

# Stock Analysis Report

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## Strategic Trading Analysis

Based on the detailed PDF report provided for **ITC.NS** (generated date: 2026-02-14), here is my analysis from the perspective of a risk-averse Positional Equity Trader.

### Step 1: Audit the Data

- **Data Present:**
  - **Price Structure:** Daily and Weekly charts (up to 3 years).
  - **Trend Indicators:** EMA (20, 50, 200), Supertrend, MACD.
  - **Momentum/Volatility:** RSI, Bollinger Bands, Volatility Squeeze.
  - **Volume:** Volume Analysis, Accumulation/Distribution days.
  - **Fundamentals:** 4-year long-term and 6-quarter short-term comparisons.
  - **Relative Strength:** Comparison against sector benchmark (^CNXFMCG).
- **Data Missing:**
  - **Fibonacci Retracements:** Specific retracement levels from the all-time high are not explicitly drawn, though can be estimated visually.
  - **Option Chain Data:** No Open Interest (OI) analysis to identify derivative support/resistance levels.
- **Confidence Level: High.** The report provides a comprehensive technical and fundamental picture. The conflict between the single-page Supertrend summary (Page 10) and the Multi-Timeframe summary (Page 22) is noted, but the visual charts clarify the actual trend.

### Step 2: Analyze the Setup

- **Price Structure & Trend:**
  - **Status: Strong Downtrend (Bearish).**
  - The stock has suffered a catastrophic breakdown, falling from highs of ~480 to the current 313.75.
  - Price is trading below **all key moving averages** (20, 50, 200 EMA). The slope of the 20 and 50 EMAs is steeply negative, indicating accelerating bearish momentum.
  - Page 22 confirms a "DOWNTREND (Sell)" signal across Weekly, Daily, and 15-min timeframes.
- **Momentum & Oscillators:**
  - **RSI:** At 36.66, the stock is approaching oversold territory but has not yet formed a bullish divergence or a "hook" upward to signal a reversal.
  - **MACD:** While the histogram is slightly positive (indicating the selling pressure *might* be easing slightly compared to the worst days), the MACD line is deep in negative territory (-8.25), characteristic of a strong bear market.
- **Volume & Supply:**
  - **Distribution:** Page 18 highlights "Distribution Days" on Jan 27, Jan 08, Jan 05, and Dec 30. This indicates institutions are unloading stock.
  - **Candlesticks:** Page 21 shows "Seller Strong Control" during the recent crash. There is "No Control" currently, implying buyers have not yet stepped in with conviction.
- **Fundamentals (Context):**
  - While long-term fundamentals are okay, the **Short-term Fundamental Analysis (Page 3)** is concerning. Revenue (-6.81% QoQ) and EPS (-5.97% QoQ) are shrinking. This fundamental weakness justifies the technical breakdown.

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## Step 3: Formulate the Recommendation

**Current Advice: NO / AVOID**

**Rationale:** Entering now is catching a "falling knife." Despite the stock appearing "cheap" relative to its highs, the technical damage is severe. The stock is in a confirmed downtrend on all timeframes. There is no structural support or "accumulation" pattern visible yet to justify a 1-4 month long position. The probability of further downside or "dead money" consolidation is higher than a V-shaped recovery.

### Conditional Plan (Watchlist Strategy)

I would only consider a Long position if the stock stabilizes and reclaims short-term momentum. We need to see buyers defeat the sellers at a key level.

#### Condition to Buy:

1. The price must stop making lower lows on the Daily chart.
2. **Required Trigger:** A Daily Candle **Close above the 20 EMA** (currently ~322, but likely to descend to ~318-320 in coming days). This confirms the immediate selling pressure is over.
3. **Secondary Confirmation:** RSI climbing back above 40.

#### Hypothetical Setup (If Triggered):

- **Entry Price:** ~322.00 (Wait for the break of the 20 EMA).
- **Stop Loss:** 300.00 (Below the psychological support and recent swing lows. If 300 breaks, the stock could freefall further).
- **Take Profit 1:** 342.00 (Test of the 50 EMA - classic mean reversion trade).
- **Take Profit 2:** 360.00 (Previous structural support turned resistance).

**Summary:** Do not buy at CMP (313.75). The trend is your enemy right now. Wait for the 20 EMA reclamation.

## Candlestick Classification Analysis

Based on the **Candlestick Classification Analysis** found on pages 20 and 21 of the report, here is my assessment as a seasoned price action trader.

### Executive Summary: Market Bias

**Current Bias: Neutral to Bearish (Wait-and-See)** The market is currently in a state of "No Control" (Grey). While the intense selling pressure has paused (indicated by the near-zero trend score), there is a complete absence of "Buyer Strong Control" (+2) candles to signal a reversal. The stock is effectively drifting after a massive capitulation event.

### Detailed Diagnostic

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## 1. The "Crime Scene": The Seller Strong Control Event

Looking at the chart on **Page 21**, the narrative is dominated by the massive **Dark Red Candle (Seller Strong Control / -2)** that occurred in late January 2026.\* **Anatomy:** This candle has a huge body relative to the ATR and closed near the very low.\* **Volume:** The volume bar corresponding to this drop is the highest on the entire chart (an extreme outlier).\* **Implication:** This was an institutional exit. According to the classification logic, a move with that much volume conviction takes a long time to heal. All price action since then is essentially "noise" occurring within the psychological damage caused by that single drop.

## 2. Current State: "No Control" (Score: 0)

- **Latest Classification: No Control** (Page 20).
- **Visuals:** The most recent candles are small-bodied, grey, and have wicks on both sides.
- **Logic:** Referring to **Step 3** of your algorithm, these wicks indicate failed attempts by both bulls and bears to push the price. The market is searching for a fair value around the INR 313 level but hasn't found a reason to move higher.

## 3. The Trend Score: 0.10 (10-Day Average)

- The 10-day average score is **0.10**. On a scale of -2 to +2, this is effectively flatline.
- **Interpretation:** The selling momentum has exhausted itself for the moment, but **buying momentum is non-existent**. In professional trading, a score of 0.10 after a crash is often a "Bear Flag" or a pause before trend continuation, rather than a V-shaped recovery.

## 4. Volume Confirmation (Step 4 Logic)

- The volume on the recent "No Control" and "Buyer Control" (Light Green) candles is significantly lower than the volume seen during the crash.
- **The Rule:** "Price without volume is half the story." The lack of high volume on up-moves suggests these are "weak hands" buying, not institutions.

## Prediction & Future Price Movement

The path of least resistance remains **DOWN**, but we are currently in a consolidation box.

**Why Down?**1. **Dominant Pressure:** The most significant recent signal was a -2 (Strong Seller) with massive volume. That implies overhead supply is heavy.2. **Failed Reversal:** We have seen occasional Light Green (+1) candles, but no Dark Green (+2) candles. Without a "Buyer Strong Control" candle to negate the previous crash, the trend remains bearish.

**Key Levels to Watch:**\* **The Bearish Trigger:** If we see a **Seller Control (-1)** candle that closes below the wicks of the current "No Control" cluster (likely below INR 310), the downtrend will resume, and the price will flush lower.\* **The Bullish Requirement:** Do not touch this long until you see a **Buyer Strong Control (+2)** candle. Specifically, you need a large green body that closes near the high with **Volume > 1.3x average**. Until that specific algorithmic signature appears, any upside is likely a "dead cat bounce."

