

Gemini Stock Analysis Report

Based on the detailed PDF report provided (generated date: 2026-01-03), here is my analysis and recommendation acting as a positional equity trader.

Step 1: Audit the Data

- **Data Present:**
 - Daily Price Charts (3-Year) with clear candlestick patterns.
 - Moving Averages (EMA 20, 50, 200) and crossover analysis.
 - Relative Strength (RS) analysis against CNXAUTO and Benchmark.
 - Momentum Indicators: RSI (with divergence), MACD, and Supertrend.
 - Volatility Indicators: Bollinger Bands, ATR, and Squeeze metrics.
 - Fundamental snapshot (EPS growth, Revenue) and Analyst Estimates.
- **Data Missing:**
 - Volume Profile (to see price acceptance at specific levels).
 - Derivatives Data (Open Interest/PCR) which is crucial for a stock like Ashok Leyland to gauge market sentiment.
 - Specific news catalysts explaining the vertical move in late 2025.
- **Confidence Level: High.** The technical package is comprehensive enough to make a sound chart-based decision. *Note: The report uses a future simulation date (Jan 2026); I will treat this data as "current" market reality for this analysis.*

Step 2: Analyze the Setup

- **Price Structure & Trend:** The stock is in a **Strong Uptrend** (Page 2 & 6). It has gone parabolic in the last quarter of 2025, moving vertically from ~140 to ~188. It is trading well above all key EMAs (20, 50, 200) and the Supertrend.
- **Momentum & Extension (The Risk):**
 - **RSI is 82.69** (Page 16). This is heavily **Overbought**. While momentum is strong, entering a long swing trade when RSI is >80 statistically leads to poor risk-reward ratios due to imminent mean reversion.
 - **EMA Disconnect:** The price (188.78) is nearly 9% away from its short-term mean (EMA 20 at 172.85). This "rubber band" is stretched tight.
 - **Analyst Divergence:** Page 19 shows the average analyst price target is **159**, which is 16% *below* the current price. The stock has run far ahead of fundamental valuations, driven by euphoria.
- **Confluence:** The MACD is bullish (Page 13), but the histogram suggests momentum is peaking. The Bollinger Bands (Page 9) show the price riding the upper band, a sign of extreme strength but also susceptibility to a sharp pullback if the band is broken to the downside.

Step 3: Formulate the Recommendation

Verdict: NO, DO NOT ENTER NOW.

Reasoning: While the trend is undeniably bullish, the entry is **invalid** at current levels (CMP 188.78). The stock is extended (RSI 82+), trading significantly above analyst value estimates, and far detached from support levels. Buying here is "chasing," which exposes you to a high probability of a 5-8% drawdown (mean reversion) immediately after entry.

However, because the primary trend is strong and earnings growth is robust (EPS +148% QoQ), this is a "Buy on Dip" candidate.

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Conditional Plan (Wait for the Pullback):

We are looking for a **Mean Reversion Setup**. We need the price to cool off and meet rising support levels.

- **Condition to Buy:**
 - Price must pull back to test the **Supertrend / EMA 20 Confluence Zone**.
 - RSI must cool down to the **60-65** range.
 - Look for a bullish reversal candle (Hammer or Doji) on the daily chart near **173-176**.
- **Entry Price: INR 176.00** (Limit order near the Supertrend support shown on Page 10).
- **Stop Loss: INR 167.50** (Daily close basis). This places the stop below the EMA 20 and the psychological breakout level of 170.
- **Take Profit: INR 195.00** (Retest of highs and slight extension).

Risk/Reward Ratio for Conditional Plan: ~1:2.2 (Risking ~INR 8.5 to make ~INR 19).

News & Analyst Targets

Here is the latest stock research and information for **Ashok Leyland (ASHOKLEY)** for the week ending **January 3, 2026**.

1) Latest News for ASHOKLEY This Week

- **Robust December Sales Growth:** The most significant news this week is the strong sales data released on Jan 1, 2026. Ashok Leyland reported a **27% YoY jump** in total vehicle sales for December 2025, reaching **21,533 units** compared to 16,957 units last year.
 - **Domestic sales** grew by 26% to 19,855 units.
 - **M&HCV (Medium & Heavy Commercial Vehicle)** sales saw a massive **29% surge** to 14,830 units, indicating a strong recovery in the core trucking segment.
- **Stock Hits 52-Week High:** Following the robust sales numbers, the stock rallied over **8%** this week, hitting fresh 52-week highs in the range of **INR 188 - INR 190**.
- **Market Cap Milestone:** With the recent rally, Ashok Leyland's market capitalization has comfortably crossed the **INR 1 Trillion** mark.
- **Management Restructuring:** The company announced a change in senior management effective January 2, 2026. **Alfred Nixon Mendez** has taken over as the **Head of Product Development**, while N. Saravanan (CTO) will now focus on the strategic technology roadmap.
- **Trading Window Closure:** As per compliance norms, the trading window for dealing in company securities has been closed from **January 1, 2026**, until 48 hours after the declaration of Q3 FY26 financial results.

2) Brokerage Upgrades & Downgrades

- **Positive (Upgrades/Reiterations):**
 - **Choice Institutional Equities** maintained a **BUY** rating and raised their target price significantly to **INR 196** (from INR 161) in late December, citing the company as a prime beneficiary of the domestic CV upcycle.
 - **Nomura** reaffirmed its **BUY** rating with a target of **INR 196**, highlighting improved demand and margin tailwinds.
 - **Motilal Oswal** and **Sharekhan** continue to hold bullish views with targets significantly above the current market price (INR 250+), betting on a multi-year growth cycle.
- **Negative/Neutral (Downgrades):**

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- **MarketsMojo** downgraded the stock to "**Hold**" on January 1, 2026, largely due to valuation concerns after the sharp price run-up, despite acknowledging the strong momentum.
- **Consensus Data:** Some aggregated analyst data (e.g., Trendlyne) currently shows a "consensus" target lower than the current price (~INR 159), largely dragged down by older targets from Q2/Q3 2025 (like Goldman Sachs and JPMorgan) that have not yet been revised upwards to reflect the December breakout.

