volume data to confirm accumulation zones.
 - **Confidence Level: High.** The report provides a robust "confluence of indicators" approach, blending momentum, volatility, and fundamental trends.
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Step 2: Analyze the Setup

Price Structure & Trend: The stock is in a confirmed **Strong Uptrend**. It is trading above its EMA 20, 50, and 200, with a "Golden Cross" (50/200) established in late October 2025. After a significant correction earlier in the year, the stock has formed a series of higher highs and higher lows.

Momentum & Divergence (The Warning): While the price trend is bullish, the MACD and RSI both show **Bearish Divergence** as of December 23, 2025. The price hit a local peak near INR 1460, but momentum indicators failed to reach new highs. This suggests the current move is losing steam in the immediate term.

The "Squeeze" Catalyst: The most significant technical feature is the **Volatility Squeeze**. The Bollinger Band width is extremely narrow (0.0692), and the stock has been in a persistent squeeze since mid-December. This indicates an explosive move is imminent. Given the EMA alignment, the probability favors an upside breakout, but the bearish divergence requires a "confirm-then-enter" approach.

Fundamentals: Short-term fundamentals (6 Quarters) show consistent QoQ growth in Revenue, Net Income, and EPS. This fundamental tailwind supports the technical recovery seen on the charts.

Step 3: Formulate the Recommendation

Recommendation: NO (Conditional Buy) The stock is currently consolidating within a squeeze. Entering at the current price (INR 1443.80) risks being caught in a "fake-out" or further sideways churn due to the detected bearish divergences. As a risk-averse trader, the entry must be triggered by a confirmed breakout of the current volatility cluster.

Conditional Trading Plan:

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- **Condition to Buy:** A daily close above the recent swing high and Upper Bollinger Band to invalidate the bearish divergence and release the volatility squeeze to the upside.
- **Entry Price:** **INR 1475.00** (Confirmation above the INR 1460-INR 1468 resistance zone).
- **Stop Loss:** **INR 1365.00** (Placed below the EMA 50 and current Supertrend support level; roughly 7.5% risk).
- **Take Profit:** **INR 1620.00** (Targeting the major resistance peak from mid-2024; offers an approximate 10% upside and a 1.3:1 Reward-to-Risk ratio).

Trader's Note: If the price breaks below the EMA 20 (INR 1421) on high volume before hitting the entry trigger, the current setup is invalidated, and the squeeze is likely releasing to the downside.

News & Analyst Targets

As a stock research analyst, I have compiled the following report on **Bharat Forge (BHARATFORG)** based on the latest market data and news for the week of December 22-28, 2025.

1) Latest News for BHARATFORG (Week of Dec 22-28, 2025)

- **New 52-Week Highs:** The stock saw significant momentum this week, hitting consecutive 52-week highs. It touched **INR 1,463.70** on December 22, **INR 1,464** on December 23, and peaked at **INR 1,470** on December 24, 2025.
- **Trading Window Closure:** On December 26, the company officially announced the closure of its trading window for designated persons starting **January 1, 2026**. This is a routine regulatory requirement ahead of the declaration of the unaudited financial results for the quarter ended December 31, 2025 (Q3 FY26).
- **Operational Milestone:** Recent data indicates that the company achieved its highest-ever quarterly net sales of **INR 4,031.93 crore** in the latest reported cycle, supported by a strong performance in the defense and industrial segments.
- **Technical Breakout:** Market analysts noted that the stock is currently trading above all major moving averages (5-day, 20-day, 50-day, 100-day, and 200-day), signaling a strong bullish trend despite broader market volatility.

2) Brokerage Upgrades and Downgrades

- **Motilal Oswal (Downgrade):** In mid-December, Motilal Oswal downgraded the stock to **Neutral** (from Buy) with a target of **INR 1,290**, citing limited valuation headroom and continued weakness in the U.S. Class 8 truck market.
- **MarketsMOJO (Maintain Buy):** As of December 27, 2025, MarketsMOJO reiterated a **"Buy"** rating, highlighting the company's "Good" quality and **"Bullish"** technical indicators.
- **UBS (Maintain Sell):** Earlier in the year, UBS downgraded the stock to **Sell**, and it remains cautious with a target of **INR 1,175-1,215**, primarily due to concerns over high valuations relative to its 10-year average.

3) Other Impacting News (Direct/Indirect)

- **Defense Order Book:** Bharat Forge's transition into a defense powerhouse continues to be the primary growth driver. The defense order book is now estimated at nearly **INR 11,400 crore**, with major execution expected over the next 3-4 years.
- **Export Headwinds:** The commercial vehicle (CV) segment, particularly U.S. and European exports, remains a pain point. Analysts expect a sustained recovery in the U.S. truck market only by the second half of 2026.
- **Tariff Concerns:** There is ongoing market monitoring regarding potential U.S. import tariffs (25% range) on automotive components, which could impact margins by an estimated 200 basis points if implemented.
- **Legal Developments:** On December 16, 2025, the Bombay High Court allowed the Hiremath siblings to include Bharat Forge shares in an intra-family inheritance suit, a development closely watched for

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promoter-level holding shifts.