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**Verdict:** The chart indicates a paused downtrend. Expect sideways movement (chop) followed by a potential re-test of lows.

## News & Analyst Targets

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

### 1) Latest News for ITC This Week (February 2026)

The most critical developments impacting ITC Limited revolve around a significant shift in government taxation policies and corporate actions:

- **Massive Excise Duty Hike (The "Double Whammy"):** The primary news driving the stock's recent volatility is the government's notification (effective Feb 1, 2026) of a new excise duty structure on cigarettes. The **GST on cigarettes has been raised from 28% to 40%**, and a new specific excise duty based on stick length has been introduced (replacing the GST compensation cess).
  - *Impact:* This effectively increases the tax burden by **40-50%**, the steepest hike in nearly two decades.
  - *Reaction:* The stock crashed ~20% in January/early February, wiping out over INR 1 lakh crore in market capitalization as the market priced in volume destruction.
- **Interim Dividend Declaration:** Despite the tax blow, ITC has declared an **Interim Dividend of INR 6.50 per share** for FY2025-26.
  - **Record Date:** February 4, 2026.
  - **Payment Date:** Between February 26 and February 28, 2026.
- **Price Hikes Implemented:** To offset the tax impact, ITC has reportedly initiated price hikes of **15-20%** across its cigarette portfolio. Analysts are closely watching if these hikes will push consumers toward the illicit/smuggled cigarette market.
- **Stock Performance:** The stock hit a **52-week low** (around INR 302-313 levels) this week, heavily underperforming the Nifty 50 and dragging down the entire Nifty FMCG index.

### 2) Upgrade or Downgrade from Brokerages

The analyst community has responded swiftly to the tax news with a wave of downgrades and target cuts:

- **Downgrades:**
  - **Motilal Oswal** downgraded the stock to **Neutral** (from Buy) and slashed targets, citing the "unprecedented" magnitude of the tax hike.
  - **Nomura** downgraded to **Reduce**, warning of a potential 15% decline in sales volumes due to sharp price increases.
  - **Prabhudas Lilladher** downgraded to **Reduce**, shifting from a long-standing positive stance.
  - **MarketsMojo** downgraded the stock from **Hold to Sell**, citing valuation concerns and deteriorating technical scores.
- **Defensive/Positive Views:**
  - **UBS** maintained a **Buy** rating but lowered its target, arguing that the market reaction might be excessive.
  - **ICICI Direct** and **Antique Stock Broking** also maintained **Buy/Accumulate** ratings, focusing on the long-term value of the non-cigarette FMCG and Hotel businesses, though they also reduced their price targets.

### 3) Other News Impacting ITC

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- **ITC Hotels Demerger (Context):** While the demerger was effectively completed in early 2025, the *listing* and independent performance of **ITC Hotels** continues to be a factor for shareholders who now hold shares in both entities. The "sum-of-the-parts" valuation is being tested as the core cigarette engine faces headwinds.
- **Rise in Illicit Trade Fears:** Industry bodies and analysts have expressed concern that the sharp tax hike will widen the price gap between legal and illegal cigarettes, potentially boosting the smuggled market which doesn't pay these taxes. This is a significant indirect threat to ITC's volumes.
- **FMCG Sector Weakness:** The broader FMCG sector in India is currently facing a slowdown due to tepid urban consumption. ITC's non-cigarette FMCG business (Aashirvaad, Sunfeast, etc.) is resilient but not immune to these sluggish demand trends.

## 4) Latest Analyst Targets (Post-Budget/Excise Hike)

The consensus has shifted downwards significantly. Below are the revised targets released in **January/February 2026** following the tax announcement.

Brokerage / Firm	Rating	Target Price (INR )	Sentiment
UBS	Buy	430	Optimistic
Antique Stock Broking	Buy	408	Positive
Motilal Oswal	Neutral	365	Cautious
Nuvama	Hold	365	Cautious
ICICI Direct	Buy	360	Positive
Systematix	Hold	355	Cautious
Centrum Broking	Neutral	355	Cautious
Emkay Global	Reduce	350	Negative
Prabhudas Lilladher	Reduce	348	Negative
Nomura	Reduce	340	Bearish