3) Indirect Impact & Sector News

- **CV Cycle Recovery 2026:** Sector analysts are increasingly confident that 2026 will mark a full-blown recovery for the Commercial Vehicle (CV) sector, driven by **GST 2.0 reforms**, continued government infrastructure spending, and fleet modernization.
- **Rural Demand:** Strong tractor sales data from peers (Mahindra, Escorts) in December indicates a revival in the rural economy, which typically correlates with increased demand for Ashok Leyland's Light Commercial Vehicles (LCVs).
- **Input Costs:** Steel and commodity prices have remained relatively stable, which is expected to support EBITDA margins in the upcoming Q3 FY26 results.

4) Latest Analyst Targets (2026 Outlook)

Below is the summary of the latest available targets from major brokerages. Note that some "Street High" targets anticipate a multi-year bull run.

Brokerage Firm	Rating	Target Price (INR)	Sentiment	Notes
Sharekhan	BUY	268	Bullish	Expects double-digit EBITDA margins & continued volume growth. Sees AL as a top pick for the industrial recovery theme. Included in top picks for 2026; expects earnings revival. Recently upgraded target post-Q2/early Q3 trends. Key beneficiary of CV upcycle and margin expansion. Average dragged down by older/unrevised targets from 2025.
Motilal Oswal	BUY	255	Bullish	
Axis Securities	BUY	245	Bullish	
Choice Broking	BUY	196	Positive	
Nomura	BUY	196	Positive	
Consensus Mean	HOLD	~159	Cautious	

Disclaimer: As an analyst, I must remind you that stock market investments are subject to market risks. The

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targets above are based on third-party research reports and should not be construed as personal financial advice.

Stock Detailed Analysis Report

ASHOKLEY.NS

Current Price: ₹188.78

Generated: 2026-01-03 12:33

ASHOKLEY.NS - 3 Year Daily Price Chart



Long-term Fundamental Analysis (4 Years)

Metric	Is Growing?	Accelerating?	1Y Growth	3Y CAGR
Revenue	Yes	No	6.21%	22.79%

Short-term Fundamental Analysis (6 Quarters)

Metric	Is Growing?	Recent QoQ	Avg QoQ
Revenue	Yes	7.39%	4.28%
Net Income	Yes	23.68%	8.51%
ROE	Yes	-34.99%	0.01%
EPS	Yes	148.08%	110.62%

ASHOKLEY.NS - Relative Strength Analysis

== OVERVIEW ==:

Benchmark Index:	^CNXAUTO
Sector:	Auto
Classification:	Weakening Leader
RS Score:	61.7/100
:	

== RS RATIOS ==:

1M RS:	1.145 [Leader]
3M RS:	1.263 [Strong]
6M RS:	1.250 [Strong]
1Y RS:	1.335 [Strong]
:	

== TURNAROUND ANALYSIS ==:

Turnaround Status:	Not Detected
:	

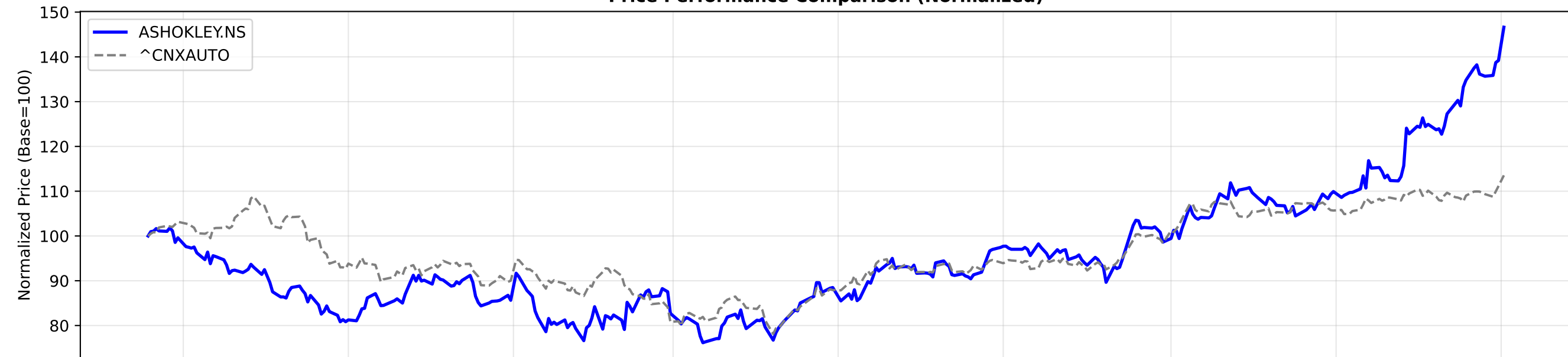
SIGNAL CRITERIA::

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

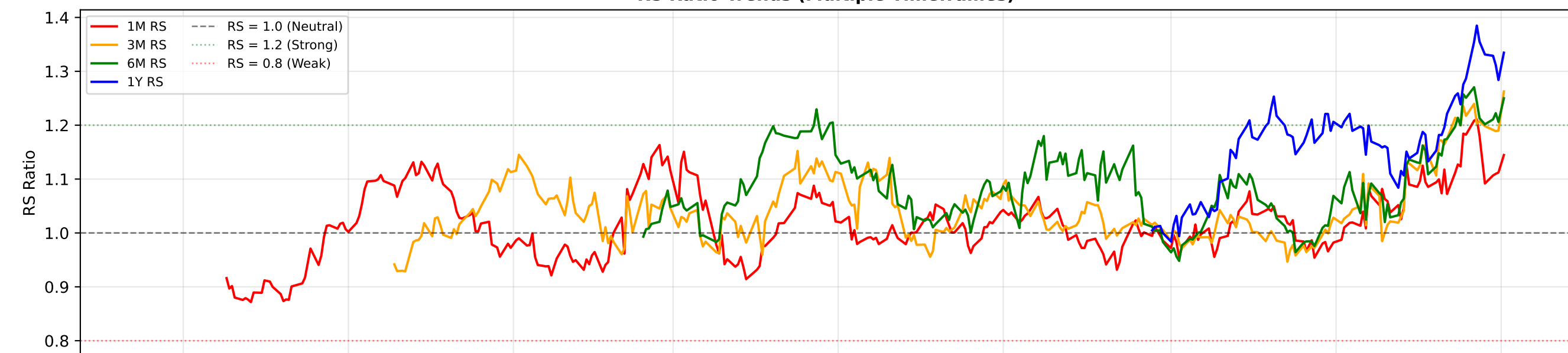
Relative Strength Analysis: ASHOKLEY.NS vs ^CNXAUTO

