

# Gemini Stock Analysis Report

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Based on the provided technical and fundamental report for **HEROMOTOCO.NS**, here is my analysis from the perspective of a positional equity trader.

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## Step 1: Audit the Data

- **Data Present:**
    - Multi-year daily price charts (1-year and 3-year views).
    - Moving Averages (EMA 20, 50, 200).
    - Momentum Indicators (RSI, MACD).
    - Trend Indicators (Supertrend, Bollinger Bands).
    - Relative Strength (RS) analysis vs. **^CNXAUTO**.
    - Volatility Squeeze analysis.
    - High-level fundamental metrics (4-year and 6-quarter).
  - **Data Missing:**
    - Weekly/Monthly charts (essential for confirming primary positional trends).
    - Sector-wide context (how the broader Auto index is performing relative to the Nifty 50).
    - Specific volume profile/delivery data.
  - **Confidence Level: High.**
    - The report provides a comprehensive suite of technical indicators that show a high degree of convergence. The data quality is sufficient to make an informed risk-managed decision.
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## Step 2: Analyze the Setup

**Price Structure & Trend:** While the long-term trend remains positive (Price > EMA 200; Golden Cross intact), the intermediate-term structure has significantly deteriorated. The stock recently peaked near INR 6,400 and has undergone a sharp correction. It has broken below both the EMA 20 (INR 5,859) and EMA 50 (INR 5,765), which now act as overhead resistance.

**Momentum & Indicators:** \* **Bearish Convergence:** The Supertrend flipped to a "Sell" signal on Dec 9. The MACD is in a bearish regime with a widening negative histogram. \* **Relative Strength:** The classification has shifted to "Weakening Leader." While it outperformed over a 1-year horizon, the 1-month RS ratio (0.917) shows it is now lagging the Auto sector. \* **Volatility:** A "**Bearish** Breakout" from a volatility squeeze occurred in early November, and the price is currently hugging the lower half of the Bollinger Bands.

**Fundamentals:** Long-term growth is solid, but the "Short-term Fundamental" section reveals a -23.25% QoQ drop in Net Income and EPS. This fundamental deceleration likely explains the current technical breakdown.

**Confluence:** We have a "Falling Knife" scenario where price is seeking a floor. There is no evidence of price stabilization or a "base" being formed at current levels.

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## Step 3: Formulate the Recommendation

**Should you enter this stock now? NO.**

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**Reasoning:** Entering now would be "bottom fishing" against a strong bearish momentum. As a positional trader, we want to buy into strength or "turnaround" confirmation. Currently, the stock is below its primary short-term trendlines (EMA 20/50) and has a confirmed "Sell" signal on the Supertrend. The risk of further mean reversion toward the EMA 200 (approx. INR 5,121) is high.

**Conditional Plan (Waiting for a Trend Reversal):** If the stock stabilizes and begins to show signs of a trend shift, I would look for the following setup:

- **Condition to Buy:** A daily close above the EMA 50 and a flip of the Supertrend back to "Buy." We also need to see the RSI move back above 50 and the MACD histogram begin to contract (bullish convergence).
- **Entry Price:** INR 6,060 (Confirmation of reclaiming the Supertrend and EMA 20 level).
- **Stop Loss:** INR 5,520 (Below the recent swing low and Lower Bollinger Band).
- **Take Profit:** INR 6,800 (Re-testing the prior high with a standard 10% breakout extension).

**Final Note:** Patience is required here. Wait for the "Weakening Leader" to transition back into an "Improving" or "Leading" status before committing capital.

## News & Analyst Targets

As a stock research analyst, I have synthesized the latest developments for **Hero MotoCorp (HEROMOTOCO)** for the final week of December 2024. The stock has faced a volatile month, primarily driven by concerns over domestic market share and the sustainability of the recent demand boost.

### 1) Latest News for HEROMOTOCO (Week of Dec 22-28, 2024)

- **December Sales Slump:** Early data and channel checks for December 2024 indicate a sharp decline in total sales, down approximately **17.5% YoY** (324,906 units vs. 393,952 units). Domestic sales were particularly weak, plunging over **22%**, while exports provided a silver lining with a **91% jump**.
- **Market Share Concerns:** Reports highlight that Hero's domestic two-wheeler market share hit a "25-year low" in early December, dipping as low as **21% month-to-date** (according to analyst data) before recovering slightly.
- **Harley-Davidson Expansion:** Hero MotoCorp and Harley-Davidson announced an expansion of their collaboration. This includes the development of an all-new platform and additional trims for the X440 to capture more of the premium "mid-weight" motorcycle segment.
- **VIDA EV Milestone:** The company closed the calendar year 2024 with over **46,662 units** sold of its VIDA V1 electric scooters, indicating steady progress in the EV transition.