*Note: The stock is currently trading in the INR 310 - INR 320 range.*

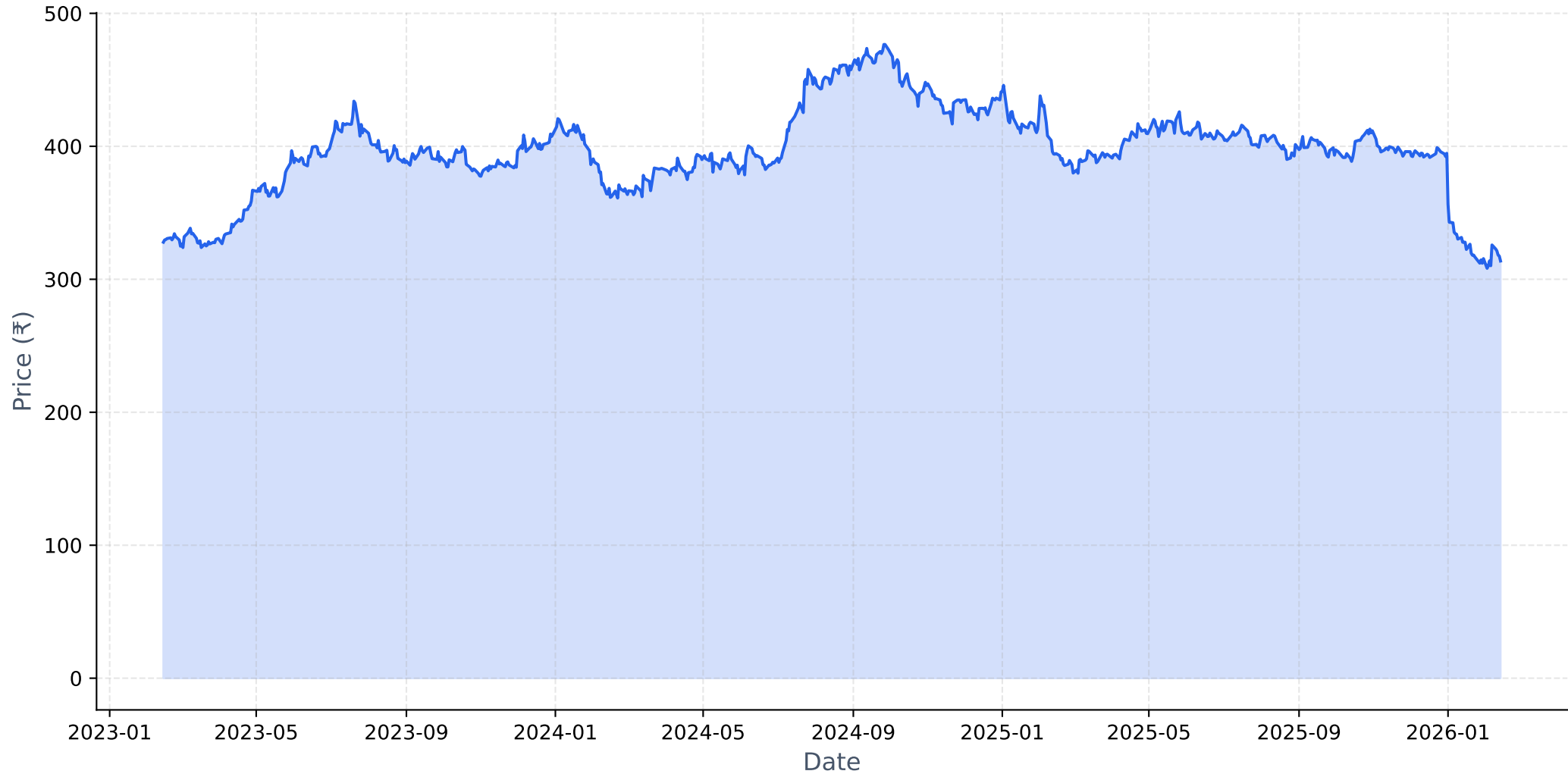
# Stock Detailed Analysis Report

**ITC.NS**

Current Price: ₹313.75

Generated: 2026-02-14 09:56

# 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:** **Neutral**

**RS Score:** 44.4/100

:

## == RS RATIOS ==:

**1M RS:** **0.988 [Neutral]**

**3M RS:** **0.856 [Neutral]**

**6M RS:** **0.830 [Neutral]**

**1Y RS:** **0.845 [Neutral]**

:

## == TURNAROUND ANALYSIS ==:

**Turnaround Status:** **!! DETECTED !!**

:

## SIGNAL CRITERIA::

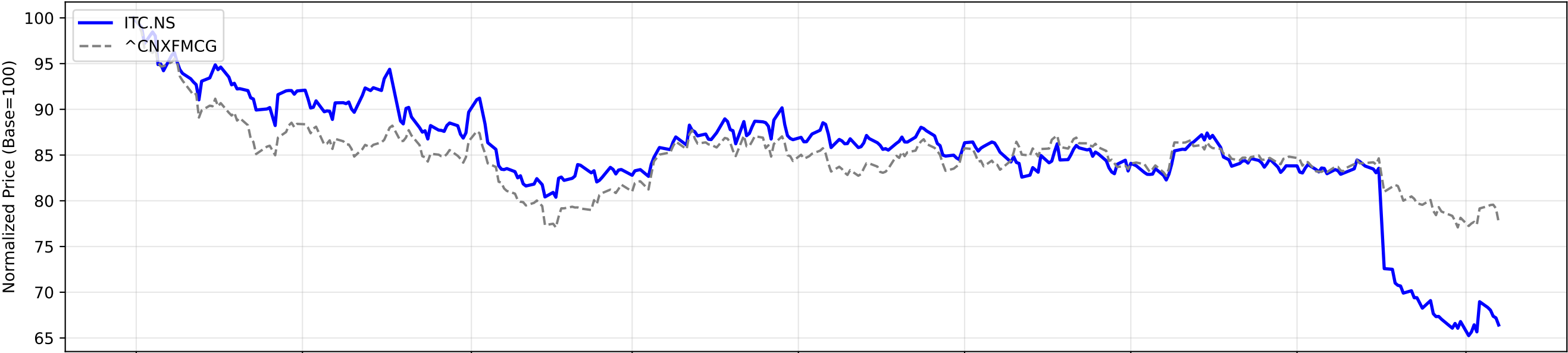
✓ **Emerging RS:** 1M (0.988) > 3M (0.856)

✓ **Medium-term Lagging:** 6M=0.830, 1Y=0.845 ( $\leq 1.0$ )

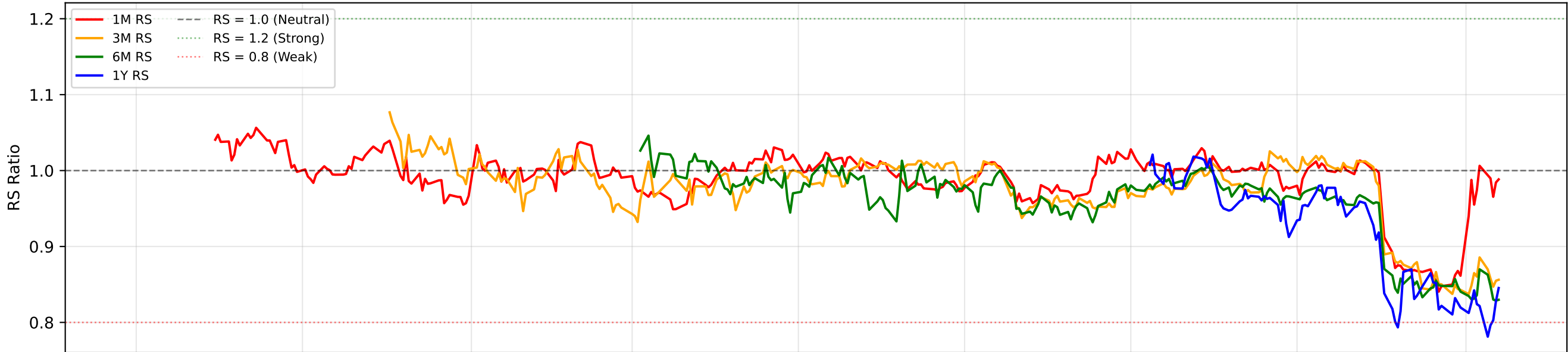
✓ **Performance Improving:** 3M (-21.0%) > 6M (-23.2%)

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

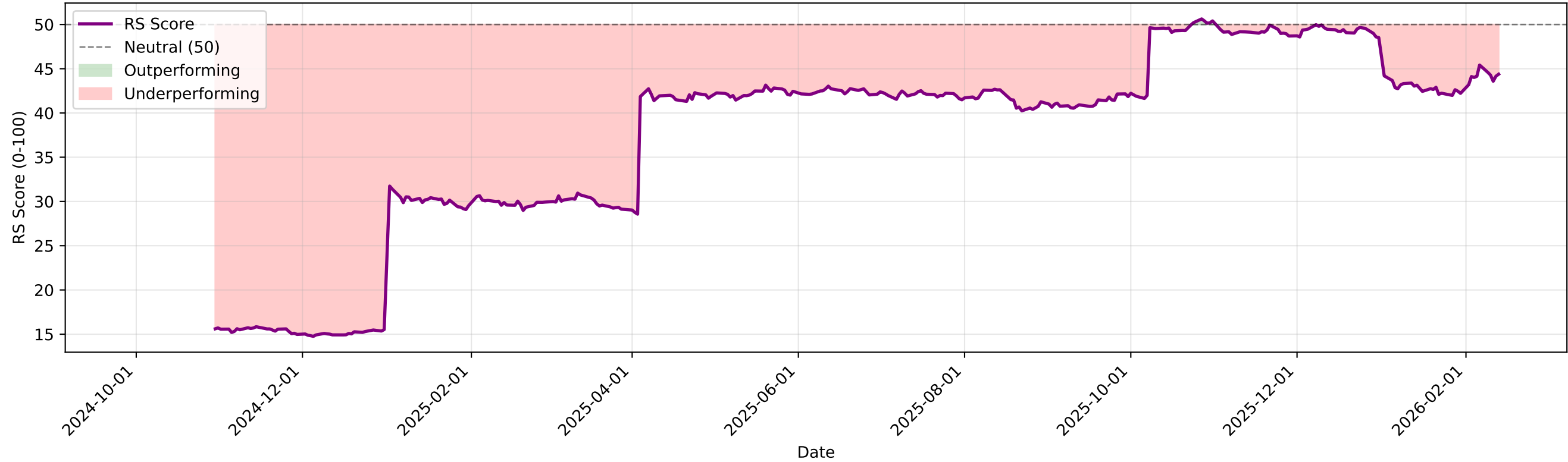
Price Performance Comparison (Normalized)