Classification: Weakening Leader

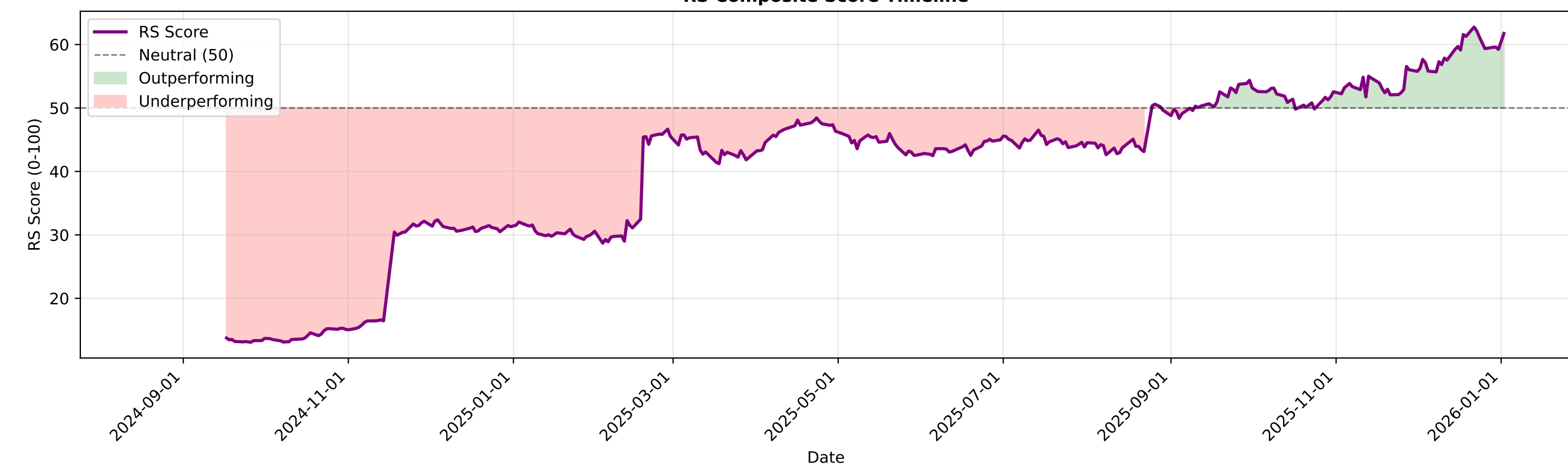
Price Performance Comparison (Normalized)



RS Ratio Trends (Multiple Timeframes)