4) Latest Analyst Targets and Ratings

The following table summarizes the most recent targets from the brokerage community as of late 2025:

Brokerage / Analyst	Date	Rating	Target Price (INR)
ICICI Direct	Nov 25, 2025	Hold	1,575
Geojit BNP Paribas	Nov 26, 2025	Hold	1,572
Motilal Oswal	Dec 10, 2025	Neutral	1,290
J.P. Morgan	Nov 11, 2025	Hold	1,255
UBS	July 11, 2025	Sell	1,175 - 1,215
Nomura	Aug 08, 2025	Neutral	1,185
Morgan Stanley	Aug 07, 2025	Hold	1,050 - 1,170
Citi	Sept 18, 2025	Sell	950

Summary Sentiment: While the technical momentum is currently at a peak (hitting INR 1,470 this week), fundamental brokerages remain cautious on valuations, with most price targets suggesting a potential correction or consolidation toward the INR 1,200-INR 1,300 range in the near term.

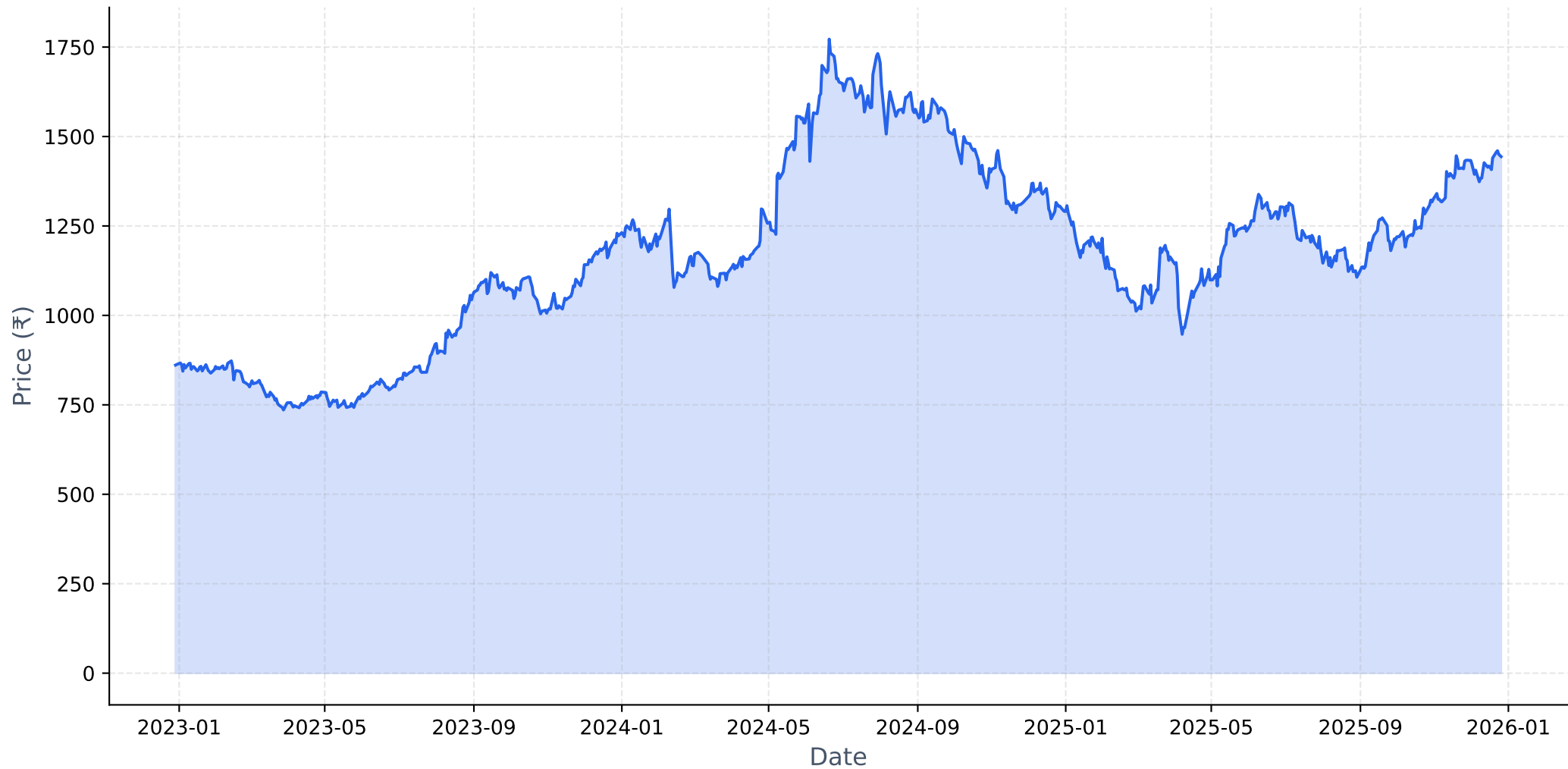
Stock Detailed Analysis Report

BHARATFORG.NS

Current Price: ₹1443.80

Generated: 2025-12-28 10:32

BHARATFORG.NS - 3 Year Daily Price Chart



Long-term Fundamental Analysis (4 Years)