### 2) Brokerage Upgrades and Downgrades

- **Jefferies (Downgrade):** On December 18, 2024, Jefferies downgraded the stock from **"Hold" to "Underperform."** They slashed the target price to **INR 4,950** (previously INR 5,550), warning that the "GST-driven demand boost" has faded faster than expected and expressing concern over persistent market share erosion.
- **Motilal Oswal (Reiteration/Maintain):** In contrast, on December 24, 2024, Motilal Oswal reiterated a **"Buy"** rating. They remain bullish on the recovery of rural demand and the potential of the new 125cc launches (Xtreme 125R), maintaining a much higher target of **INR 6,782**.
- **MarketsMOJO (Maintain):** Currently maintains a **"Hold"** rating, citing strong financials (low debt) but poor long-term operating profit growth.

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## 3) Indirect and Direct Impacting News

- **Rural Liquidity Constraints:** FADA (Federation of Automobile Dealers Associations) reported that tight rural liquidity and delayed payments for harvests have impacted two-wheeler retail sales in the final weeks of December.
- **GST Policy Sentiment:** The industry is closely monitoring the "GST 2.0" sentiment. Initial registrations spiked following the September GST announcements, but that momentum has reportedly flattened in late Q4 2024.
- **Bharat Mobility Expo 2025:** Management confirmed plans to showcase an expanded premium and EV portfolio at the Bharat Mobility Expo in early 2025, which is viewed as a key future catalyst for the brand's "premiumization" strategy.
- **Tax Demand:** Earlier this month, the company received a minor tax demand of **INR 11 million** plus penalties. While the amount is immaterial to financials, it added to the month's regulatory noise.

## 4) Latest Analyst Targets & Ratings (Dec 2024)

Brokerage / Analyst	Date	Rating	Target Price (INR)	Upside/Downside
Motilal Oswal	Dec 24, 2024	Buy	INR 6,782	+18%
Jefferies	Dec 18, 2024	Underperform	INR 4,950	-15%
Sharekhan	Dec 10, 2024	Buy	INR 6,057	+7%
Geojit BNP Paribas	Dec 06, 2024	Buy	INR 5,269	Neutral
Nuvama Institutional	Aug 15, 2024*	Buy	INR 6,200	+9%
Emkay Global	Sep 26, 2024*	Buy	INR 7,000	+22%

*\*Included for context on longer-term "Buy" consensus vs. recent tactical downgrades.*

**Analyst View:** The community is currently divided. **Bullish** analysts (Motilal Oswal, Sharekhan) are looking past the December sales dip, focusing on a long-term rural recovery and premium product success. **Bearish** analysts (Jefferies) are focused on the immediate loss of market share to competitors like Honda and TVS, and a perceived "expensive" valuation at 20x FY27E P/E.

# Stock Detailed Analysis Report

## **HEROMOTOCO.NS**

Current Price: ₹5637.00

Generated: 2025-12-28 10:32

# HEROMOTOCO.NS - 3 Year Daily Price Chart



## Long-term Fundamental Analysis (4 Years)

Metric	Is Growing?	Accelerating?	1Y Growth	3Y CAGR
Revenue	Yes	No	8.28%	12.00%
Net Income	Yes	No	16.92%	23.63%
ROE	Yes	No	7.38%	15.83%
EPS	Yes	No	16.87%	23.60%

## Short-term Fundamental Analysis (6 Quarters)

Metric	Is Growing?	Recent QoQ	Avg QoQ
Revenue	Yes	25.60%	4.57%
Net Income	Yes	-23.25%	8.14%
ROE	Yes	3.41%	5.55%
EPS	No	-23.28%	-5.83%

# HEROMOTOCO.NS - Relative Strength Analysis

## == OVERVIEW ==:

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

## == RS RATIOS ==:

1M RS:	<b>0.917 [Neutral]</b>
3M RS:	<b>1.025 [Leader]</b>
6M RS:	<b>1.132 [Leader]</b>
1Y RS:	<b>1.105 [Leader]</b>
:	