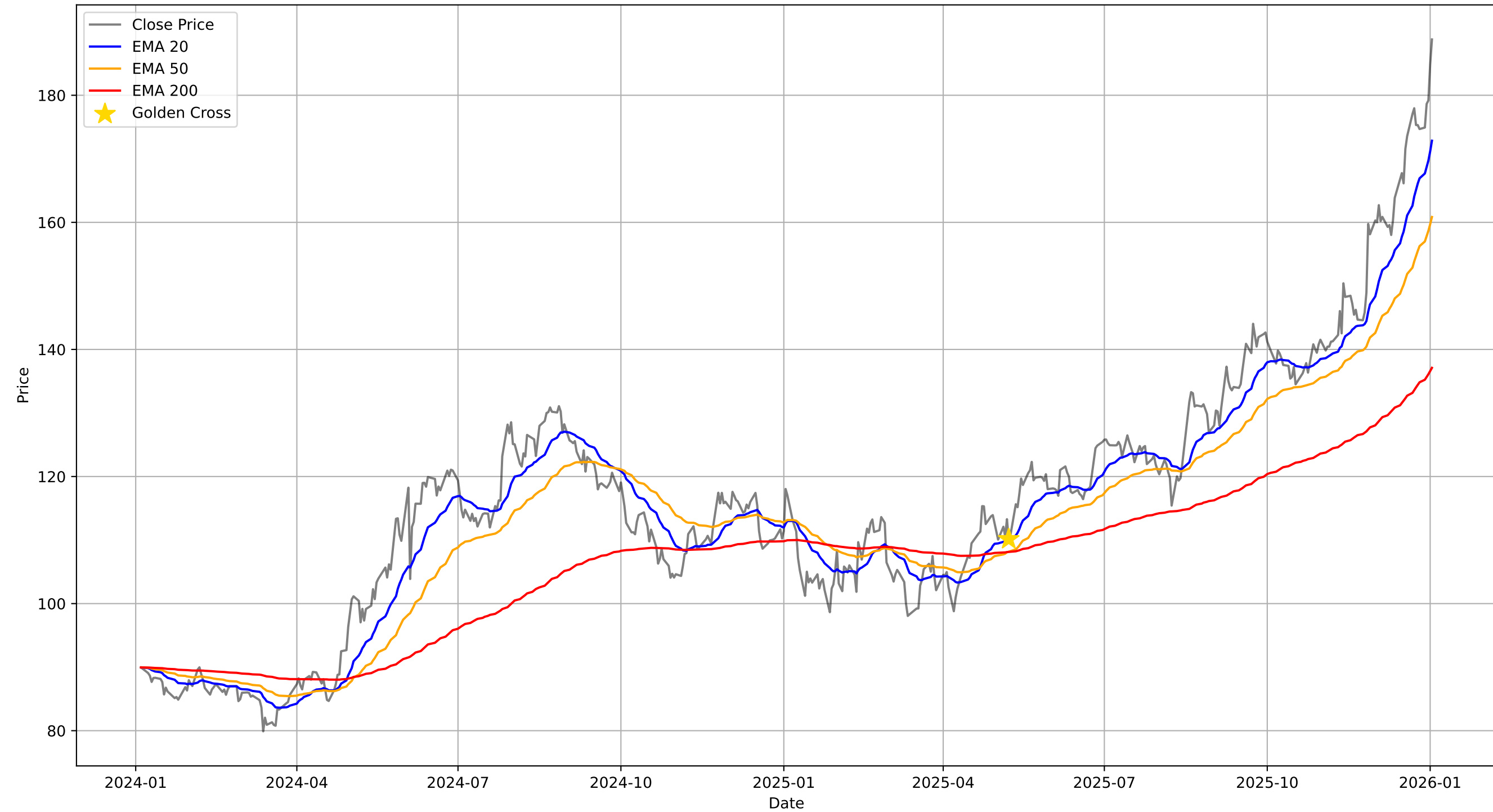
RS Composite Score Timeline



ASHOKLEY.NS - EMA Crossover Summary

EMA 20:	172.85
EMA 50:	160.84
EMA 200:	137.10
Trend Status:	Strong Uptrend
Golden Cross Date:	2025-05-08 00:00:00
Golden Cross Price:	110.14

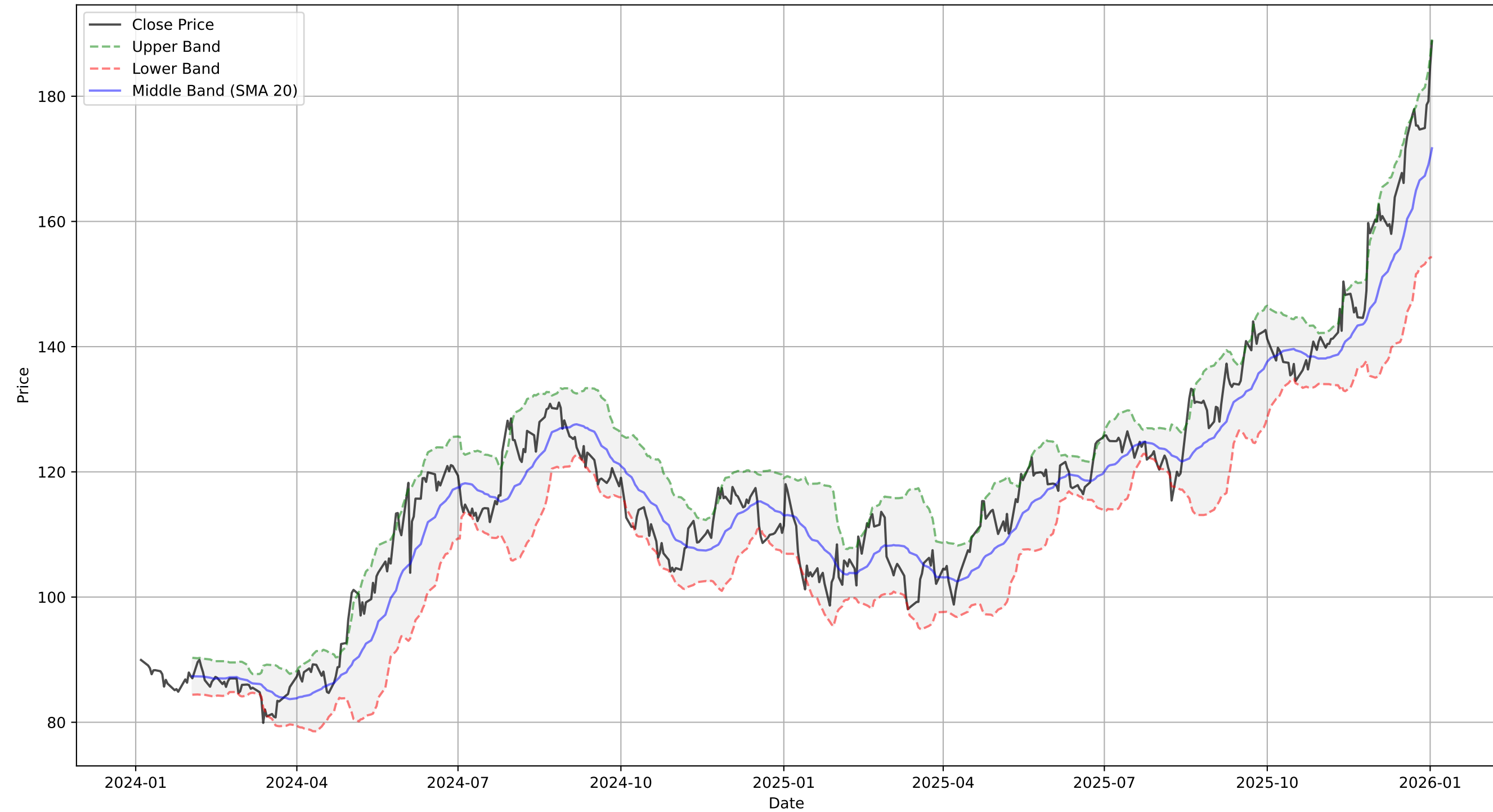
ASHOKLEY.NS EMA Crossover Analysis



ASHOKLEY.NS - Bollinger Bands Summary

Current Price:	188.78
Upper Band:	189.07
Middle Band (SMA 20):	171.68
Lower Band:	154.29
%B:	0.9918
Band Width:	0.2025
Status:	Upper Half
Signal:	None