RS Ratio Trends (Multiple Timeframes)



RS Composite Score Timeline



## ITC.NS - EMA Crossover Summary

EMA 20:	321.75
EMA 50:	342.65
EMA 200:	381.48
Trend Status:	<b>Strong Downtrend</b>

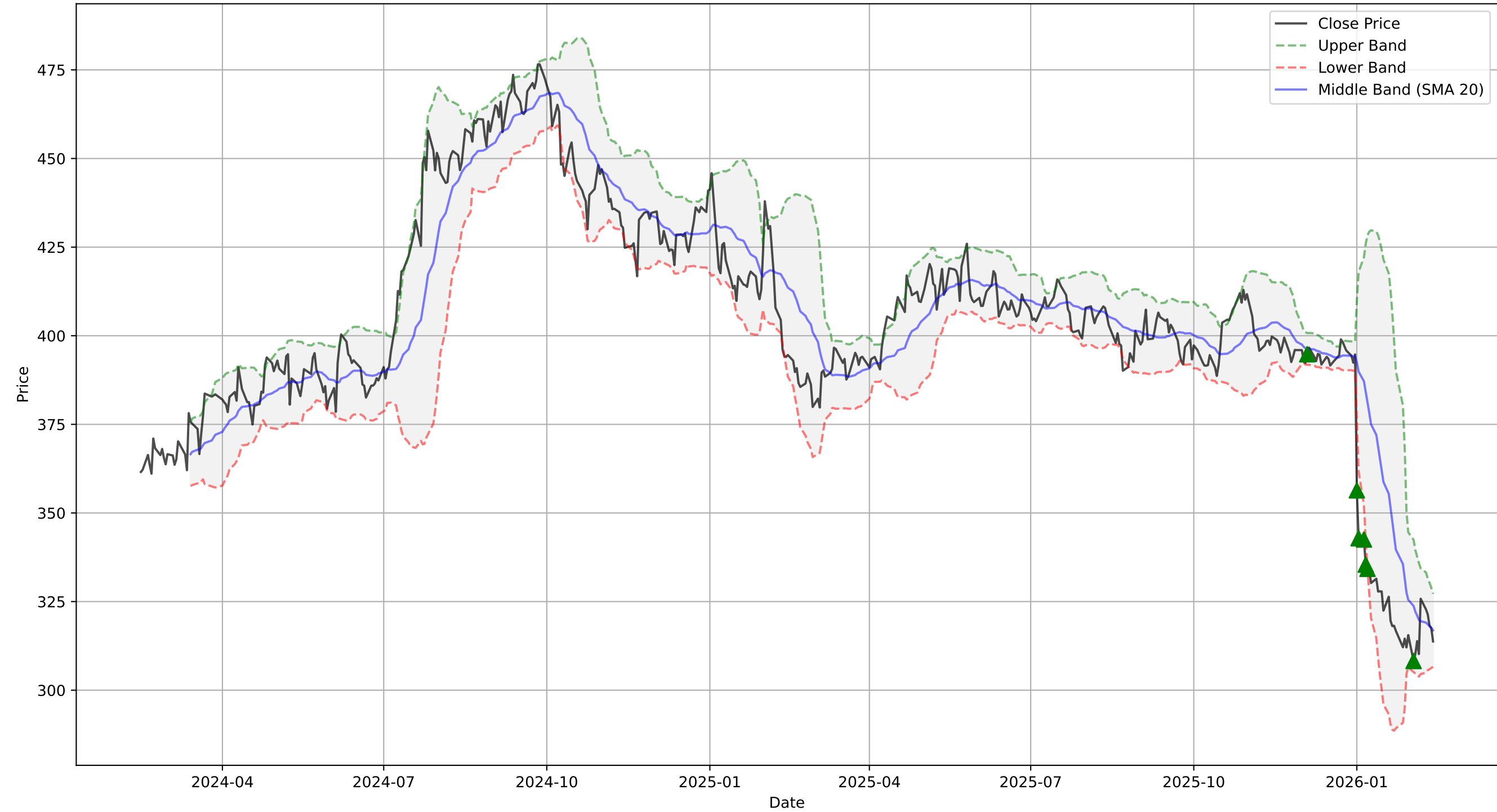
ITC.NS EMA Crossover Analysis



## ITC.NS - Bollinger Bands Summary

<b>Current Price:</b>	313.75
<b>Upper Band:</b>	327.19
<b>Middle Band (SMA 20):</b>	316.88
<b>Lower Band:</b>	306.56
<b>%B:</b>	0.3483
<b>Band Width:</b>	0.0651
<b>Status:</b>	Lower 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>