Metric	Is Growing?	Accelerating?	1Y Growth	3Y CAGR
Revenue	Yes	No	-3.41%	13.65%
Net Income	No	Yes	-1.05%	-4.54%
ROE	No	No	-23.33%	-14.83%
EPS	No	Yes	-1.86%	-4.79%

Short-term Fundamental Analysis (6 Quarters)

Metric	Is Growing?	Recent QoQ	Avg QoQ
Revenue	Yes	3.15%	2.77%
Net Income	Yes	5.47%	6.49%
ROE	No	4.89%	-2.04%
EPS	Yes	5.56%	4.11%

BHARATFORG.NS - Relative Strength Analysis

== OVERVIEW ==:

Benchmark Index:	^CNXAUTO
Sector:	Auto
Classification:	Weakening Leader
RS Score:	51.6/100
:	

== RS RATIOS ==:

1M RS:	1.007 [Leader]
3M RS:	1.164 [Leader]
6M RS:	0.964 [Neutral]
1Y RS:	0.931 [Neutral]
:	

== TURNAROUND ANALYSIS ==:

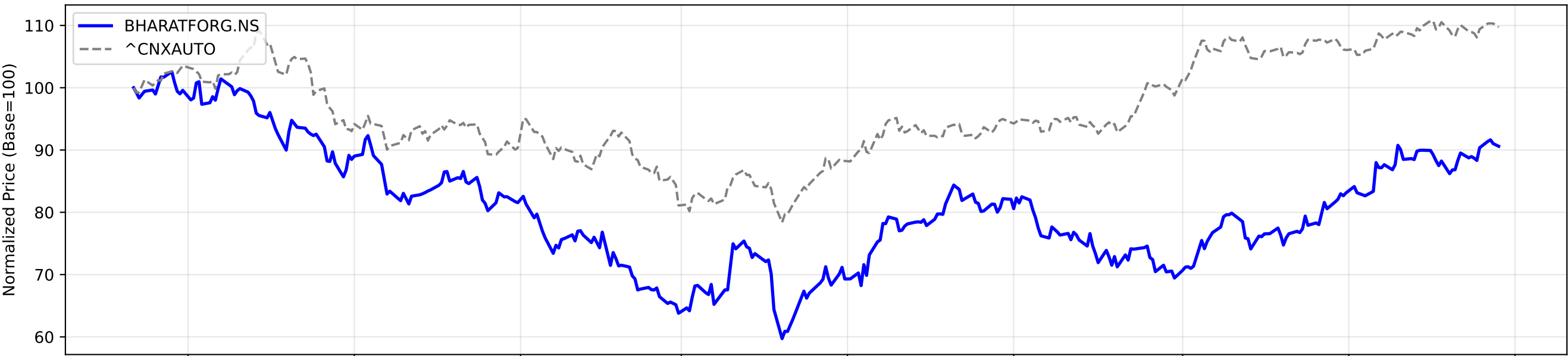
Turnaround Status:	Not Detected
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SIGNAL CRITERIA::

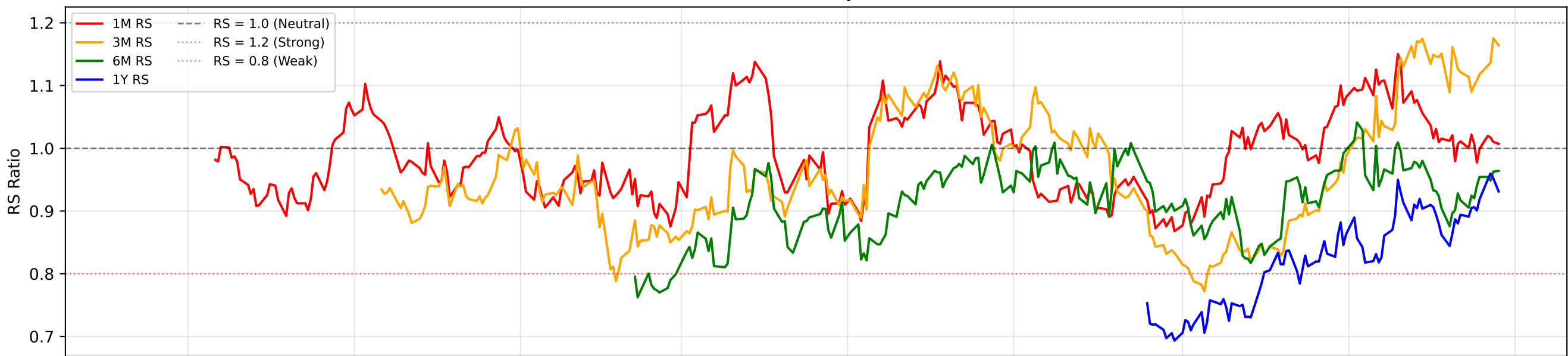
✗ Emerging RS:	Not accelerating
✓ Medium-term Lagging:	6M=0.964, 1Y=0.931 (≤ 1.0)
✓ Performance Improving:	3M (+19.6%) > 6M (+12.2%)

