

Gemini Stock Analysis Report

Based on the detailed analysis of the **FEDERALBNK.NS** report provided, here is my assessment as a Positional Equity Trader.

Step 1: Audit the Data

- **Data Present:**
 - **Price Structure:** Daily, Weekly, and 15-minute price charts with candlestick analysis.
 - **Trend Indicators:** Moving Averages (EMA 20, 50, 200), Supertrend, and MACD.
 - **Momentum & Volatility:** RSI (with divergence analysis), Bollinger Bands, and Volatility Squeeze metrics.
 - **Volume Analysis:** Volume Moving Averages, Distribution/Accumulation days, and specific volume signal dates.
 - **Fundamentals:** Revenue/Net Income trends (Long-term & Short-term), Valuation metrics, and Analyst estimates.
 - **Data Missing:**
 - **Sector Rotation:** While a comparison to ^NSEBANK is provided, broader market context (Nifty 50 correlation) is limited.
 - **Specific Catalyst News:** The report notes "Distribution Days" and earnings dips but does not detail the specific news events driving the recent short-term net income drop (-15.82%).
 - **Confidence Level: High.** The report is comprehensive, covering technicals, fundamentals, and relative strength with sufficient depth to form a positional view. *Note: The report date is generated as 2026-01-17; I am analyzing this as a simulation or future-dated scenario based strictly on the provided charts/data.*
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Step 2: Analyze the Setup

1. Trend Direction (Bullish): * The stock is in a confirmed long-term uptrend. Price (270.25) is trading above the EMA 20 (258.03), EMA 50 (252.37), and EMA 200 (223.18). * The **Supertrend** is green (Buy signal active) with support at 242.24. * **Relative Strength:** The stock is an outperformer vs. the Bank Benchmark (RS Ratios > 1 on all timeframes), though the 1-month trend shows it is a "Weakening Leader."

2. Momentum & Structure (Warning Signs): * **Bearish Divergence:** The report explicitly flags **1 Bearish Divergence** on the MACD (Page 12) and **4 Bearish Divergences** on the RSI (Page 16). This indicates that while price is making new highs, underlying momentum is weakening significantly. * **MACD Sell Signal:** The MACD line (-0.63) has crossed below the Signal line, indicating a short-term bearish cycle is active. * **Volume Distribution:** Page 18 notes multiple "Distribution Days" in January 2026 (Jan 08, 13, 14). This suggests institutional selling or profit-taking at these levels. * **Bollinger Bands:** The price is hovering near the Upper Band (274.92) but failing to break out decisively, often a sign of exhaustion.

3. Fundamentals: * Long-term growth is solid, but the **Short-term Fundamental Analysis** (Page 3) shows a red flag: Recent QoQ Net Income dropped by **-15.82%**. This fundamental weakness aligns with the technical distribution noted above.

Step 3: Formulate the Recommendation

Decision: NO (Do not enter at the current market price of 270.25).

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Reasoning: While the primary trend is bullish, the confluence of **Bearish Divergences**, **MACD Sell Signals**, and recent **Distribution Volume** suggests the stock is due for a consolidation or a pullback. Entering now puts you at risk of buying the top of a short-term cycle. The Risk-to-Reward ratio is poor here; the stock is "overvalued" (Page 22) and extended from its mean (EMA 50).

Conditional Plan (The "Pullback to Value" Strategy): Since the long-term trend is strong, we look to buy the dip rather than short the stock. We will wait for the price to digest the bearish momentum and return to a value zone.

- **Condition to Buy:** Price must pull back and touch/consolidate near the **EMA 50** support level, combined with the RSI cooling off to near 40-45.
- **Entry Price: INR 252 - INR 255** (Buying near the EMA 50 and historic support zones).
- **Stop Loss: INR 239** (Daily Close). This is just below the Supertrend support (242.24) and allows for minor volatility wicks.
- **Take Profit: INR 285 - INR 290** (A retest of current highs and slight extension).

Risk Management Note: If the stock breaks above INR 276 on high volume (ignoring the pullback), a momentum entry is valid, but the pullback entry listed above is the higher-probability trade for an intermediate-term horizon.

News & Analyst Targets

As a stock research analyst at an investment firm, I have compiled the latest research, news, and valuation data for **Federal Bank (FEDERALBNK)** as of the current week ending **January 17, 2026**.

1) Latest News for FEDERALBNK (Week of Jan 12 - Jan 17, 2026)

The most significant event this week was the release of Federal Bank's **Q3 FY26 financial results**, which were reported on **Friday, January 16, 2026**. The results were robust and exceeded street expectations, triggering a sharp rally in the stock price.

- **Strong Earnings Beat:** The bank reported a **net profit of INR 1,041 crore** for Q3 FY26, marking a **9% year-on-year (YoY)** increase compared to INR 955 crore in the corresponding quarter last year.
- **Operational Growth:** Net Interest Income (NII) grew by **9% YoY** to **INR 2,653 crore**, driven by healthy loan growth and stable margins. The bank also reported its **highest-ever quarterly fee income** of INR 896 crore.
- **Asset Quality Improvement:** Asset quality improved significantly, reaching the best levels in a decade. **Gross NPA (GNPA)** fell to **1.72%** (from 1.95% YoY), and **Net NPA (NNPA)** improved to **0.42%**.
- **Stock Performance:** Following the results, FEDERALBNK shares surged over **9-11%**, hitting a new **52-week high** (touching levels around **INR 270 - INR 278**) on Friday, breaking a previous consolidation phase.
- **Margin Expansion:** Net Interest Margin (NIM) expanded to **3.18%**, aided by a better liability mix and repricing of assets.

2) Brokerage Upgrades & Downgrades

The strong Q3 performance has led to positive revisions from the analyst community immediately following the results.

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- **Systematix Institutional Equities: UPGRADE to BUY.**

- *Action:* Upgraded rating from 'Hold' to '**Buy**'.
- *Rationale:* Citing improved margins, lower provisions, and a favorable risk-reward ratio. They highlighted the bank's "Breakthrough Phase" strategy is yielding results.

- **Analyst Consensus:** The overall sentiment remains **Bullish**. Most brokerages have retained their positive stance, citing the bank's ability to maintain clean asset quality while growing its loan book in high-yield segments like commercial vehicles and gold loans.

3) Other News Impacting FEDERALBNK

- **Banking Sector Rally:** The broader banking index (Bank Nifty) and PSU banks also saw buying interest this week, creating a positive sectoral tailwind. Federal Bank, along with peers like Union Bank and Central Bank, outperformed the index.
- **IT Sector Spillover:** A massive rally in the IT sector (led by Infosys and Wipro on Jan 16) boosted overall market sentiment (Nifty 50), increasing liquidity and risk appetite for mid-cap banking stocks like Federal Bank.
- **Economic Outlook:** Reports of the IMF likely upgrading India's growth forecast have further strengthened investor confidence in cyclical sectors like banking, which are direct beneficiaries of economic expansion.