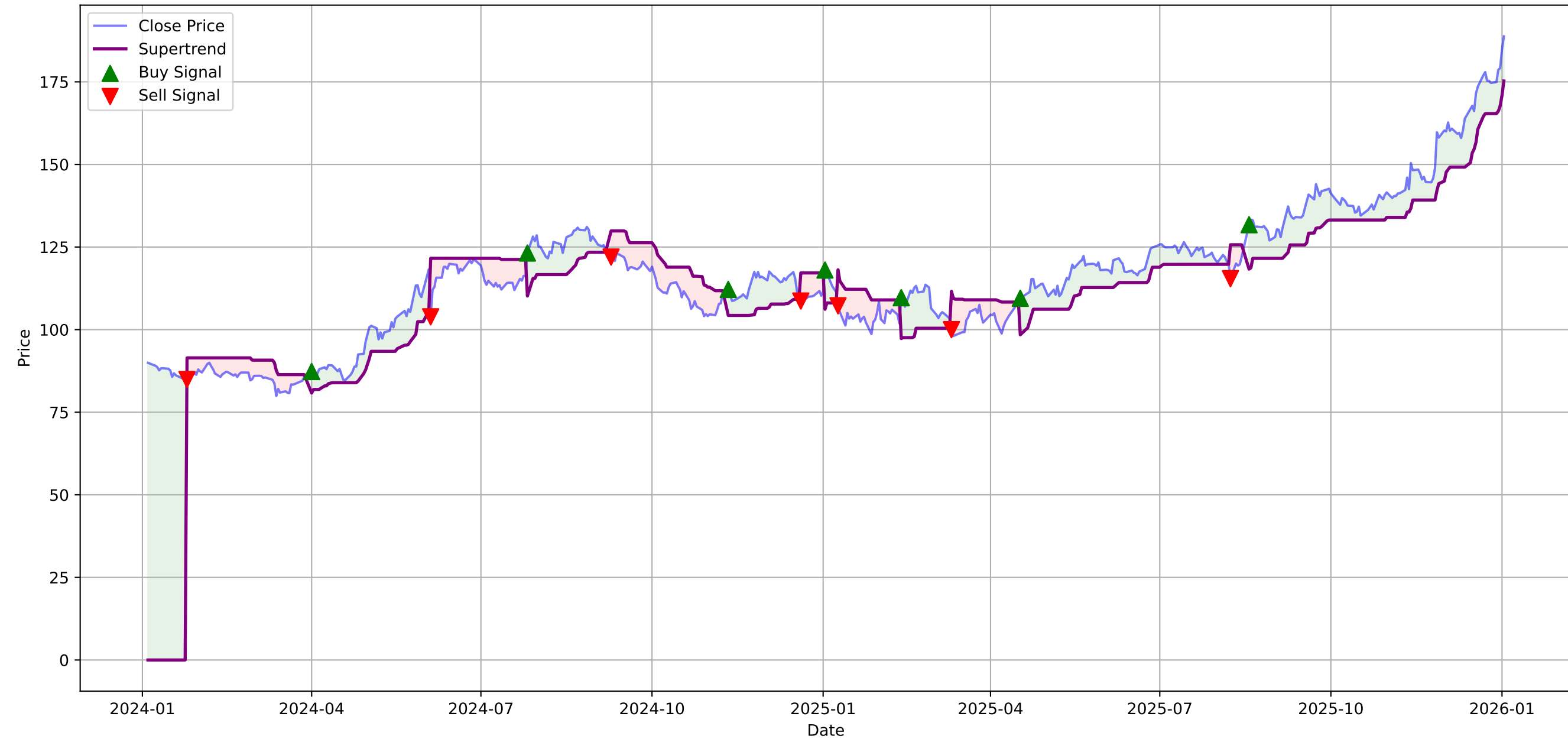
ASHOKLEY.NS Bollinger Bands (20, 2) Analysis



ASHOKLEY.NS - Supertrend Summary

Status:	UPTREND (Buy)
Supertrend Value:	175.26
Signal Identified On:	2025-08-18

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



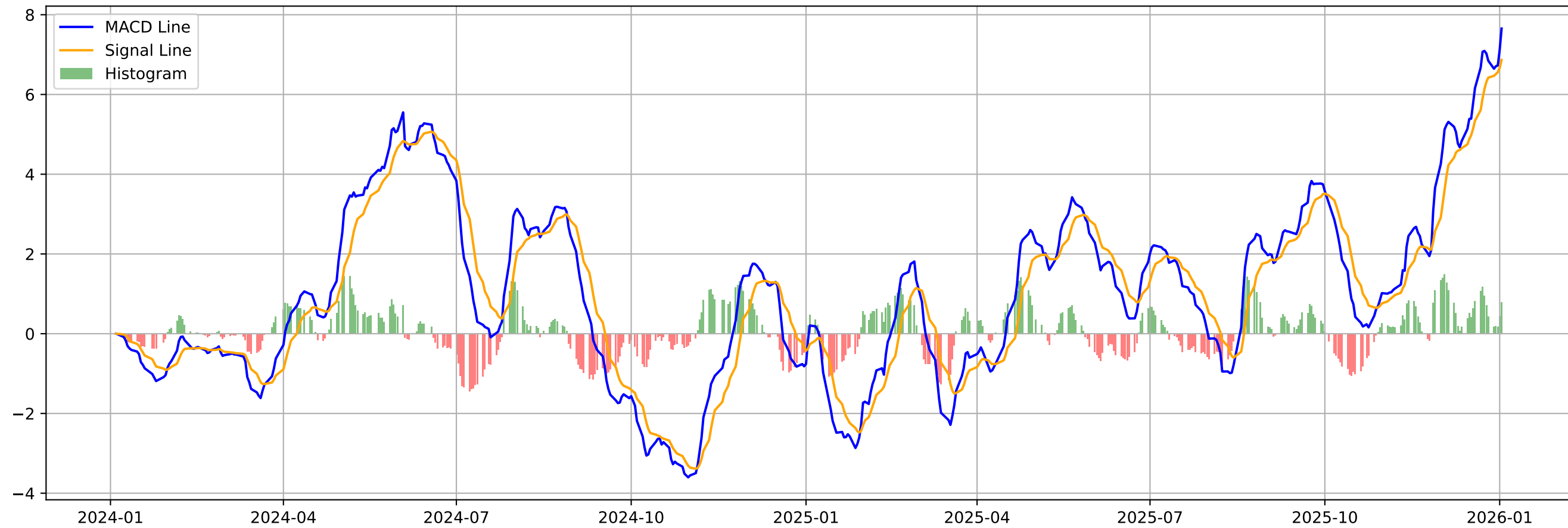
ASHOKLEY.NS - MACD Summary

MACD Line:	7.65
Signal Line:	6.87
Histogram:	0.79
Trend:	Bullish
Momentum:	Strengthening
Signal:	None