Relative Strength Analysis: BHARATFORG.NS vs ^CNXAUTO
Classification: Weakening Leader

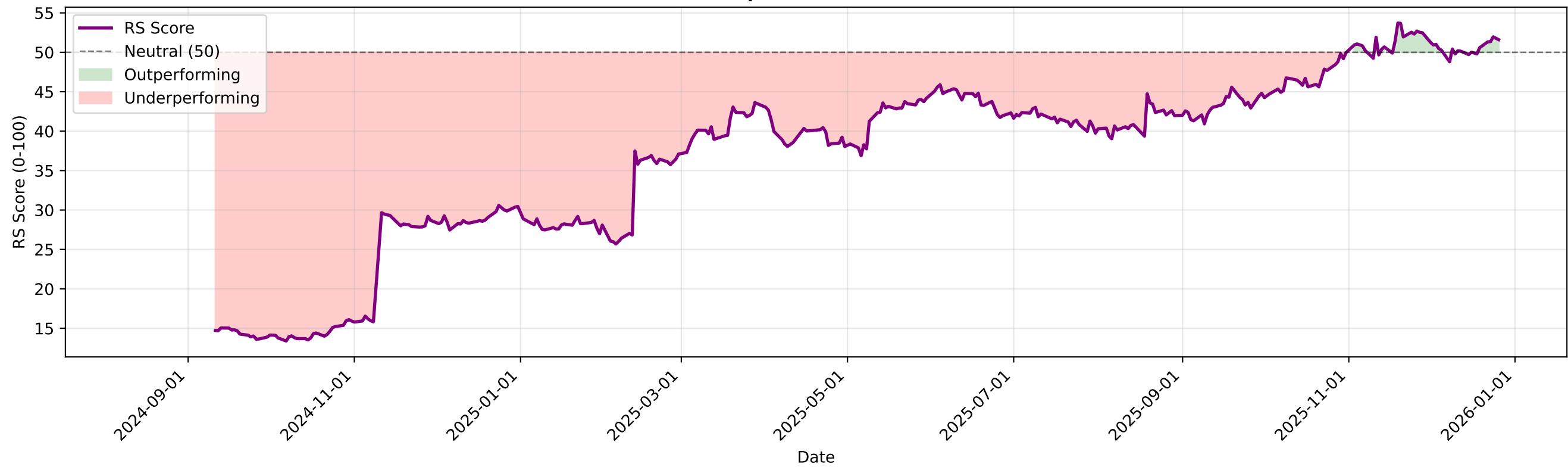
Price Performance Comparison (Normalized)



RS Ratio Trends (Multiple Timeframes)