4) Latest Price Targets (Analyst Community)

Following the Q3 FY26 earnings announcement, analysts have updated their price targets. The consensus view suggests further upside potential from the current market price (CMP) of approximately INR 270.

Brokerage / Analyst Firm	Rating	Target Price (INR)	Upside Potential	Date / Status
Systematix Inst. Equities	BUY	310	~15%	Fresh Upgrade (Jan 17, 2026)
TradingView	BUY	264 - 320	Mixed	Aggregated Analyst View
Consensus	BUY	240	N/A	Retained (Conservative)
Emkay Global	BUY	242	N/A	Reiterated
Citi	BUY			

> *Analyst Note:* While some older targets (like Emkay/Citi) appear below the current market price due to the sudden post-earnings surge, the fresh upgrade from Systematix to INR 310 reflects the re-rating expected by the street post-Q3 results.

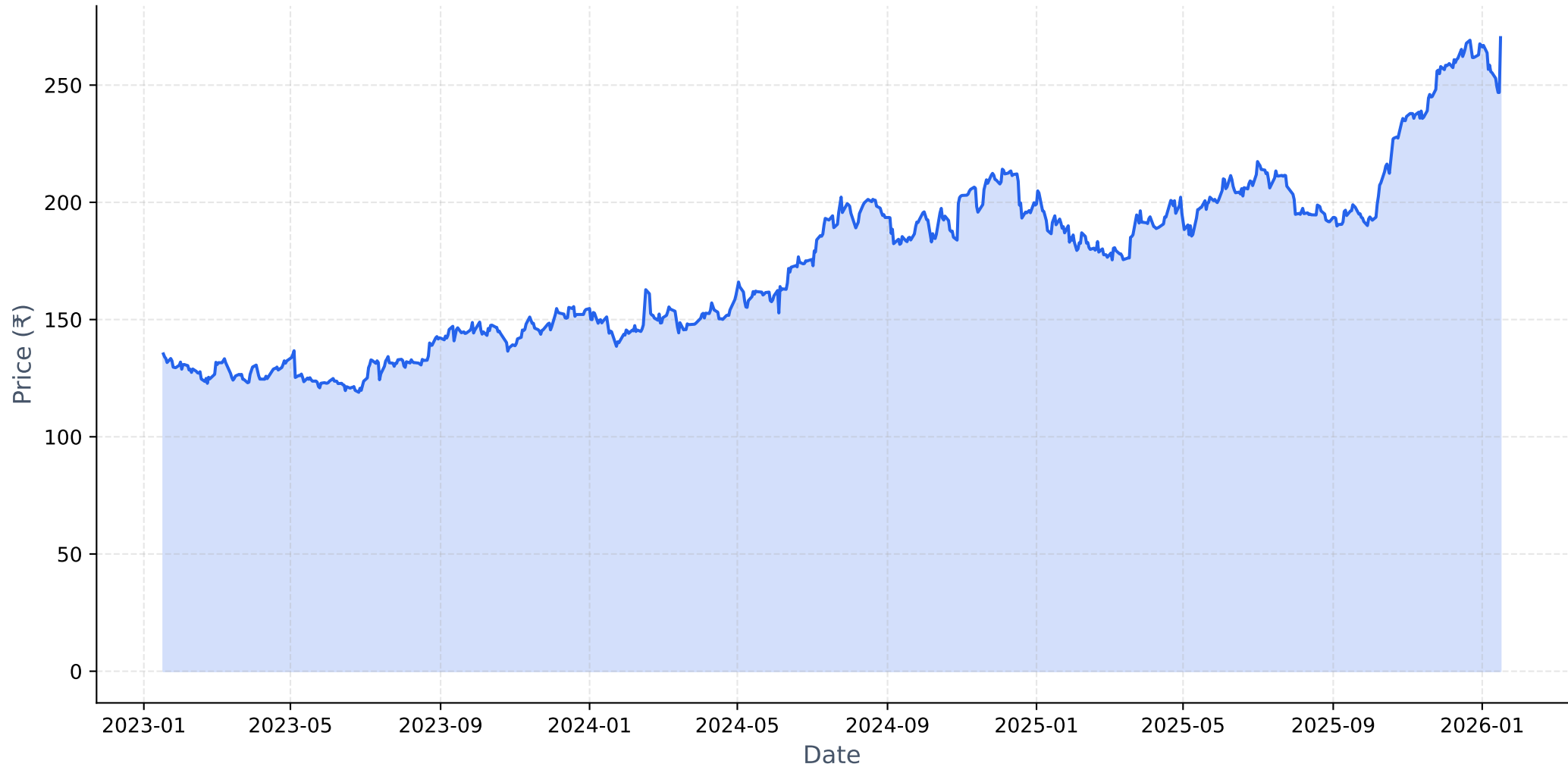
Stock Detailed Analysis Report

FEDERALBNK.NS

Current Price: ₹270.25

Generated: 2026-01-17 17:53

FEDERALBNK.NS - 3 Year Daily Price Chart



Long-term Fundamental Analysis (4 Years)

Metric	Is Growing?	Accelerating?	1Y Growth	3Y CAGR
Revenue	Yes	No	17.46%	18.59%
Net Income	Yes	No	7.17%	28.29%
ROE	Yes	No	-6.58%	5.59%
EPS	Yes	No	1.31%	21.27%

Short-term Fundamental Analysis (6 Quarters)

Metric	Is Growing?	Recent QoQ	Avg QoQ
Revenue	Yes	6.43%	2.32%
Net Income	No	-15.82%	-1.87%
ROE	No	-6.28%	-6.28%
EPS	No	-14.06%	-3.82%

FEDERALBNK.NS - Relative Strength Analysis

== OVERVIEW ==:

Benchmark Index:	^NSEBANK
Sector:	Bank
Classification:	Weakening Leader
RS Score:	55.7/100

:

== RS RATIOS ==:

1M RS:	1.008 [Leader]
3M RS:	1.119 [Leader]
6M RS:	1.209 [Strong]
1Y RS:	1.161 [Leader]

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== TURNAROUND ANALYSIS ==:

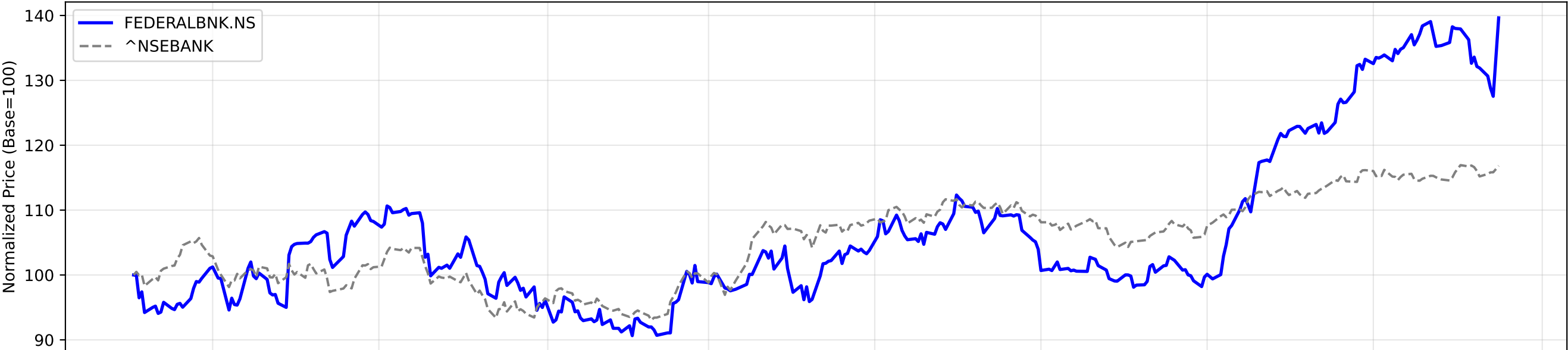
Turnaround Status:	Not Detected
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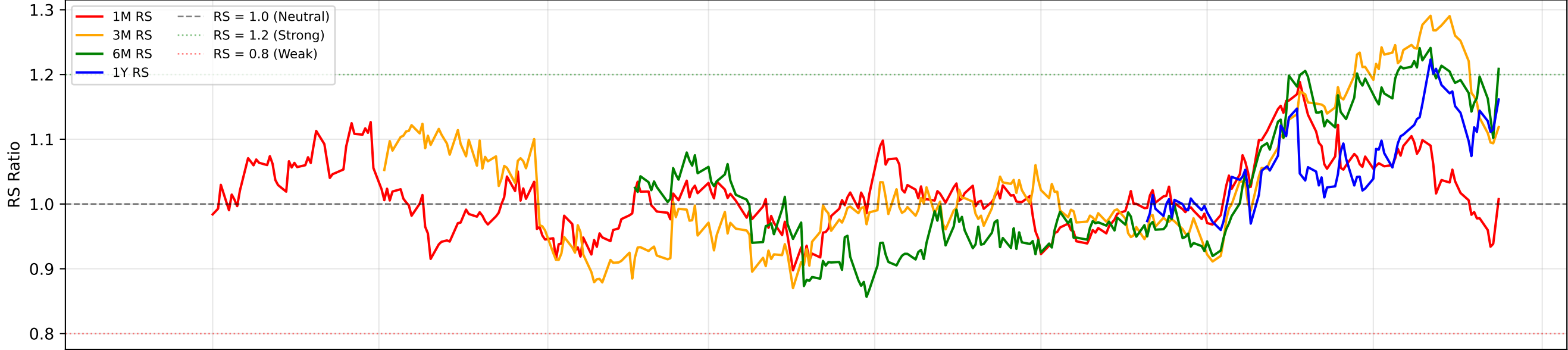
SIGNAL CRITERIA::

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

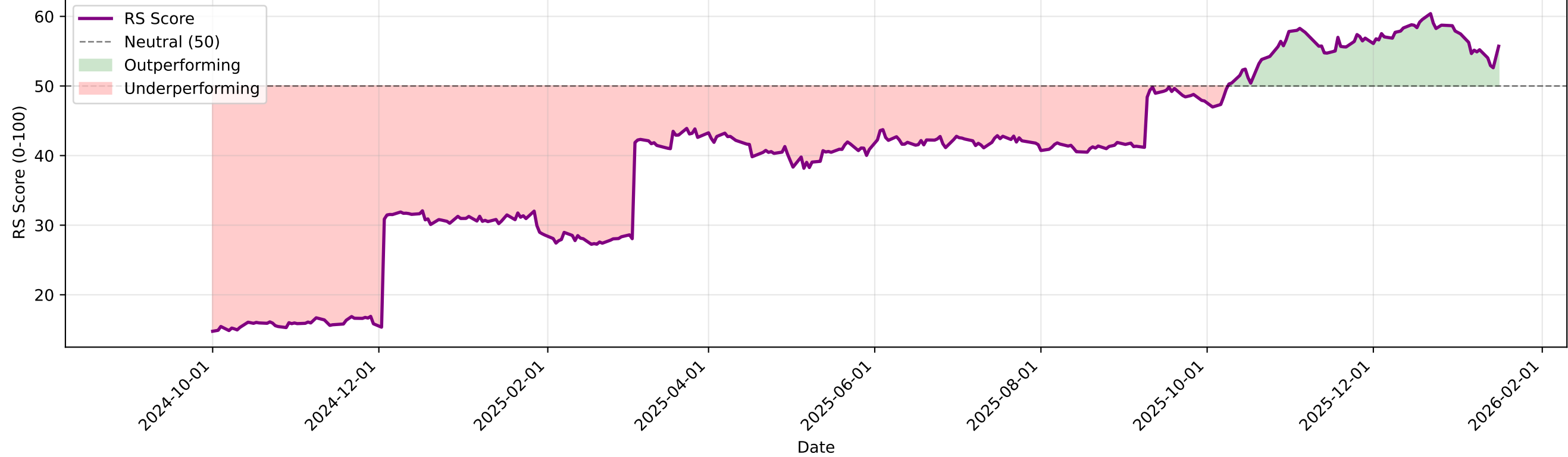
Relative Strength Analysis: FEDERALBNK.NS vs ^NSEBANK
Classification: Weakening Leader
Price Performance Comparison (Normalized)



RS Ratio Trends (Multiple Timeframes)