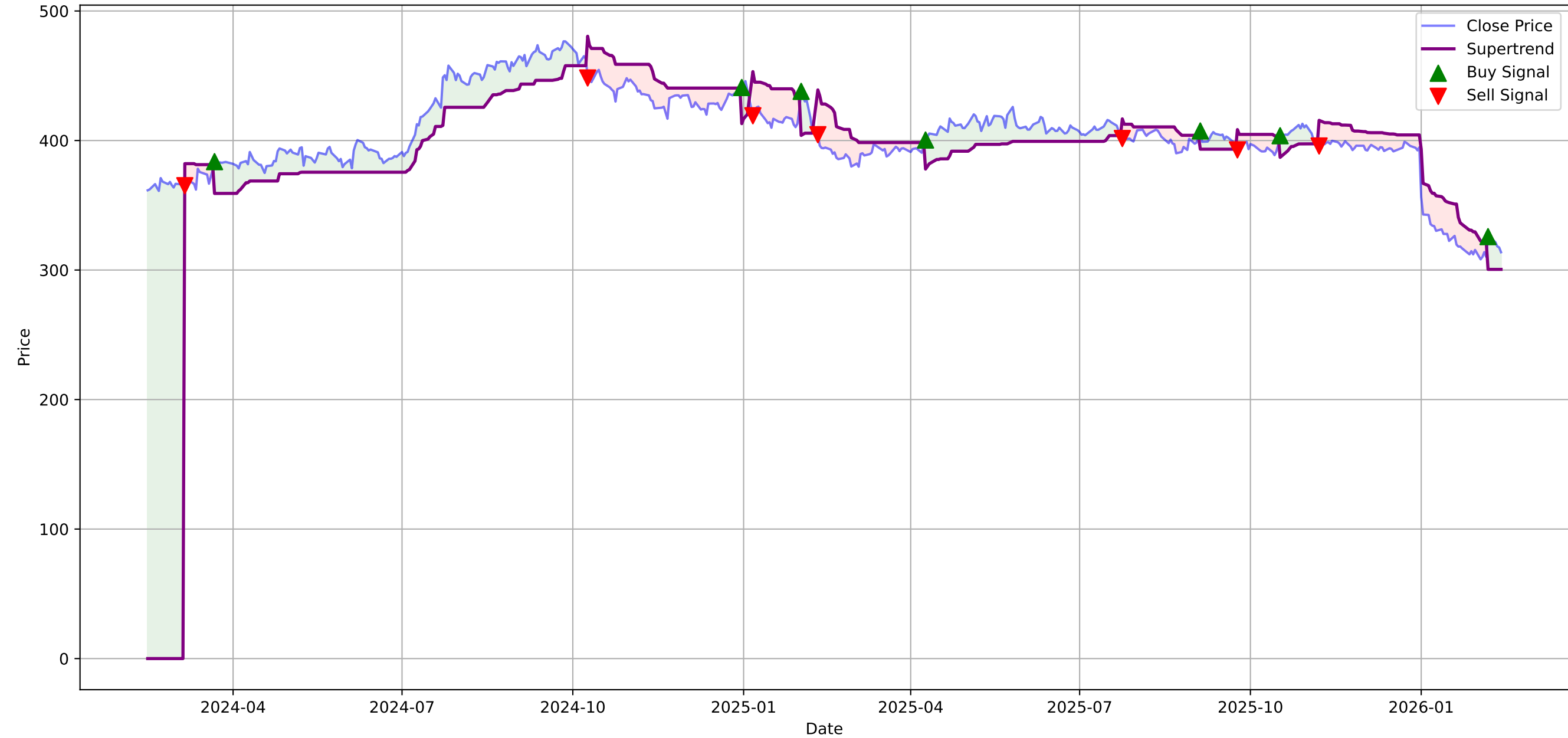
ITC.NS Bollinger Bands (20, 2) Analysis



## ITC.NS - Supertrend Summary

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

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

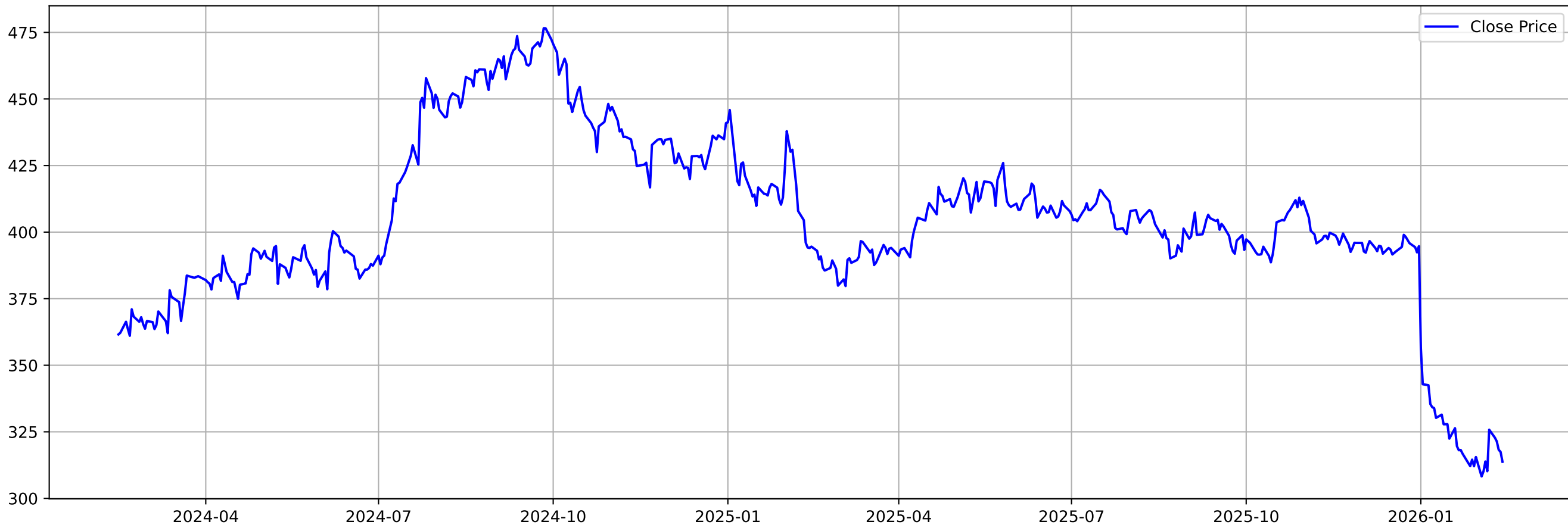




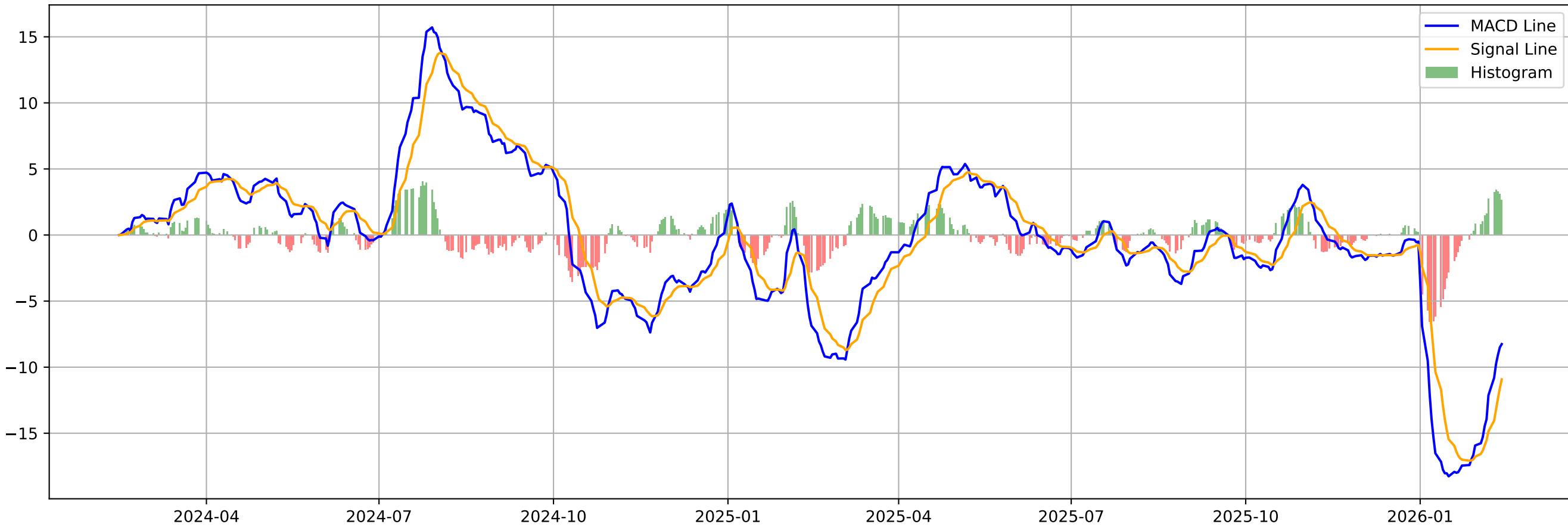
## ITC.NS - MACD Summary

MACD Line:	-8.25
Signal Line:	-10.93
Histogram:	2.67
Trend:	<b>Bullish</b>
Momentum:	<b>Weakening</b>
Signal:	None