## == TURNAROUND ANALYSIS ==:

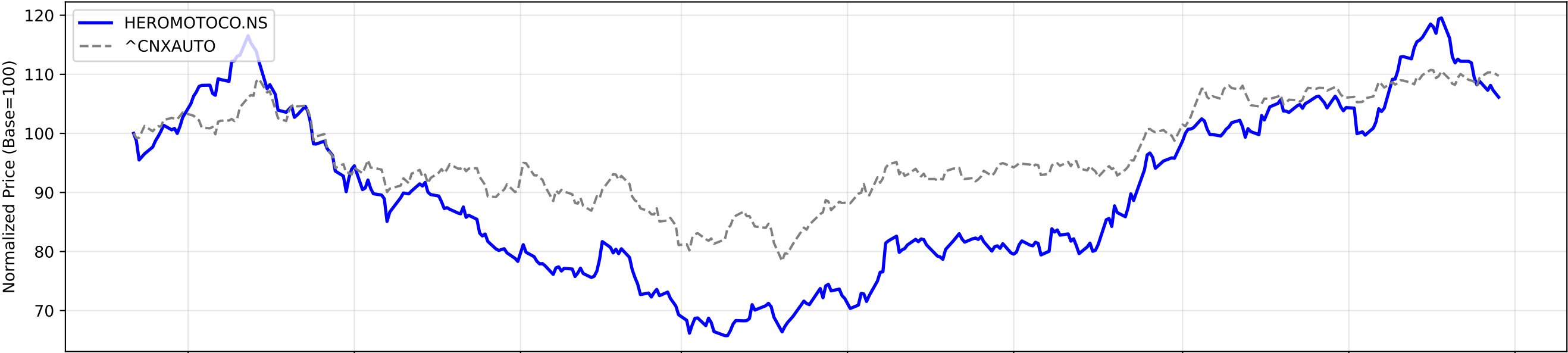
Turnaround Status:	<b>Not Detected</b>
:	

## SIGNAL CRITERIA::

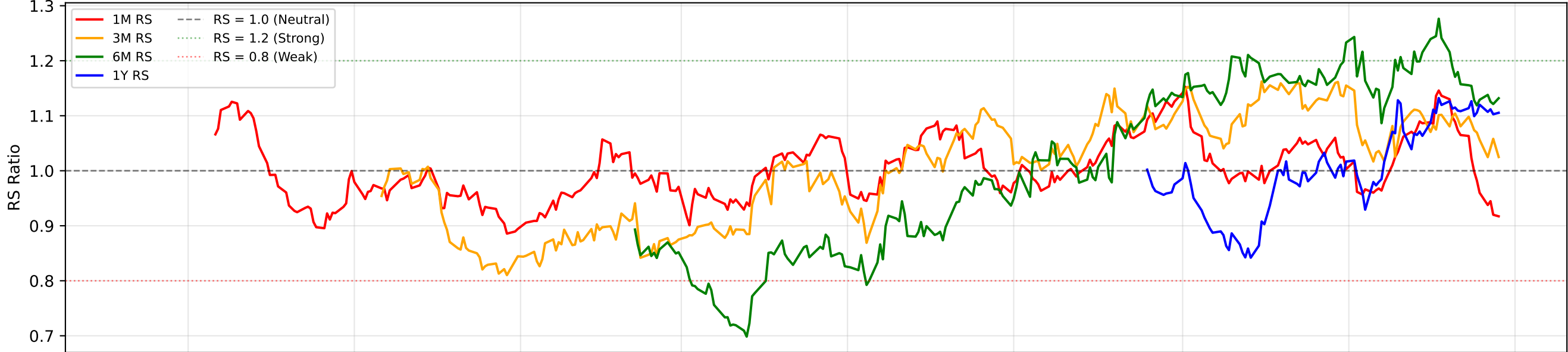
× Emerging RS:	<b>Not accelerating</b>
× Medium-term Lagging:	<b>Not lagging</b>
× Performance Improving:	<b>Not improving</b>