ASHOKLEY.NS Price



ASHOKLEY.NS MACD (12, 26, 9)



ASHOKLEY.NS - Volatility Squeeze Summary

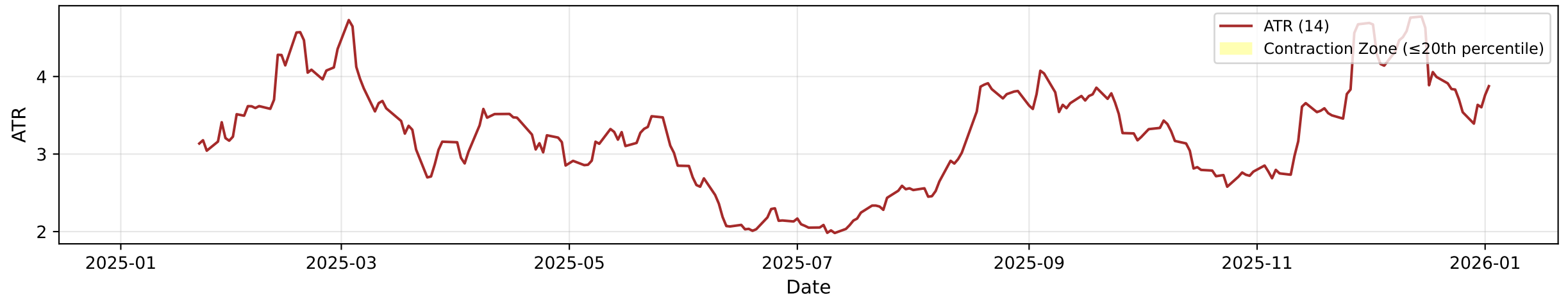
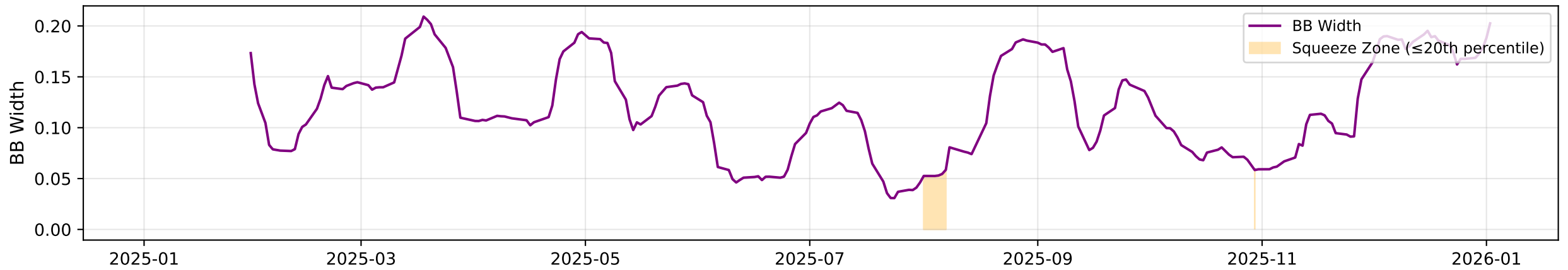
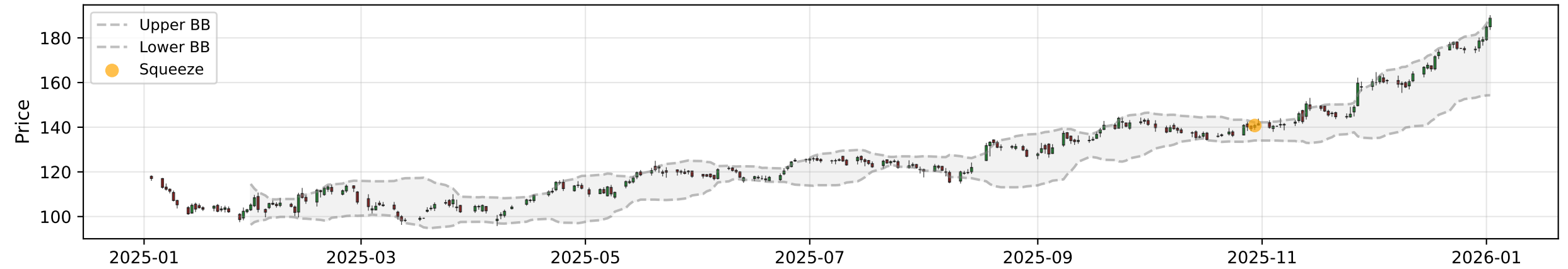
BB Width: 0.2025

ATR: 3.8757

Total Signals: 1

Signal 1: BB Squeeze at 2025-10-30 00:00:00 (Price: 140.77)