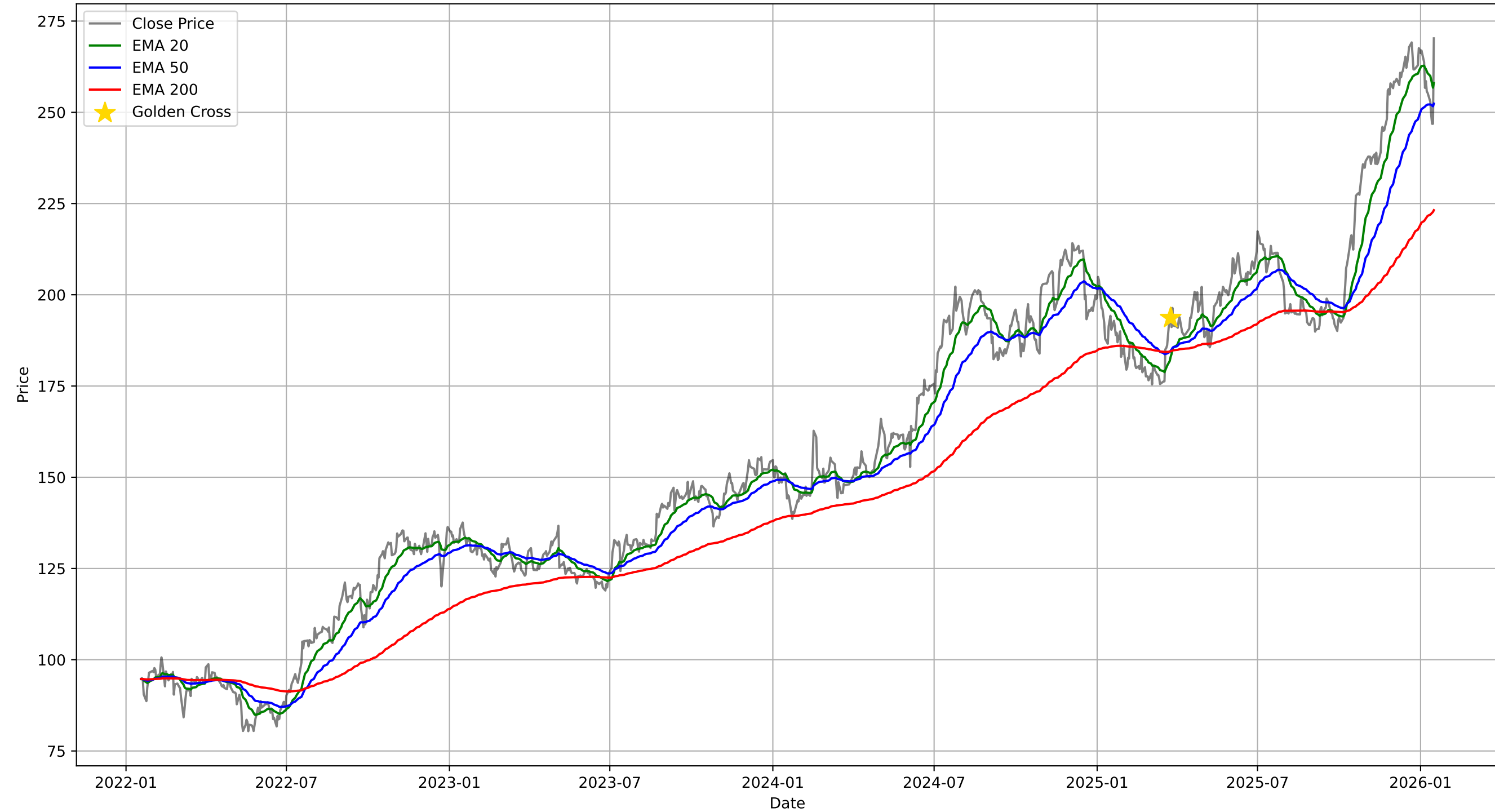
RS Composite Score Timeline



FEDERALBNK.NS - EMA Crossover Summary

EMA 20:	258.03
EMA 50:	252.37
EMA 200:	223.18
Trend Status:	Strong Uptrend
Golden Cross Date:	2025-03-25 00:00:00+05:30
Golden Cross Price:	193.68

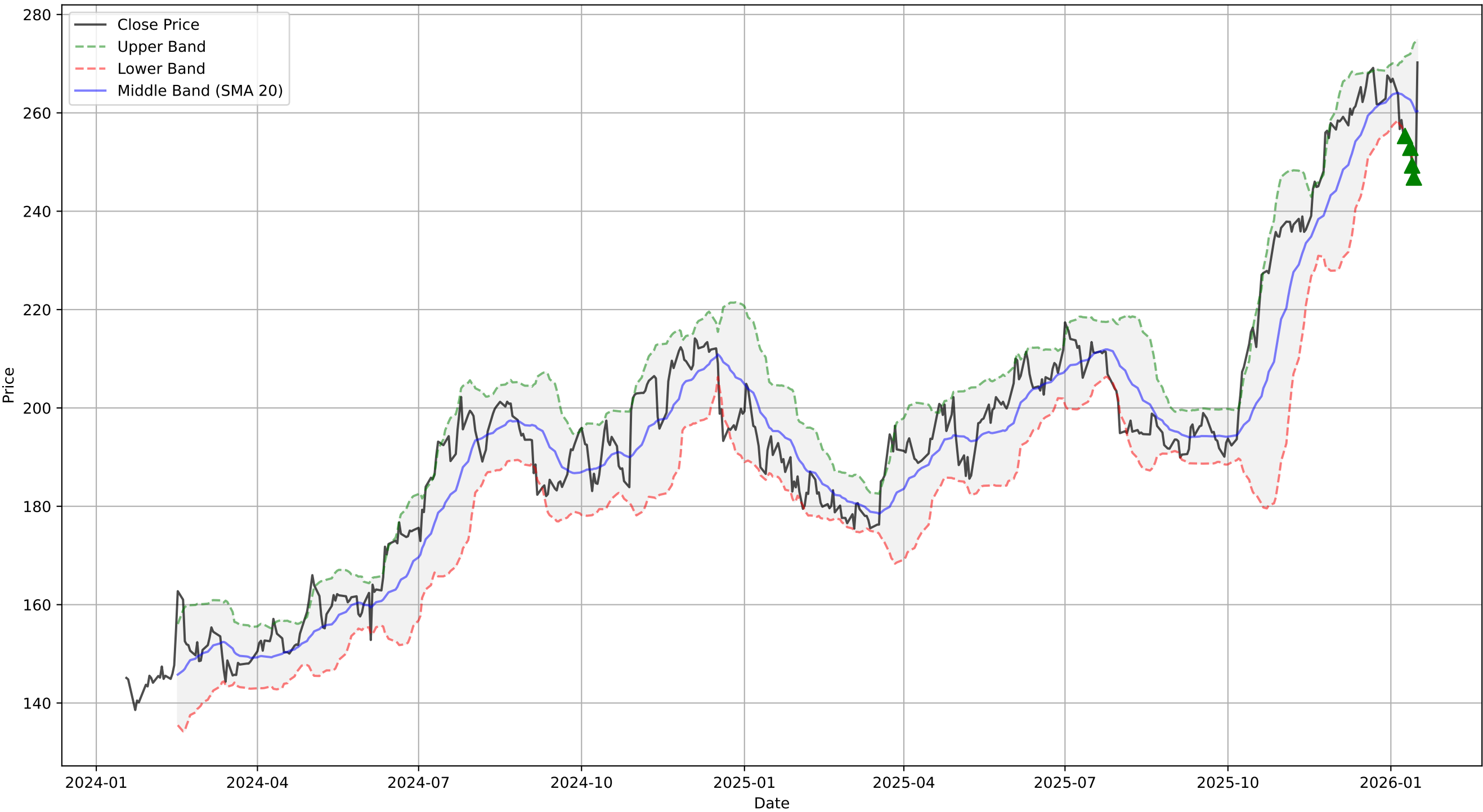
FEDERALBNK.NS EMA Crossover Analysis



FEDERALBNK.NS - Bollinger Bands Summary

Current Price:	270.25
Upper Band:	274.92
Middle Band (SMA 20):	260.36
Lower Band:	245.79
%B:	0.8396
Band Width:	0.1119
Status:	Upper Half
Signal:	None
Recent Signal 1:	Buy Signal at 2026-01-12 00:00:00+05:30
Recent Signal 2:	Buy Signal at 2026-01-13 00:00:00+05:30
Recent Signal 3:	Buy Signal at 2026-01-14 00:00:00+05:30