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

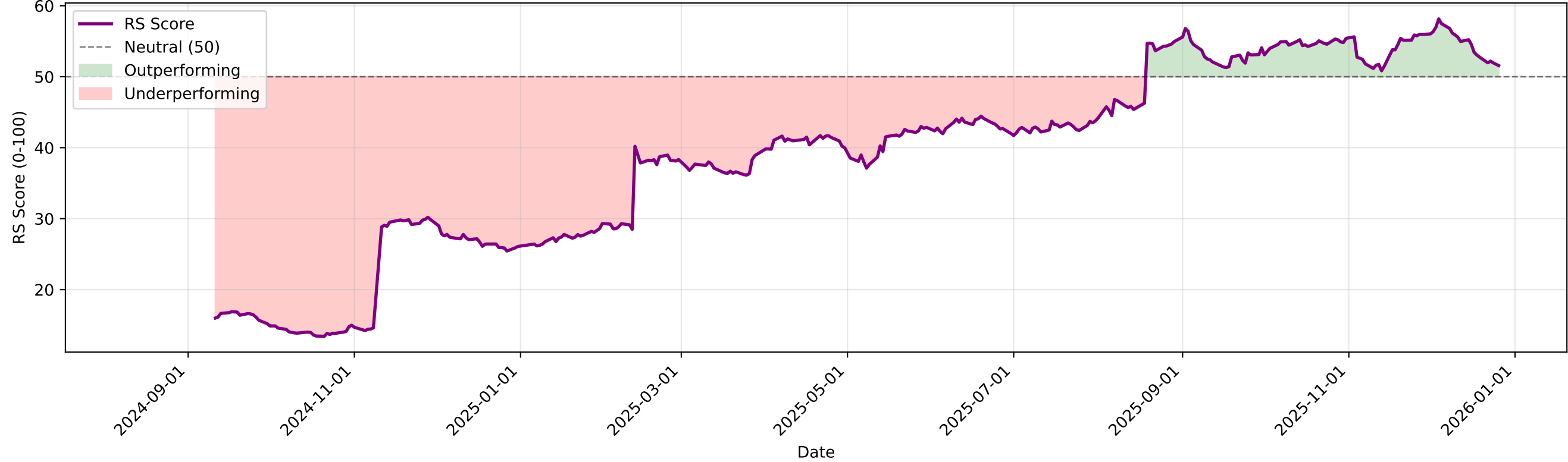
Price Performance Comparison (Normalized)



RS Ratio Trends (Multiple Timeframes)