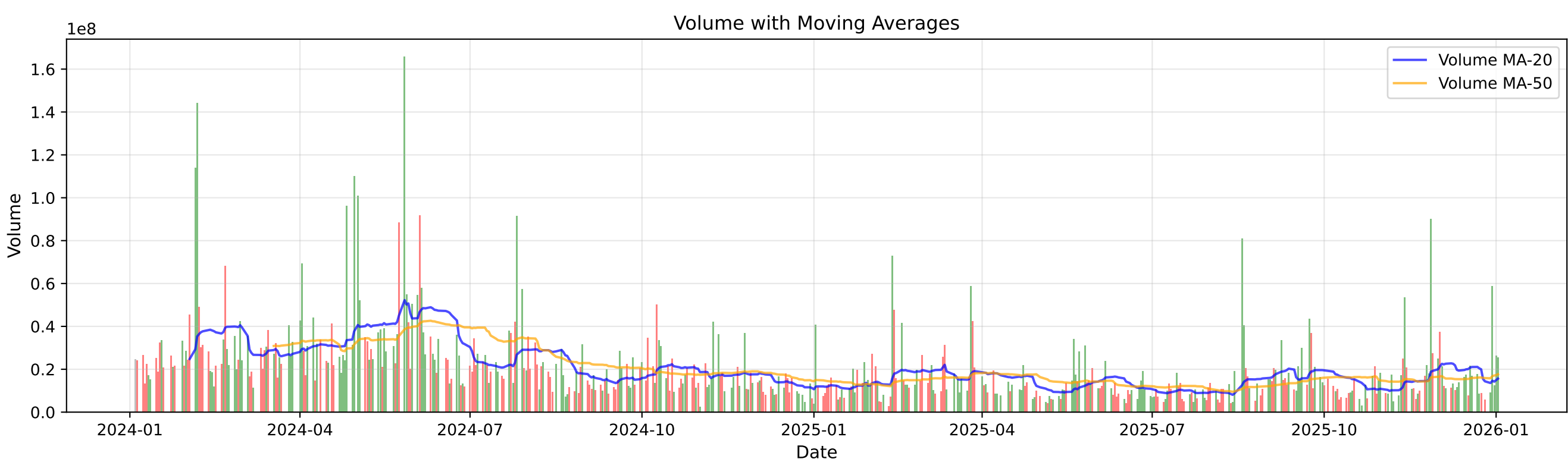
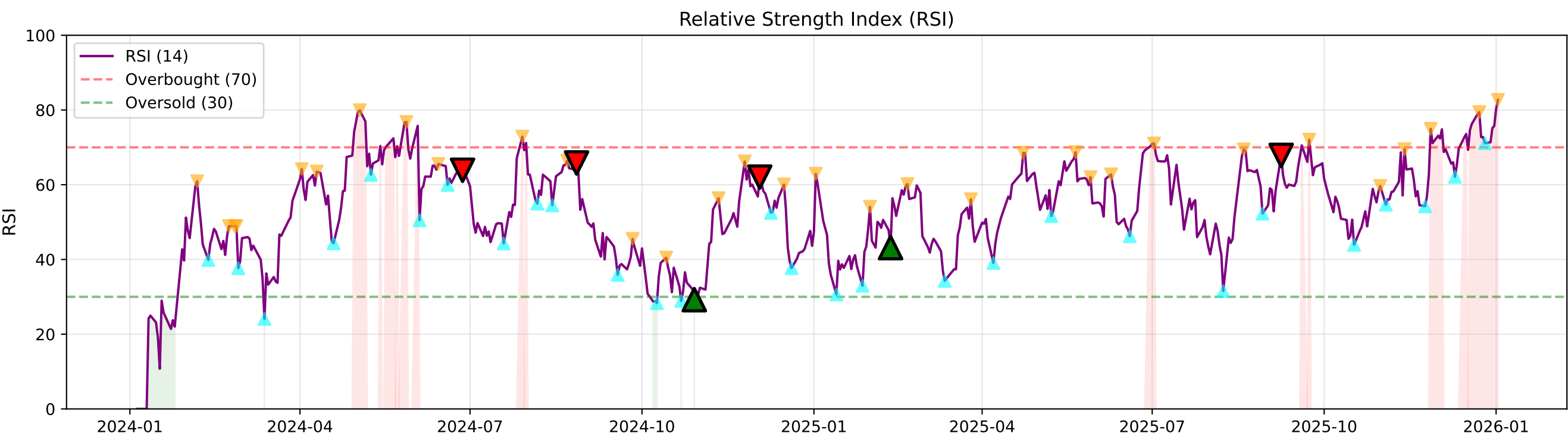
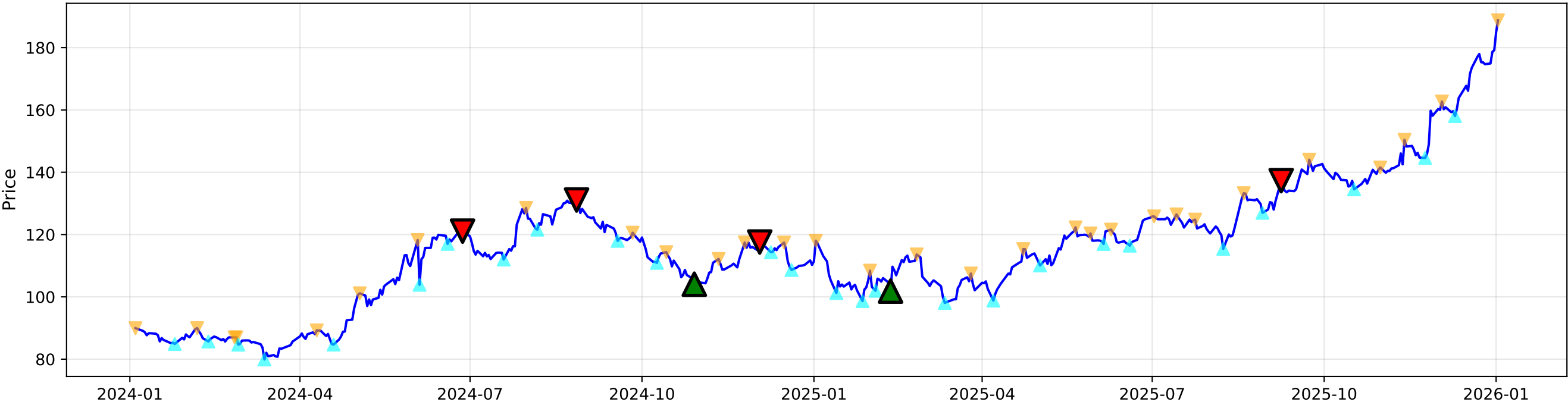
ASHOKLEY.NS - Volatility Squeeze Analysis