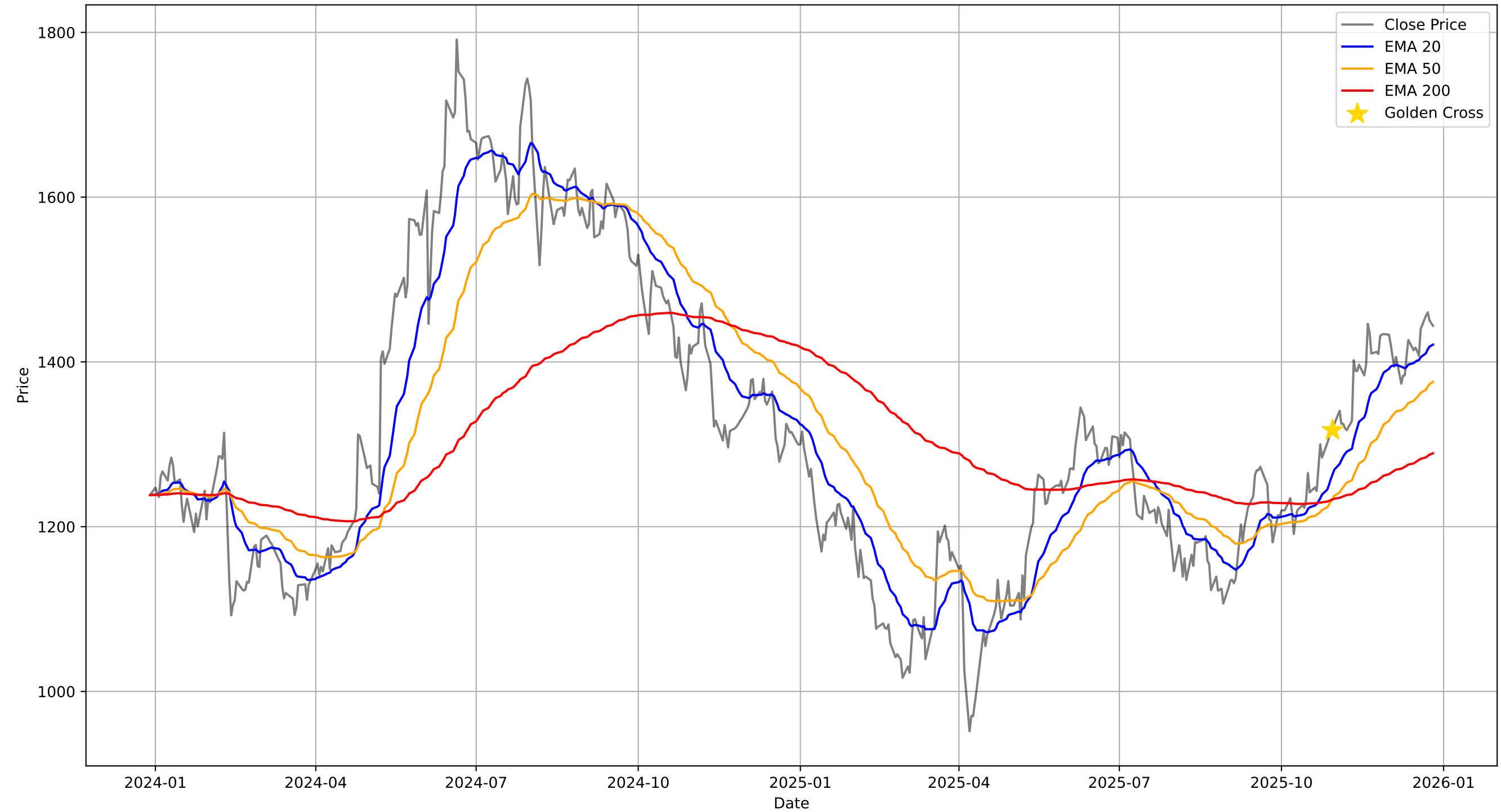
RS Composite Score Timeline



BHARATFORG.NS - EMA Crossover Summary

EMA 20:	1421.01
EMA 50:	1375.85
EMA 200:	1289.06
Trend Status:	Strong Uptrend
Golden Cross Date:	2025-10-30 00:00:00
Golden Cross Price:	1317.20