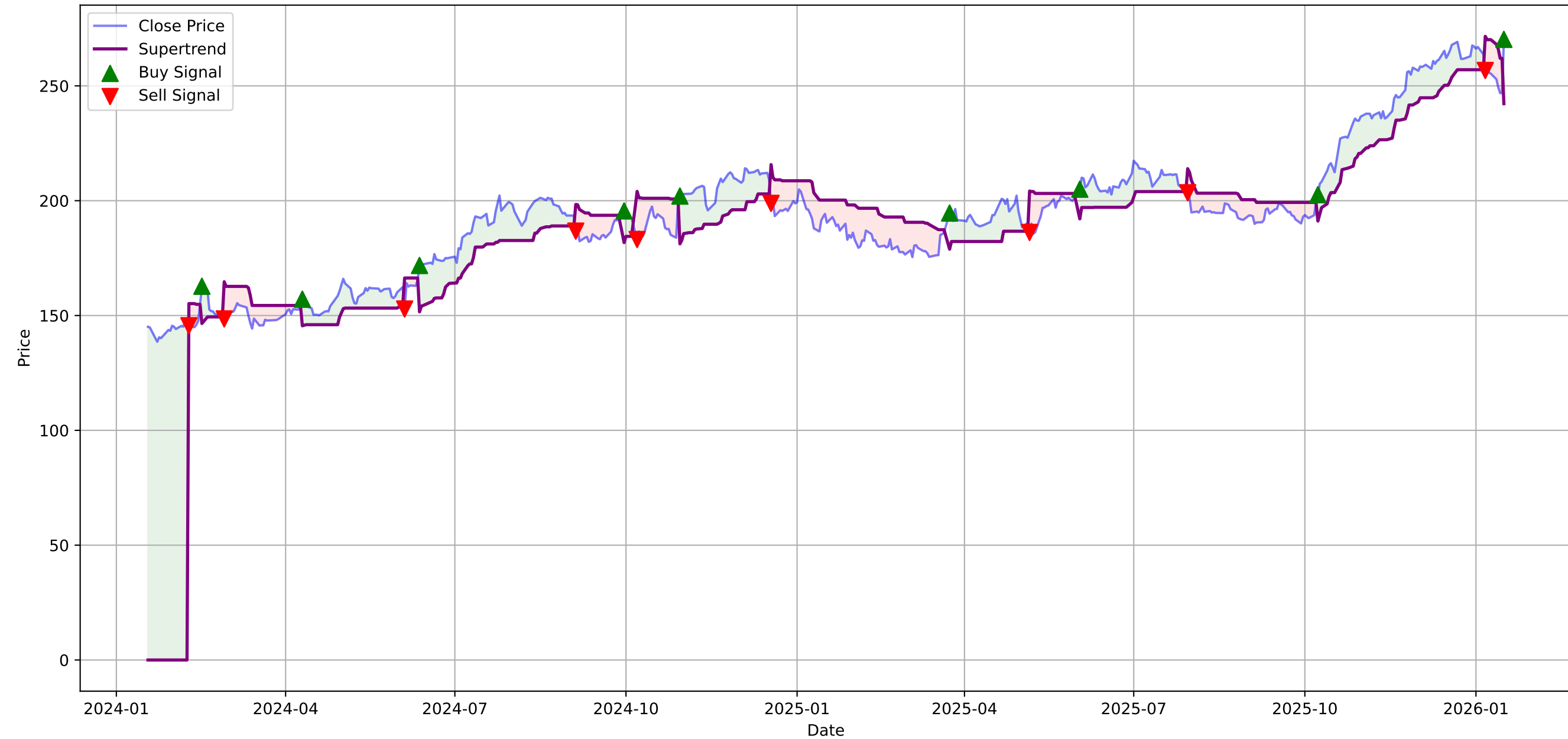
FEDERALBNK.NS Bollinger Bands (20, 2) Analysis



FEDERALBNK.NS - Supertrend Summary

Status:	UPTREND (Buy)
Supertrend Value:	242.24
Signal Identified On:	2026-01-16

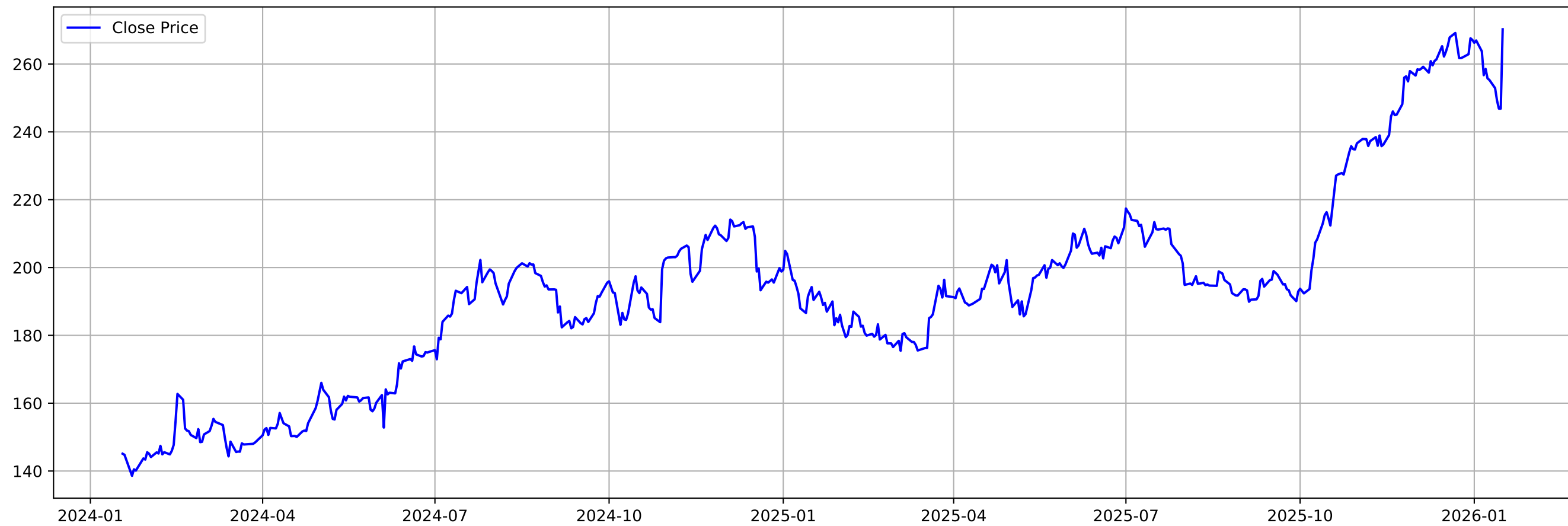
Supertrend Analysis for FEDERALBNK.NS (Period: 14, Multiplier: 3.0, Interval: 1d)