ITC.NS Price



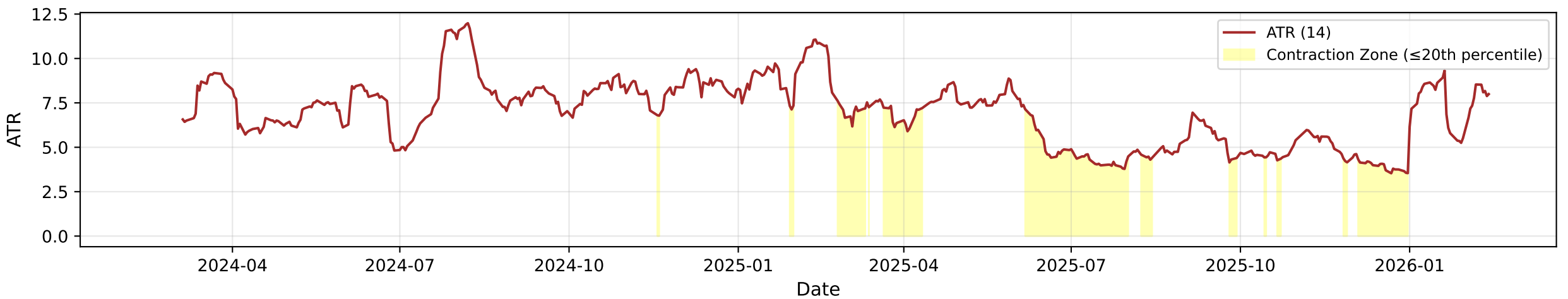
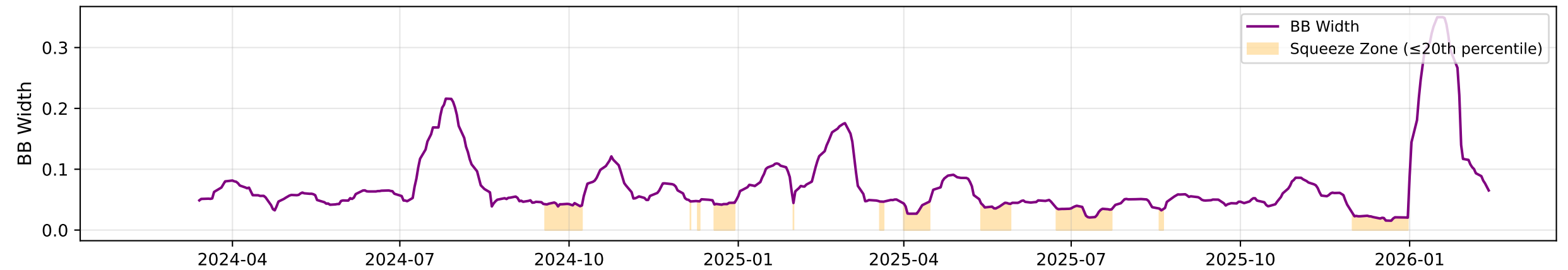
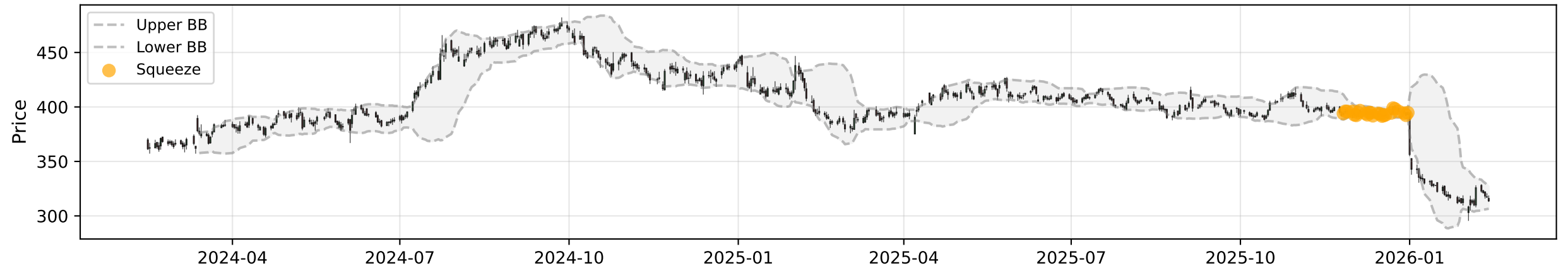
ITC.NS MACD (12, 26, 9)



# ITC.NS - Volatility Squeeze Summary

BB Width:	0.0651
ATR:	7.9929
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