RS Composite Score Timeline

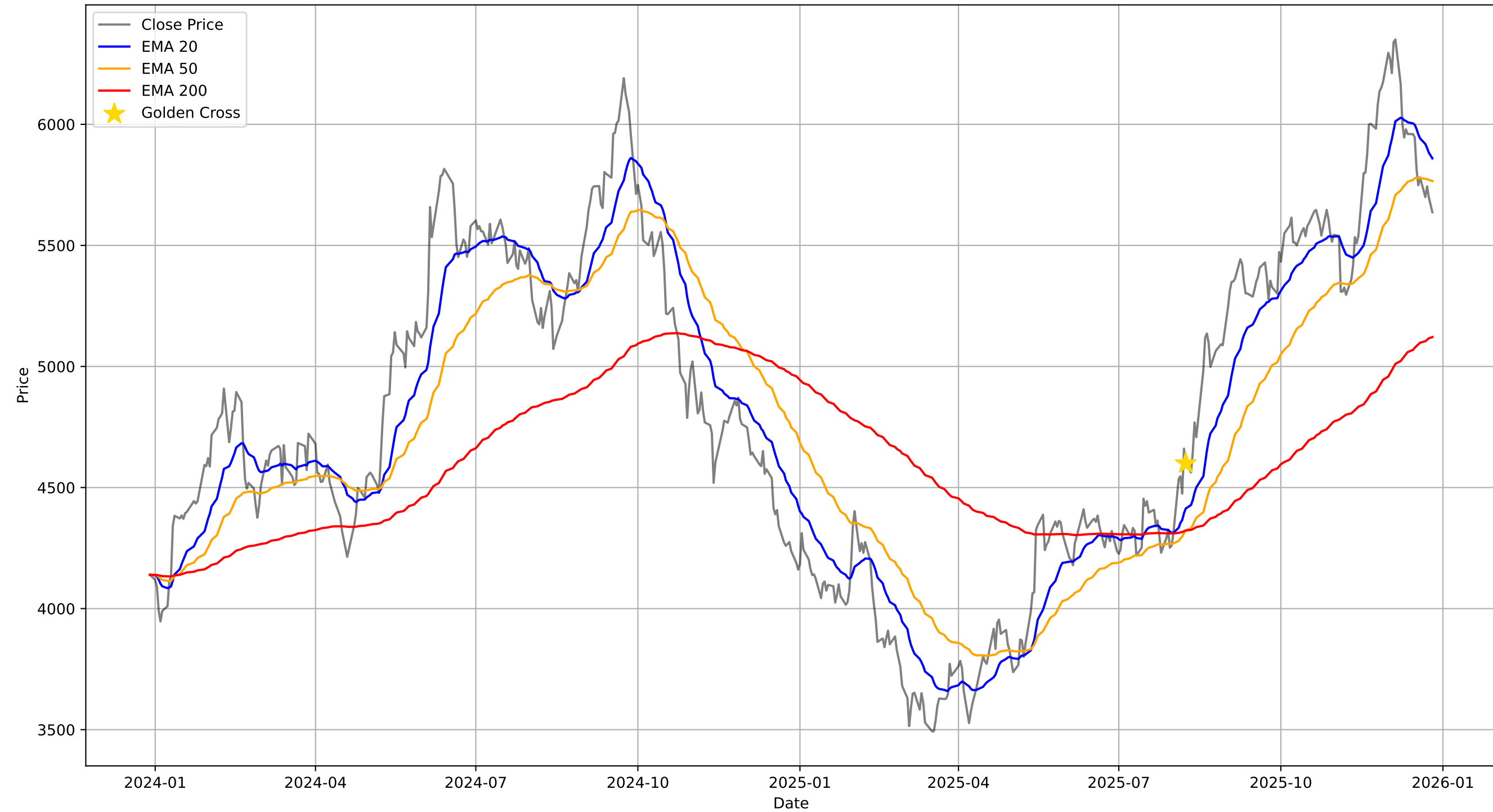




## HEROMOTOCO.NS - EMA Crossover Summary

EMA 20:	5859.46
EMA 50:	5765.46
EMA 200:	5121.49
Trend Status:	<b>Strong Uptrend</b>
Golden Cross Date:	2025-08-08 00:00:00
Golden Cross Price:	4599.80