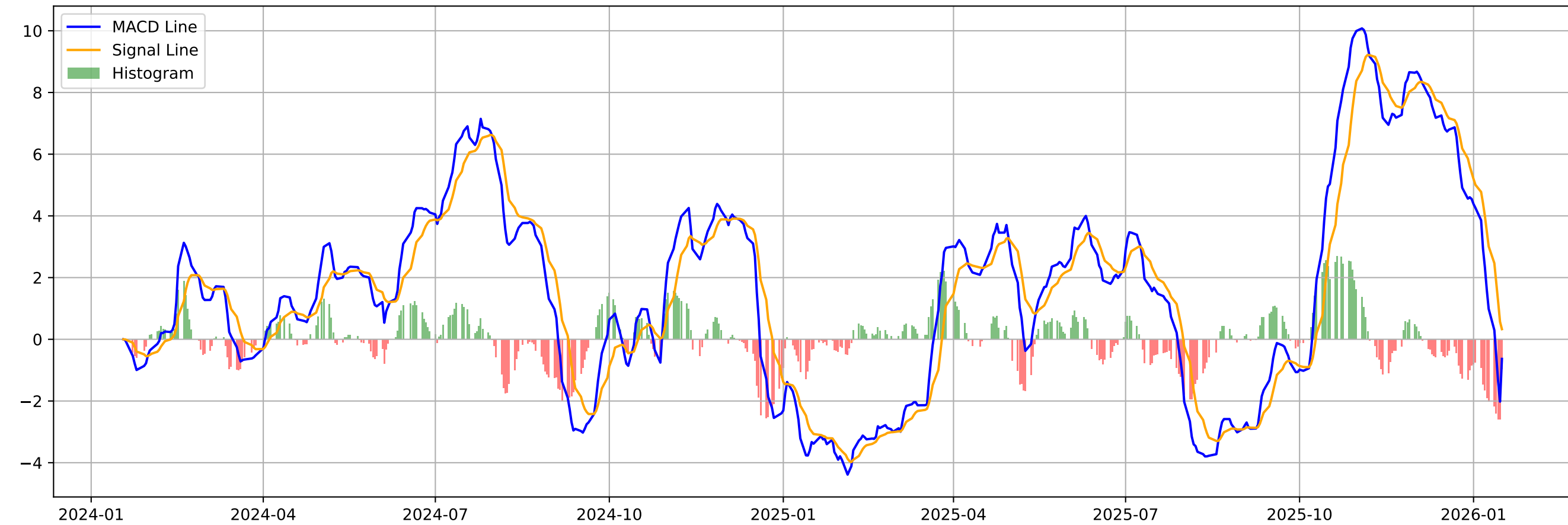
FEDERALBNK.NS - MACD Summary

MACD Line:	-0.63
Signal Line:	0.33
Histogram:	-0.96
Trend:	Bearish
Momentum:	Weakening
Signal:	None
Divergences Detected:	1
└ Bearish Divergence:	Date: 2026-01-16 00:00:00+05:30, Price: 270.25

FEDERALBNK.NS Price



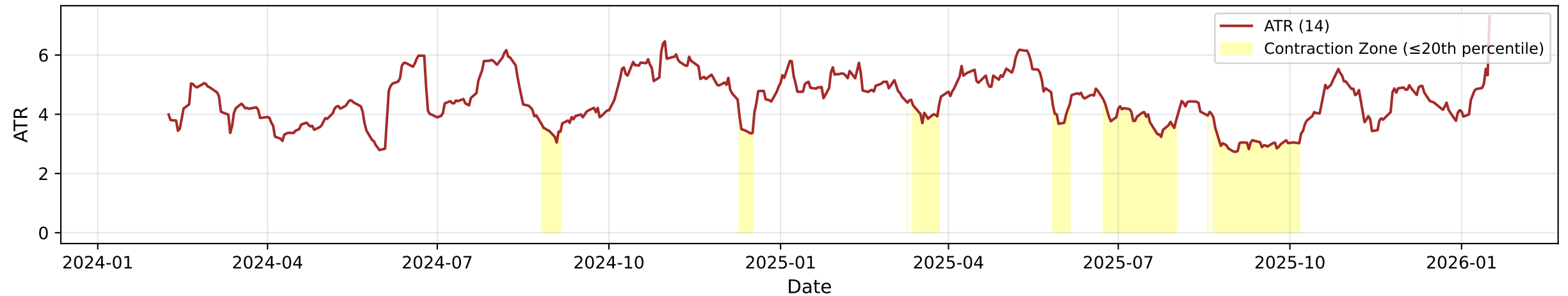
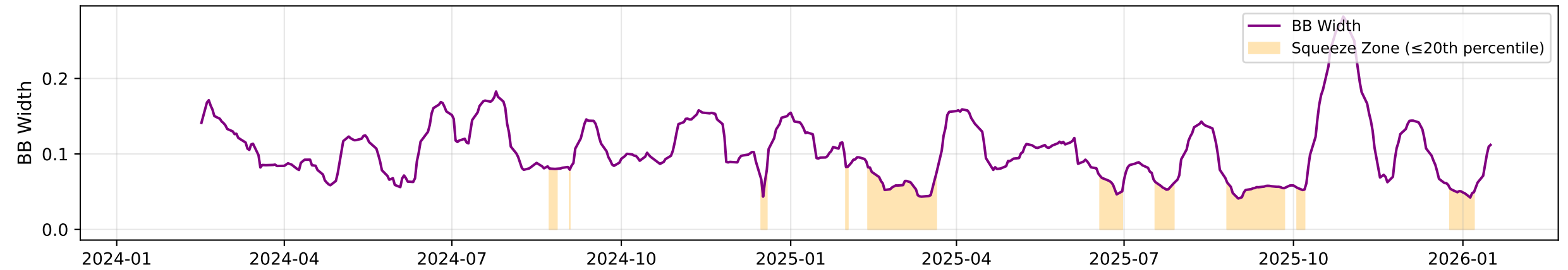
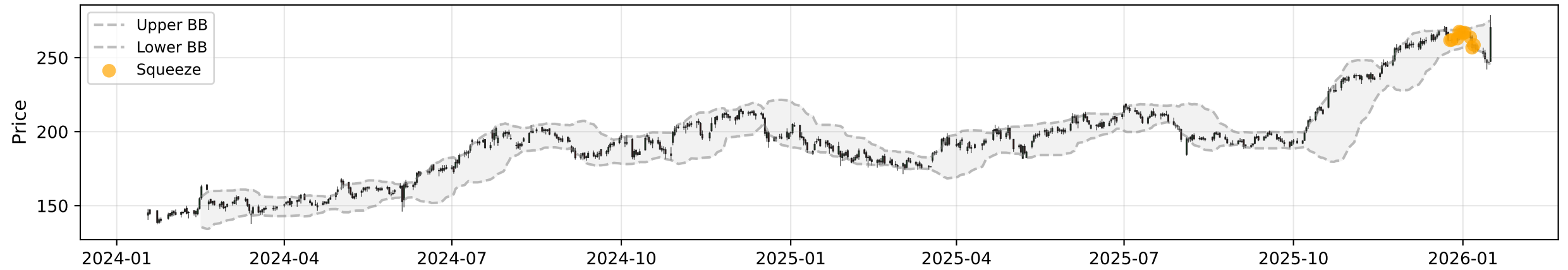
FEDERALBNK.NS MACD (12, 26, 9)