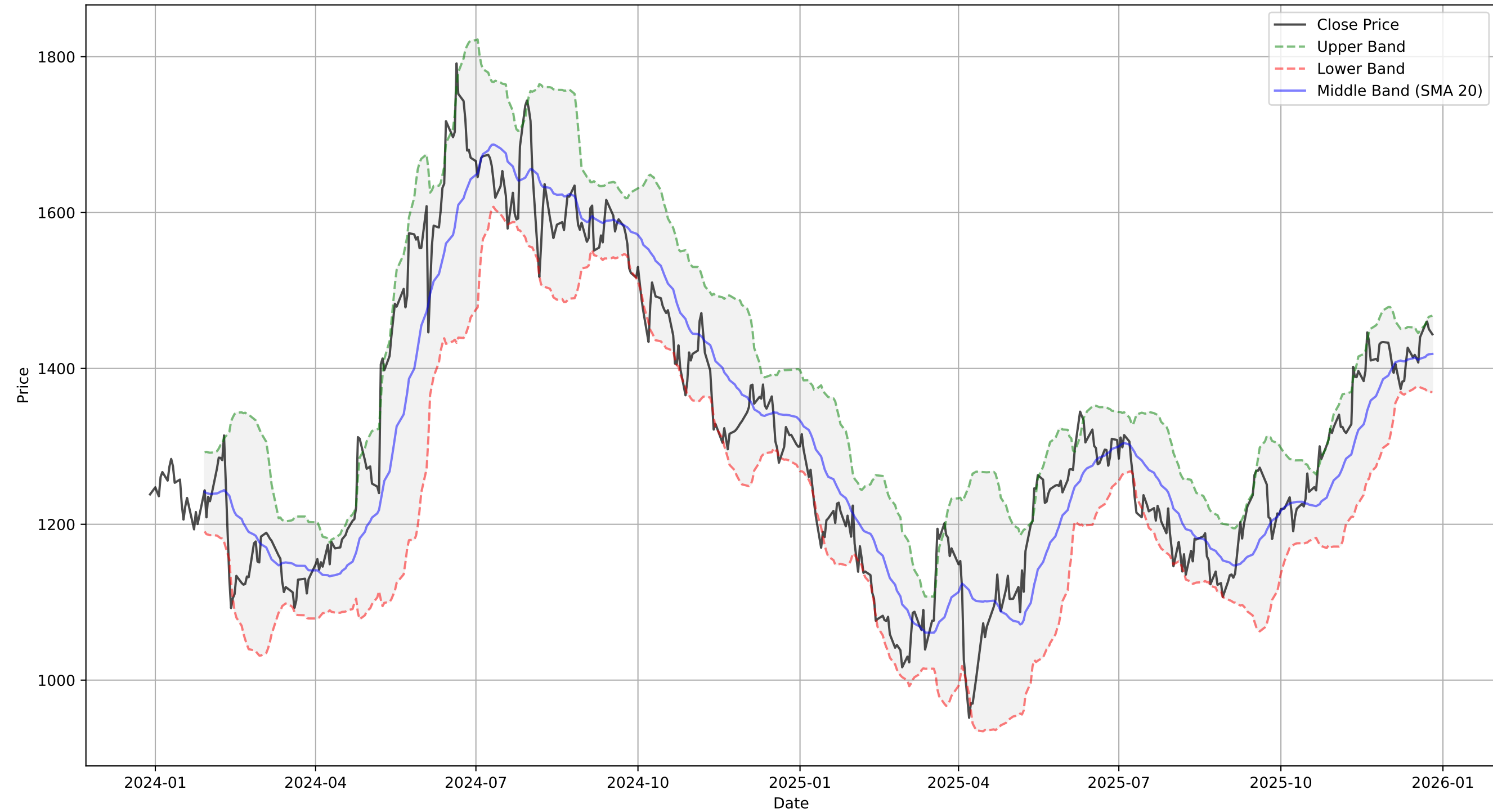
BHARATFORG.NS EMA Crossover Analysis



BHARATFORG.NS - Bollinger Bands Summary

Current Price:	1443.80
Upper Band:	1467.70
Middle Band (SMA 20):	1418.64
Lower Band:	1369.58
%B:	0.7564
Band Width:	0.0692
Status:	Upper Half
Signal:	None

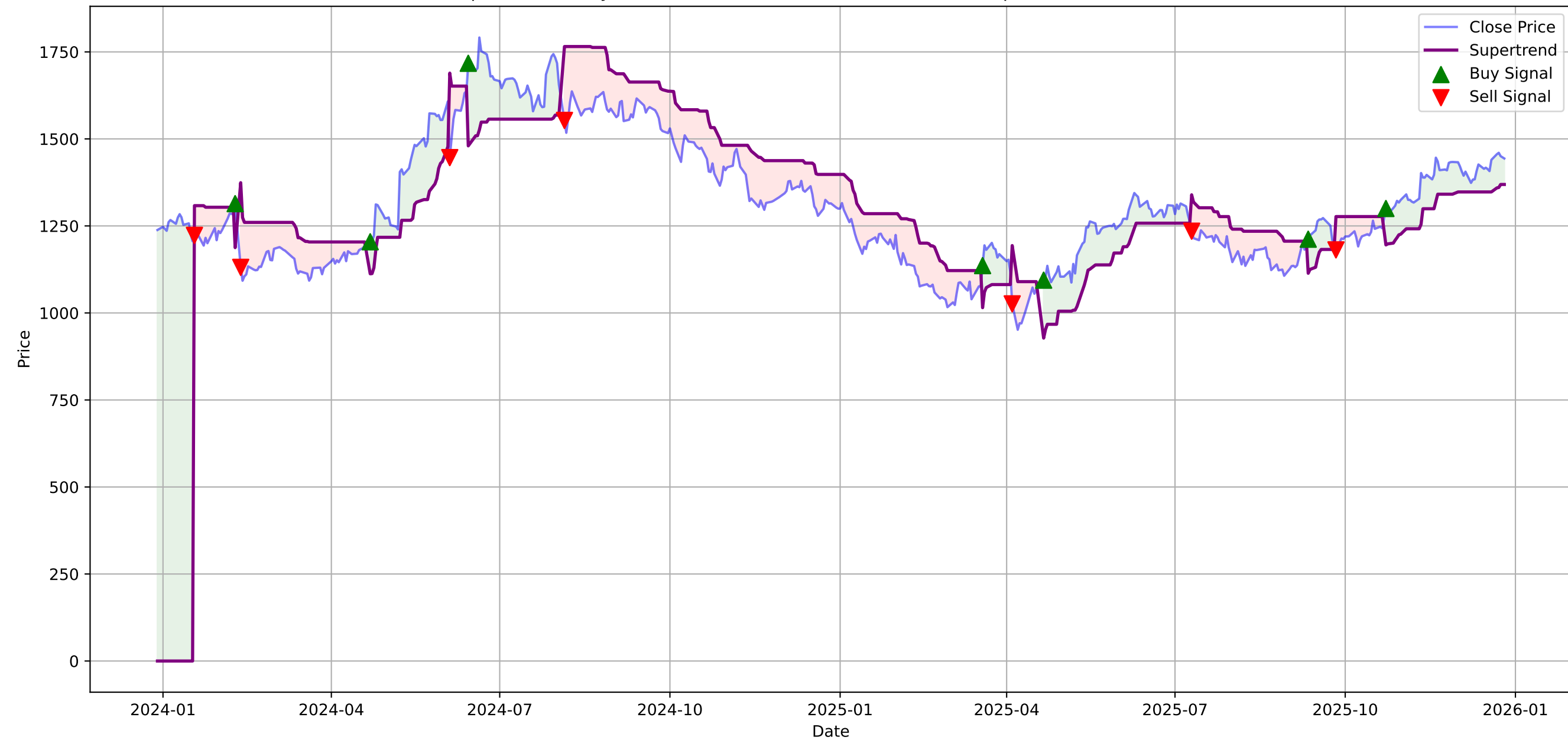
BHARATFORG.NS Bollinger Bands (20, 2) Analysis