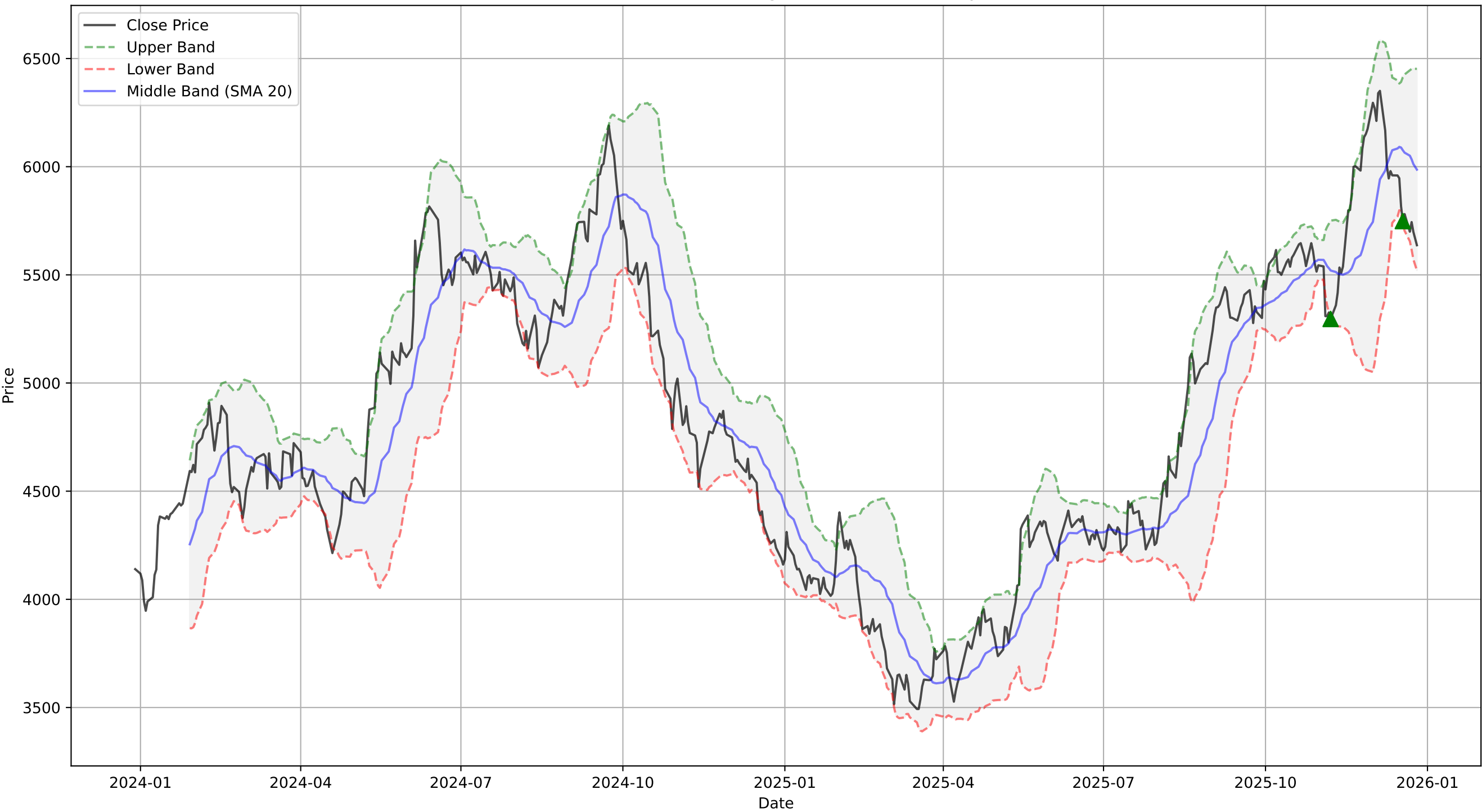
HEROMOTOCO.NS EMA Crossover Analysis



## HEROMOTOCO.NS - Bollinger Bands Summary

<b>Current Price:</b>	5637.00
<b>Upper Band:</b>	6452.24
<b>Middle Band (SMA 20):</b>	5986.35
<b>Lower Band:</b>	5520.46
<b>%B:</b>	0.1251
<b>Band Width:</b>	0.1556
<b>Status:</b>	Lower Half
<b>Signal:</b>	None
<b>Recent Signal 1:</b>	<b>Buy Signal at 2025-11-07 00:00:00</b>
<b>Recent Signal 2:</b>	<b>Buy Signal at 2025-12-18 00:00:00</b>

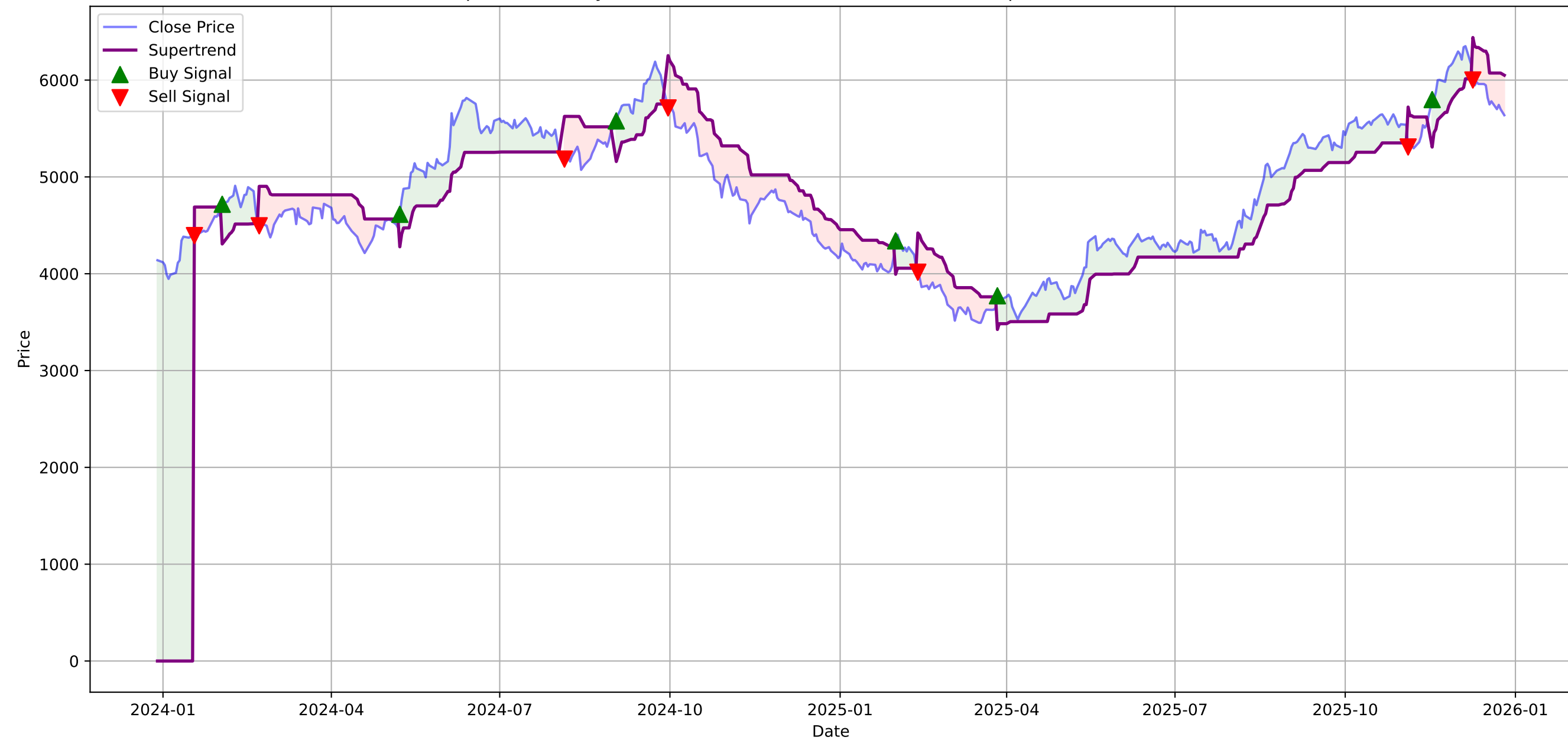
HEROMOTOCO.NS Bollinger Bands (20, 2) Analysis