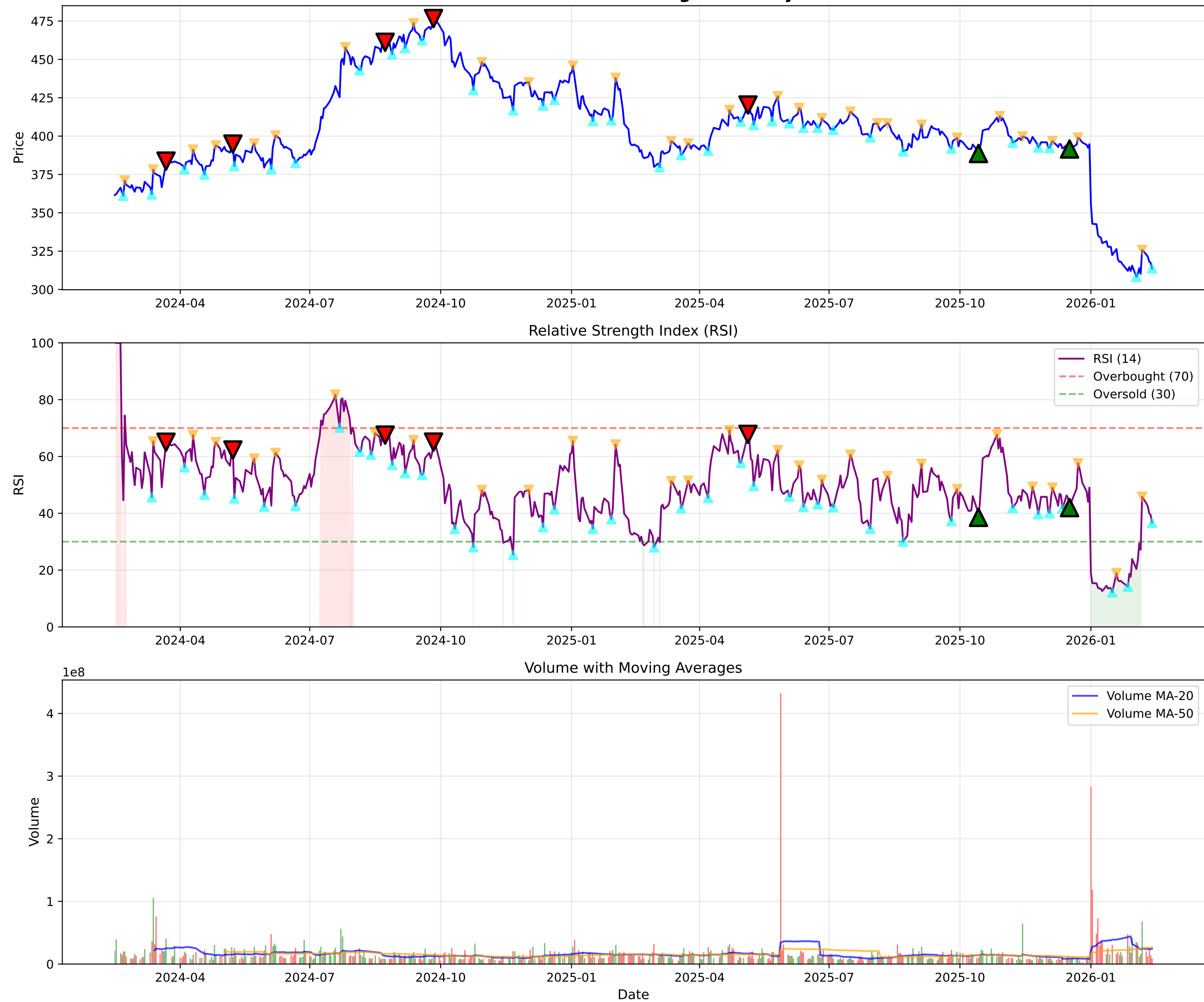
# ITC.NS - Volatility Squeeze Analysis



## ITC.NS - RSI-Volume Summary

<b>Current RSI:</b>	36.66
<b>Current Volume:</b>	8730618
<b>Volume MA 20:</b>	24369174
<b>Bullish Divergences:</b>	2
<b>Bearish Divergences:</b>	5
<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:

**43 Signals Detected**

:

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

Distribution Day

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

Distribution Day

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

Distribution Day

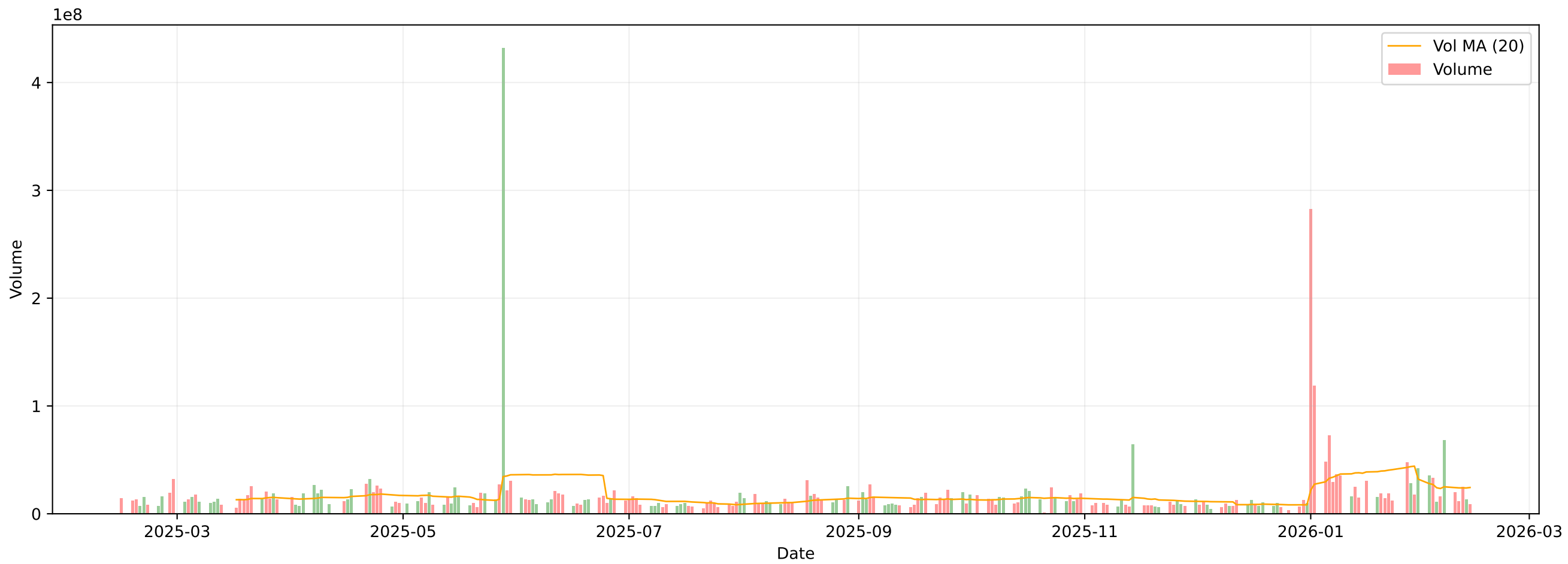
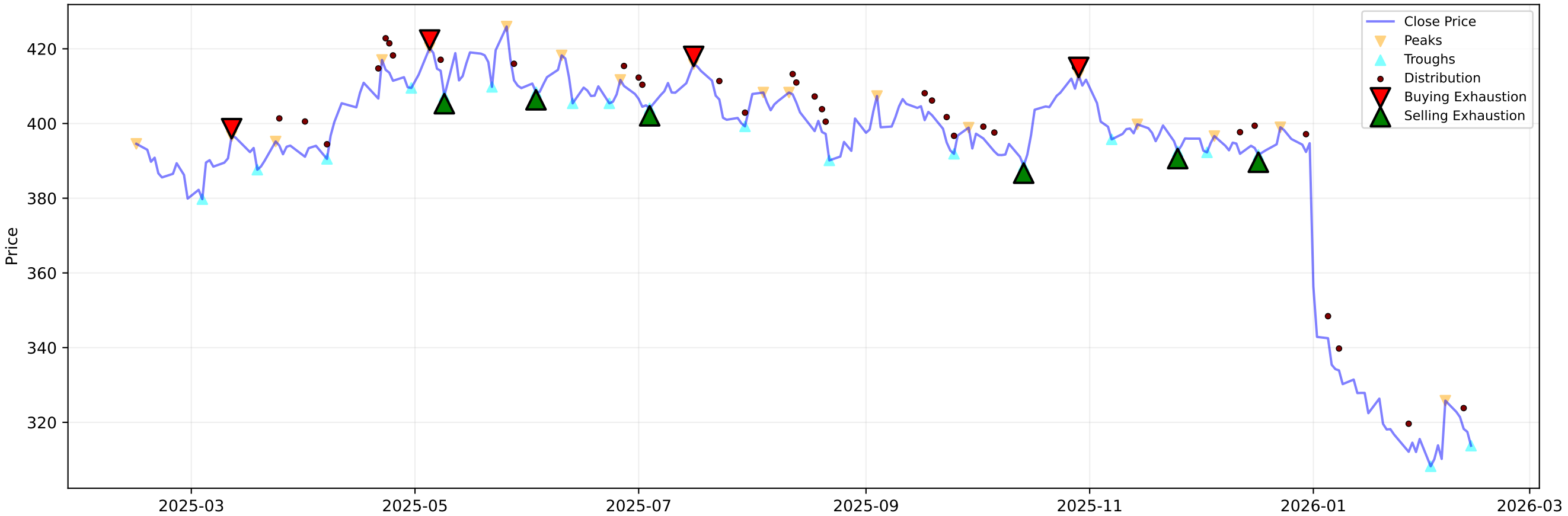
**2026-01-27 [-]:**