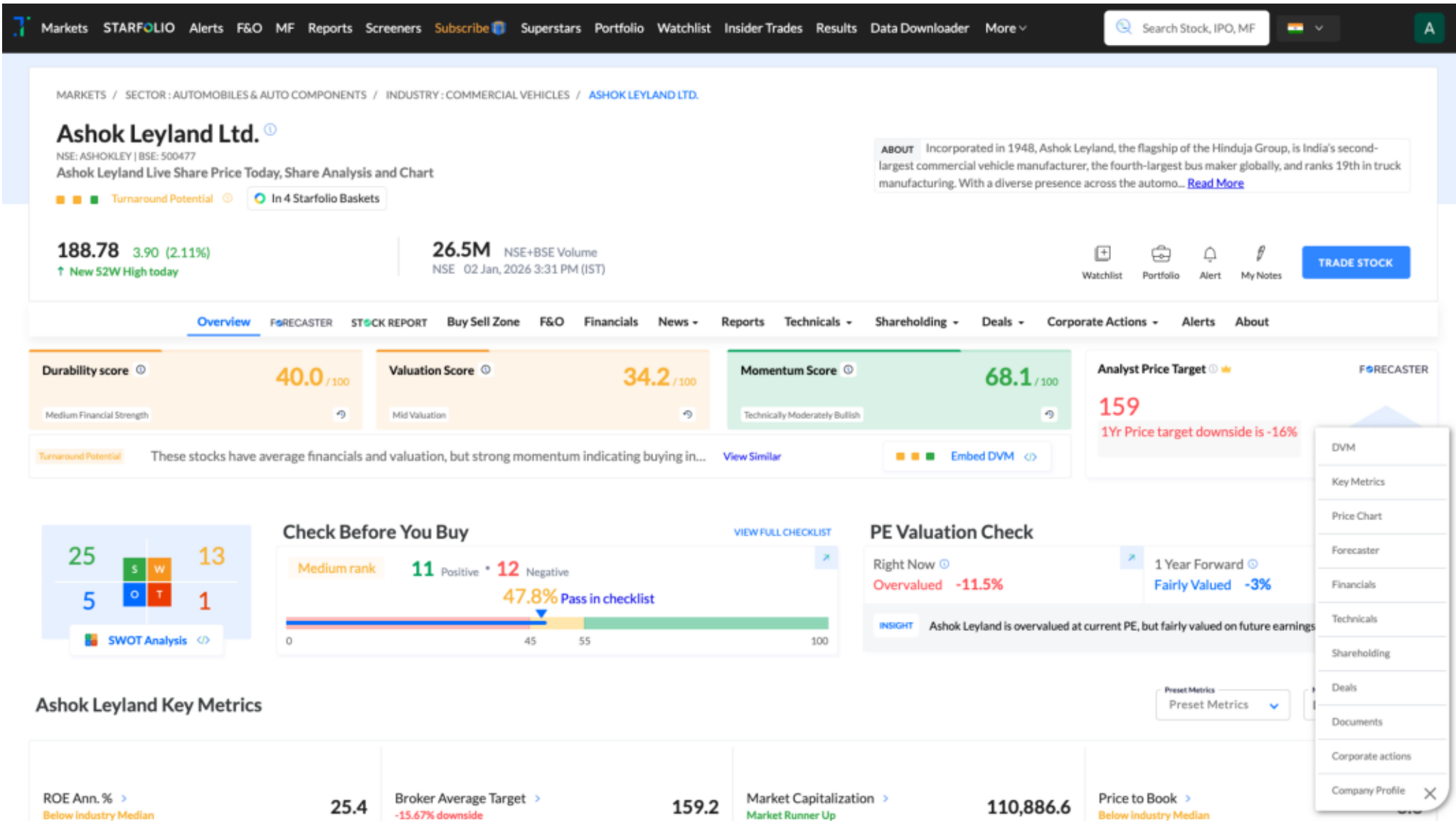
ASHOKLEY.NS - RSI-Volume Summary

Current RSI:	82.69
Current Volume:	25388934
Volume MA 20:	15645132
Bullish Divergences:	2
Bearish Divergences:	4
Bullish Div 1:	Date: 2024-10-29 00:00:00, Price: 104.07
Bullish Div 2:	Date: 2025-02-11 00:00:00, Price: 101.86
Bearish Div 1:	Date: 2024-12-03 00:00:00, Price: 117.59
Bearish Div 2:	Date: 2025-09-08 00:00:00, Price: 137.29

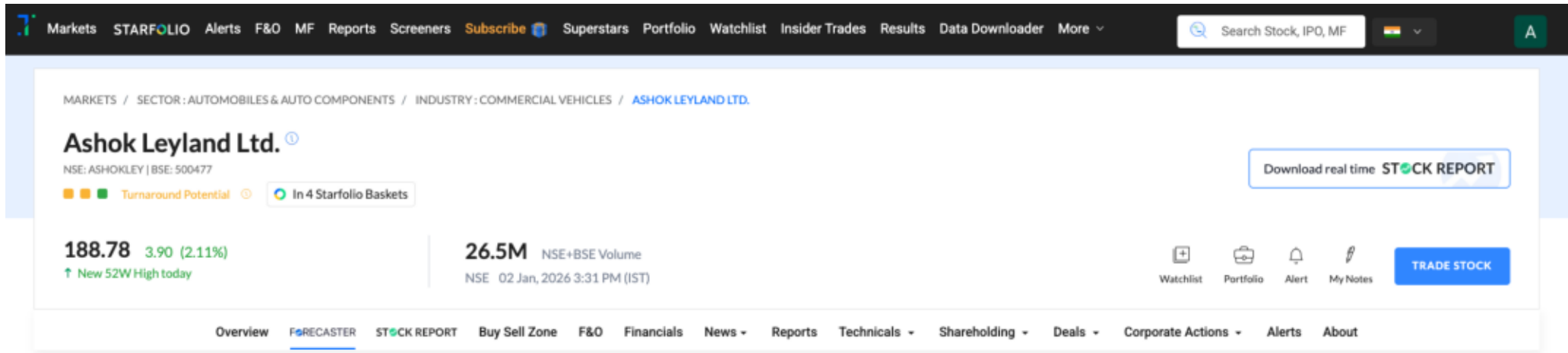
ASHOKLEY.NS RSI-Volume Divergence Analysis



Trendlyne Snapshot - ASHOKLEY_main



Trendlyne Snapshot - ASHOKLEY_forecaster



Ashok Leyland - ASHOKLEY - stock price prediction, stock forecast, target price, analyst ratings from 37 analysts

Ashok Leyland has a share price target of Rs 159, revenue growth forecast of 7.7%, and profit growth estimate of 8.0% for FY26, based on top 37 analyst calls.

Ashok Leyland FORECASTER - Analyst Estimates

[FORECASTER DASHBOARD](#)