BHARATFORG.NS - Supertrend Summary

Status:	UPTREND (Buy)
Supertrend Value:	1369.12
Signal Identified On:	2025-10-23

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



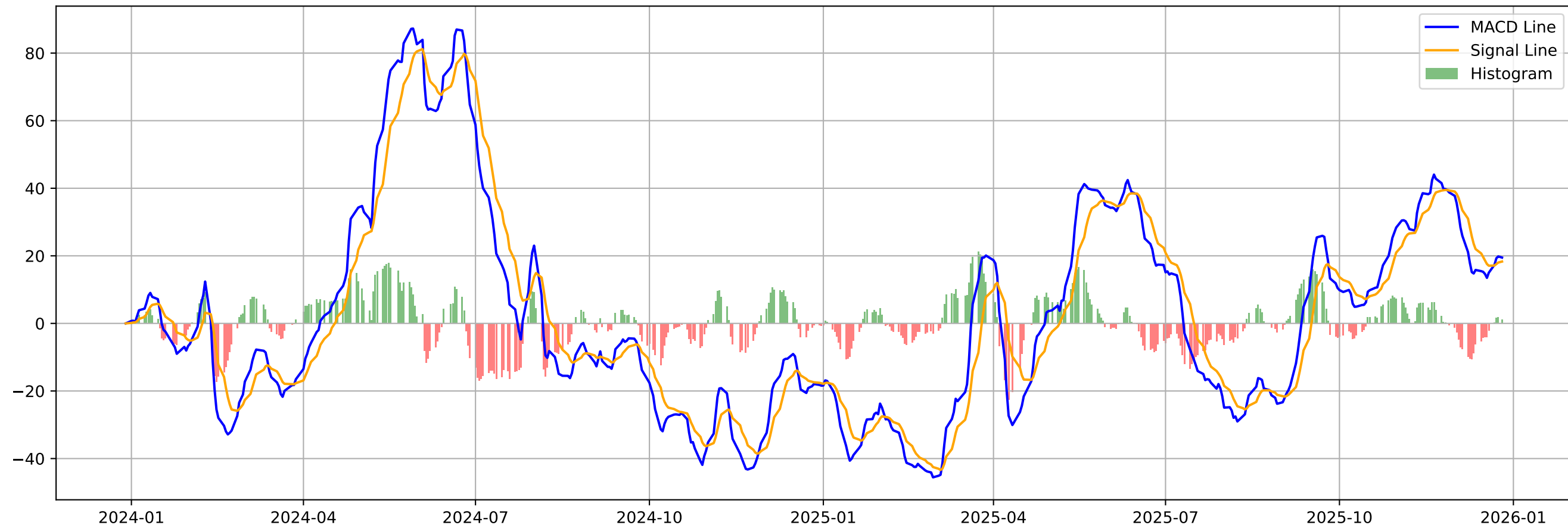
BHARATFORG.NS - MACD Summary

MACD Line:	19.49
Signal Line:	18.31
Histogram:	1.18
Trend:	Bullish
Momentum:	Weakening
Signal:	None
Divergences Detected:	1
└ Bearish Divergence:	Date: 2025-12-23 00:00:00, Price: 1460.20