Distribution Day

**2026-02-11 [-]:**

Distribution Day

# ITC.NS - Volume Analysis





# ITC.NS - Candlestick Classification Summary

## == CANDLESTICK CLASSIFICATION ==:

**Latest Classification:** **No Control**

**Recent Trend Score (10-day avg):** 0.10

:

### **Distribution:**

**No Control:** 115

**Seller Control:** 59

**Buyer Control:** 50

**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	313.75	2024-10-07
1 Day	DOWNTREND (Sell)	329.11	313.75	2025-11-07
15 Min	DOWNTREND (Sell)	315.46	313.6	2026-02-12

## Multi-Timeframe MACD Analysis

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

ITC.NS - 1 Week (Candlestick + EMAs)



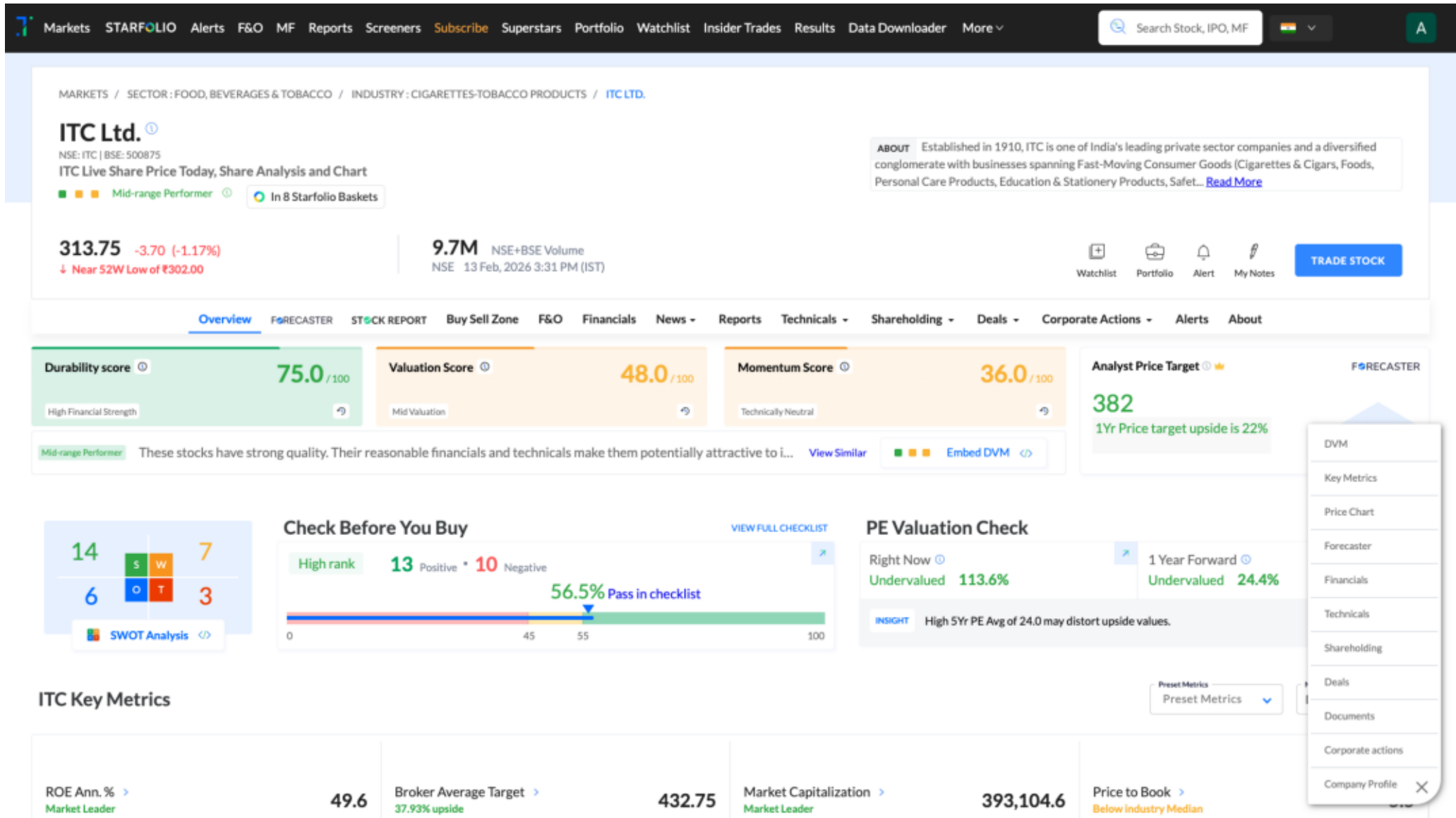
ITC.NS - 1 Day (Candlestick + EMAs)



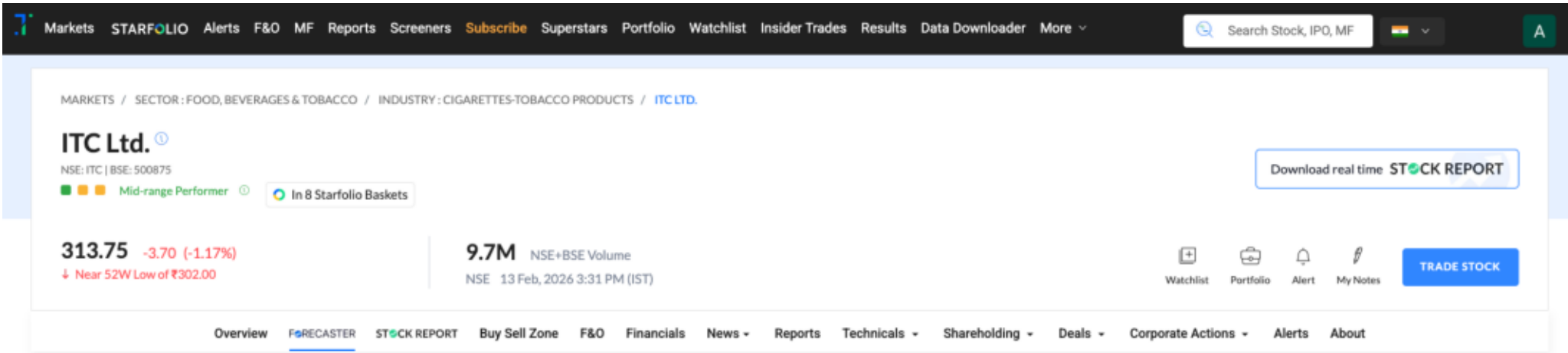
ITC.NS - 15 Min (Candlestick + EMAs)



Trendlyne Snapshot - ITC\_main



## Trendlyne Snapshot - ITC\_forecaster



### 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](#) →