## HEROMOTOCO.NS - Supertrend Summary

Status:	<b>DOWNTREND (Sell)</b>
Supertrend Value:	6050.25
Signal Identified On:	2025-12-09

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



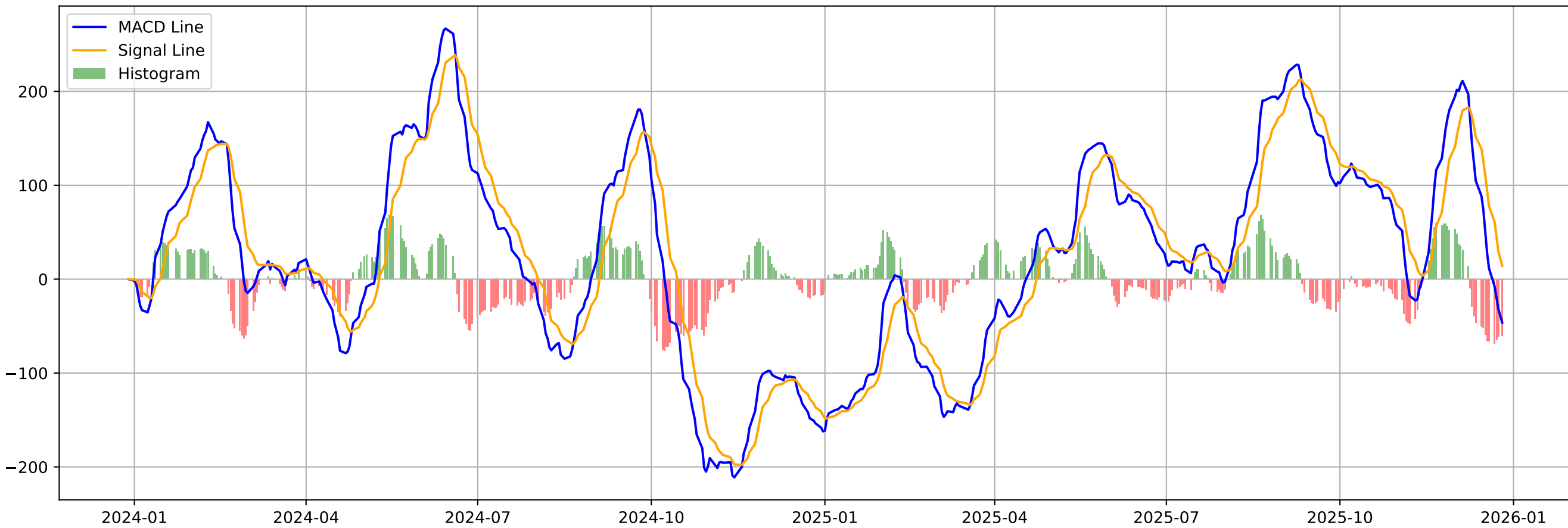
## HEROMOTOCO.NS - MACD Summary

MACD Line:	-46.23
Signal Line:	14.25
Histogram:	-60.47
Trend:	<b>Bearish</b>
Momentum:	<b>Weakening</b>
Signal:	None

HEROMOTOCO.NS Price



HEROMOTOCO.NS MACD (12, 26, 9)