BHARATFORG.NS Price



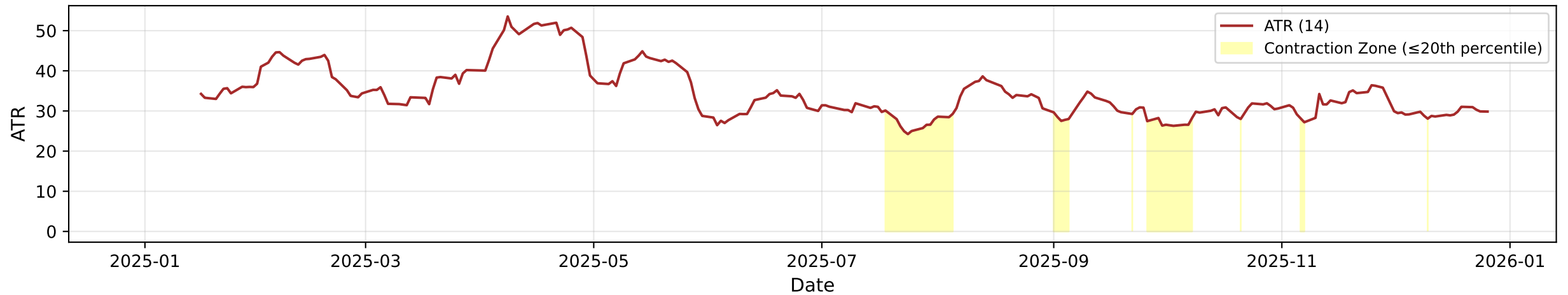
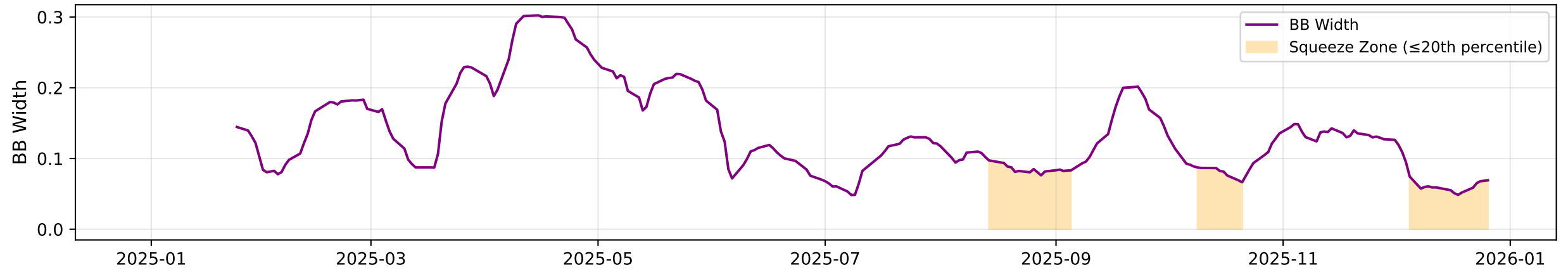
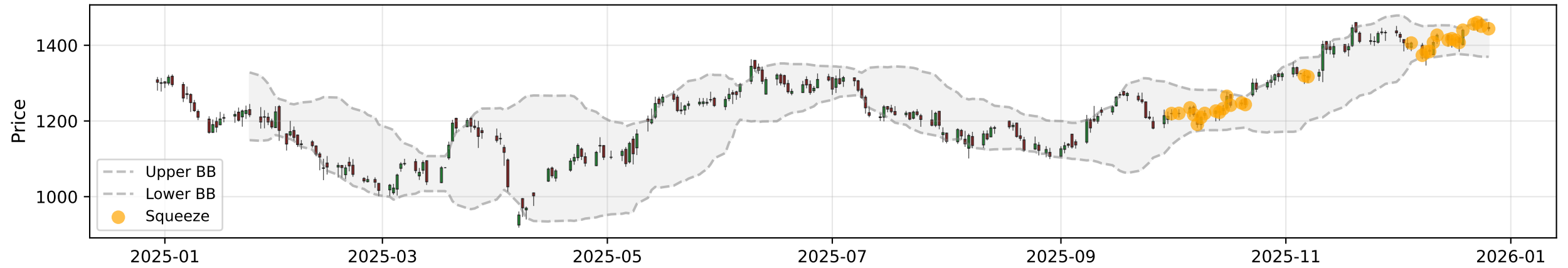
BHARATFORG.NS MACD (12, 26, 9)



BHARATFORG.NS - Volatility Squeeze Summary

BB Width:	0.0692
ATR:	29.8500
Total Signals:	31
Signal 1:	BB Squeeze at 2025-12-19 00:00:00 (Price: 1439.90)
Signal 2:	BB Squeeze at 2025-12-22 00:00:00 (Price: 1456.20)
Signal 3:	BB Squeeze at 2025-12-23 00:00:00 (Price: 1460.20)
Signal 4:	BB Squeeze at 2025-12-24 00:00:00 (Price: 1450.50)
Signal 5:	BB Squeeze at 2025-12-26 00:00:00 (Price: 1443.80)

BHARATFORG.NS - Volatility Squeeze Analysis



BHARATFORG.NS - RSI-Volume Summary

Current RSI:	60.29
Current Volume:	544143
Volume MA 20:	683830
Bullish Divergences:	2
Bearish Divergences:	2
Bullish Div 1:	Date: 2024-11-21 00:00:00, Price: 1296.20
Bullish Div 2:	Date: 2025-08-08 00:00:00, Price: 1135.20
Bearish Div 1:	Date: 2024-06-03 00:00:00, Price: 1608.25
Bearish Div 2:	Date: 2025-12-23 00:00:00, Price: 1460.20

BHARATFORG.NS RSI-Volume Divergence Analysis