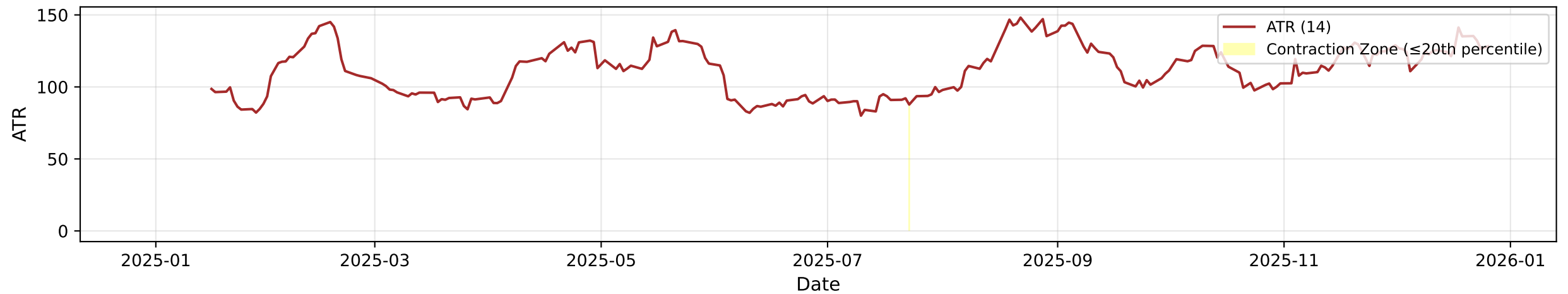
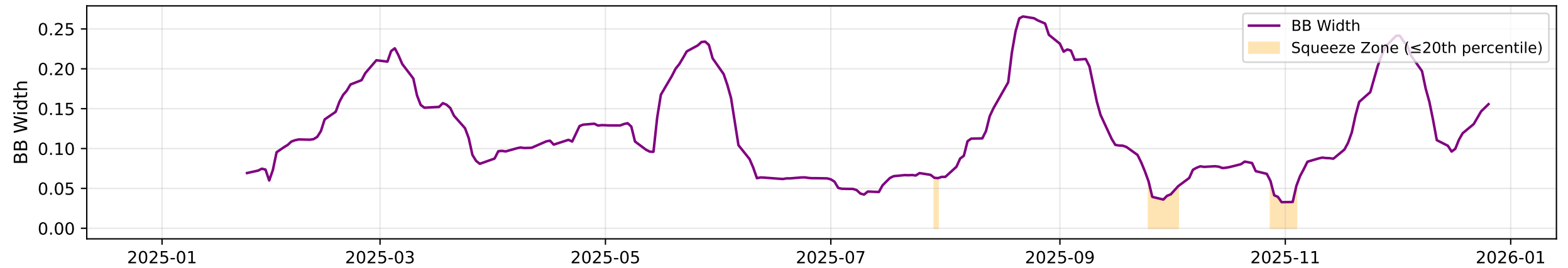
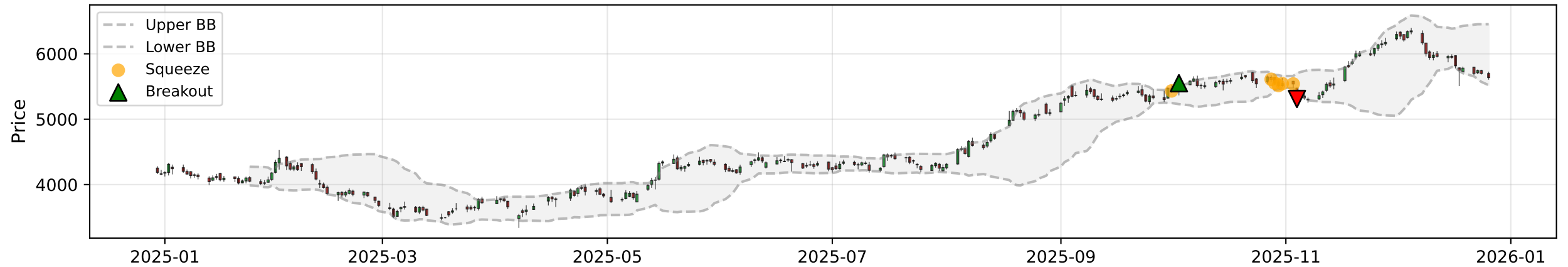




# HEROMOTOCO.NS - Volatility Squeeze Summary

BB Width:	0.1556
ATR:	128.2500
Total Signals:	8
Signal 1:	BB Squeeze at 2025-10-29 00:00:00 (Price: 5551.50)
Signal 2:	BB Squeeze at 2025-10-30 00:00:00 (Price: 5515.00)
Signal 3:	BB Squeeze at 2025-10-31 00:00:00 (Price: 5544.00)
Signal 4:	BB Squeeze at 2025-11-03 00:00:00 (Price: 5539.00)
Signal 5:	BB Squeeze (Bearish Breakout) at 2025-11-04 00:00:00 (Price: 5539.00)

# HEROMOTOCO.NS - Volatility Squeeze Analysis



## HEROMOTOCO.NS - RSI-Volume Summary

<b>Current RSI:</b>	36.01
<b>Current Volume:</b>	249826
<b>Volume MA 20:</b>	694305
<b>Bullish Divergences:</b>	2
<b>Bearish Divergences:</b>	2
<b>Bullish Div 1:</b>	Date: 2025-01-27 00:00:00, Price: 4015.95
<b>Bullish Div 2:</b>	Date: 2025-03-17 00:00:00, Price: 3493.10
<b>Bearish Div 1:</b>	Date: 2024-07-15 00:00:00, Price: 5606.35
<b>Bearish Div 2:</b>	Date: 2025-10-21 00:00:00, Price: 5646.50

# HEROMOTOCO.NS RSI-Volume Divergence Analysis