FEDERALBNK.NS - Volatility Squeeze Summary

BB Width:	0.1119
ATR:	7.3000
Total Signals:	10
Signal 1:	BB Squeeze at 2026-01-01 00:00:00+05:30 (Price: 266.25)
Signal 2:	BB Squeeze at 2026-01-02 00:00:00+05:30 (Price: 266.95)
Signal 3:	BB Squeeze at 2026-01-05 00:00:00+05:30 (Price: 263.75)
Signal 4:	BB Squeeze at 2026-01-06 00:00:00+05:30 (Price: 256.70)
Signal 5:	BB Squeeze at 2026-01-07 00:00:00+05:30 (Price: 258.55)

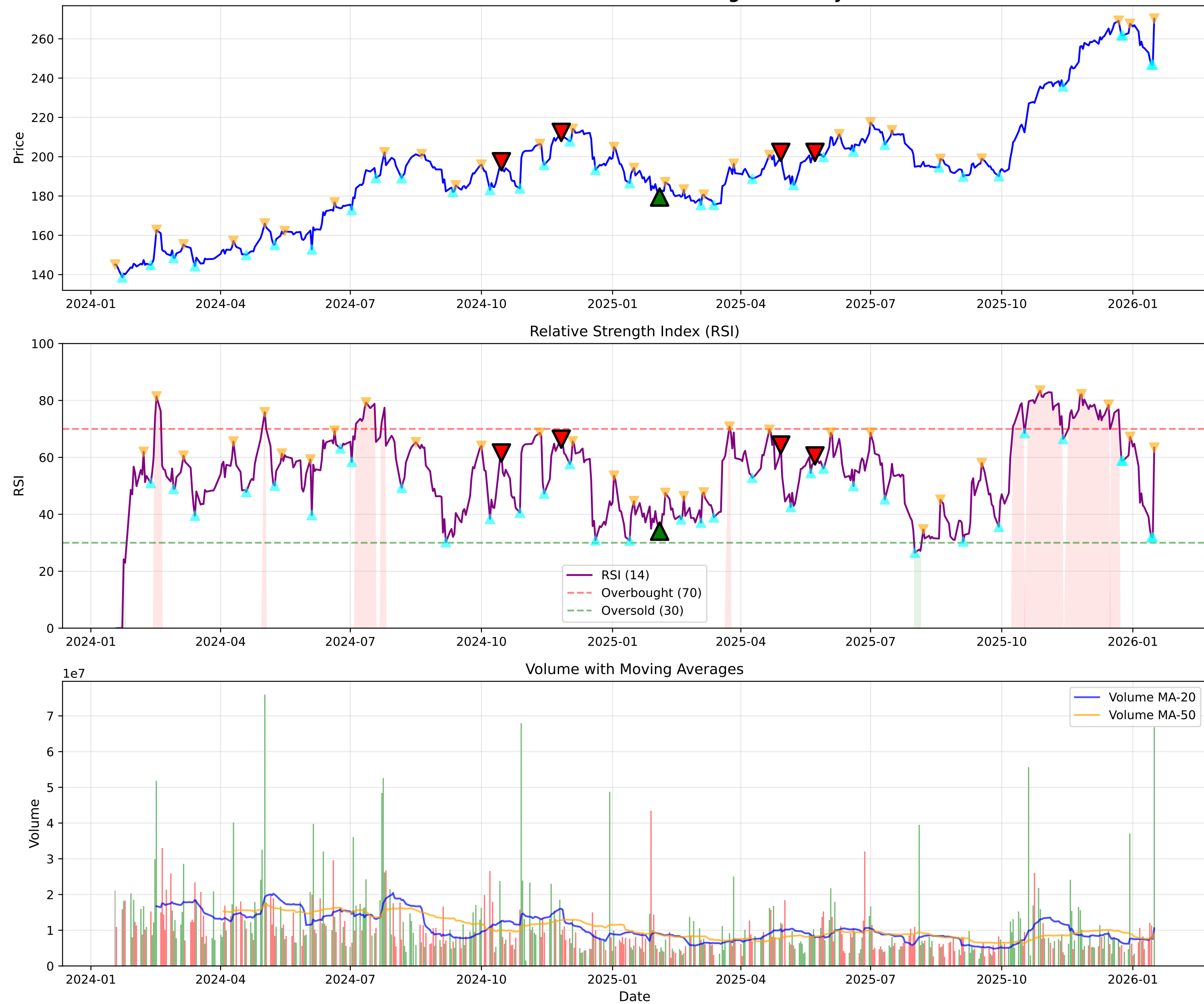
FEDERALBNK.NS - Volatility Squeeze Analysis



FEDERALBNK.NS - RSI-Volume Summary

Current RSI:	63.38
Current Volume:	66836048
Volume MA 20:	10547357
Bullish Divergences:	1
Bearish Divergences:	4
Bullish Div 1:	Date: 2025-02-03 00:00:00+05:30, Price: 179.47
Bearish Div 1:	Date: 2025-04-29 00:00:00+05:30, Price: 202.20
Bearish Div 2:	Date: 2025-05-23 00:00:00+05:30, Price: 202.21

FEDERALBNK.NS RSI-Volume Divergence Analysis



FEDERALBNK.NS - Volume Analysis

== VOLUME ANALYSIS ==:

Status:

112 Signals Detected

:

2025-10-24 [-]:

Distribution Day

2026-01-08 [-]:

Distribution Day

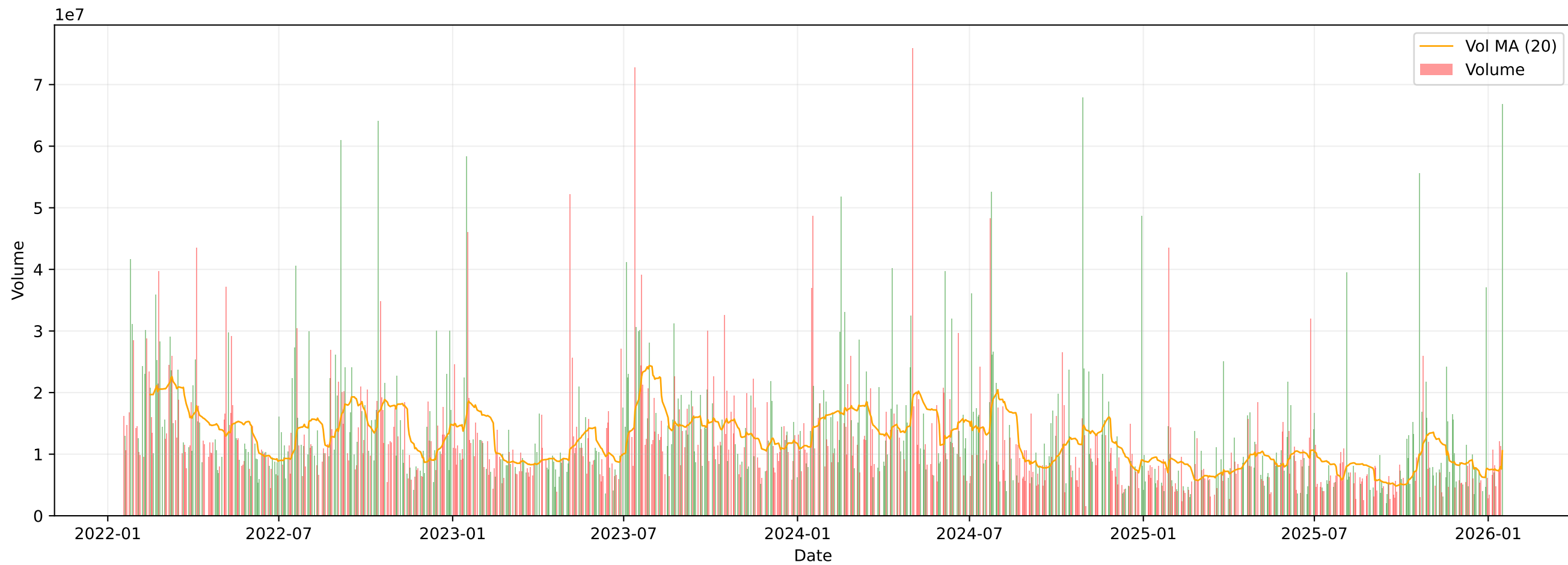
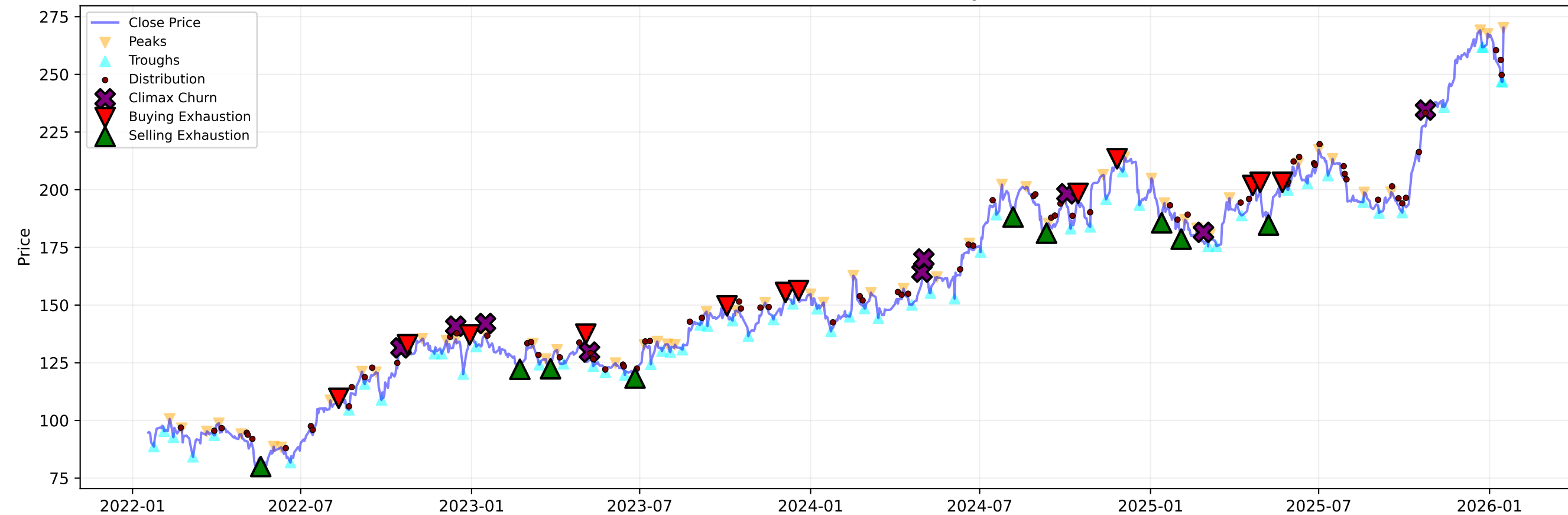
2026-01-13 [-]:

Distribution Day

2026-01-14 [-]:

Distribution Day

FEDERALBNK.NS - Volume Analysis



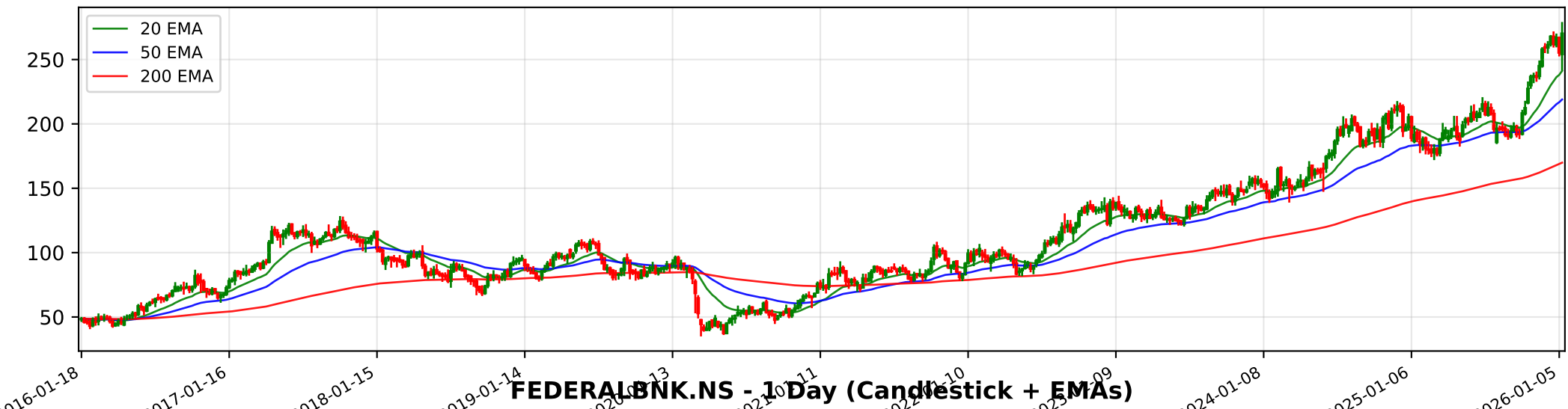
Multi-Timeframe Supertrend Analysis

Timeframe	Status	Value	Last Price	Signal Date
1 Week	UPTREND (Buy)	246.75	270.25	2025-10-06
1 Day	UPTREND (Buy)	242.24	270.25	2026-01-16
15 Min	UPTREND (Buy)	263.06	270.25	2026-01-14

Multi-Timeframe MACD Analysis

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

FEDERALBNK.NS - 1 Week (Candlestick + EMAs)



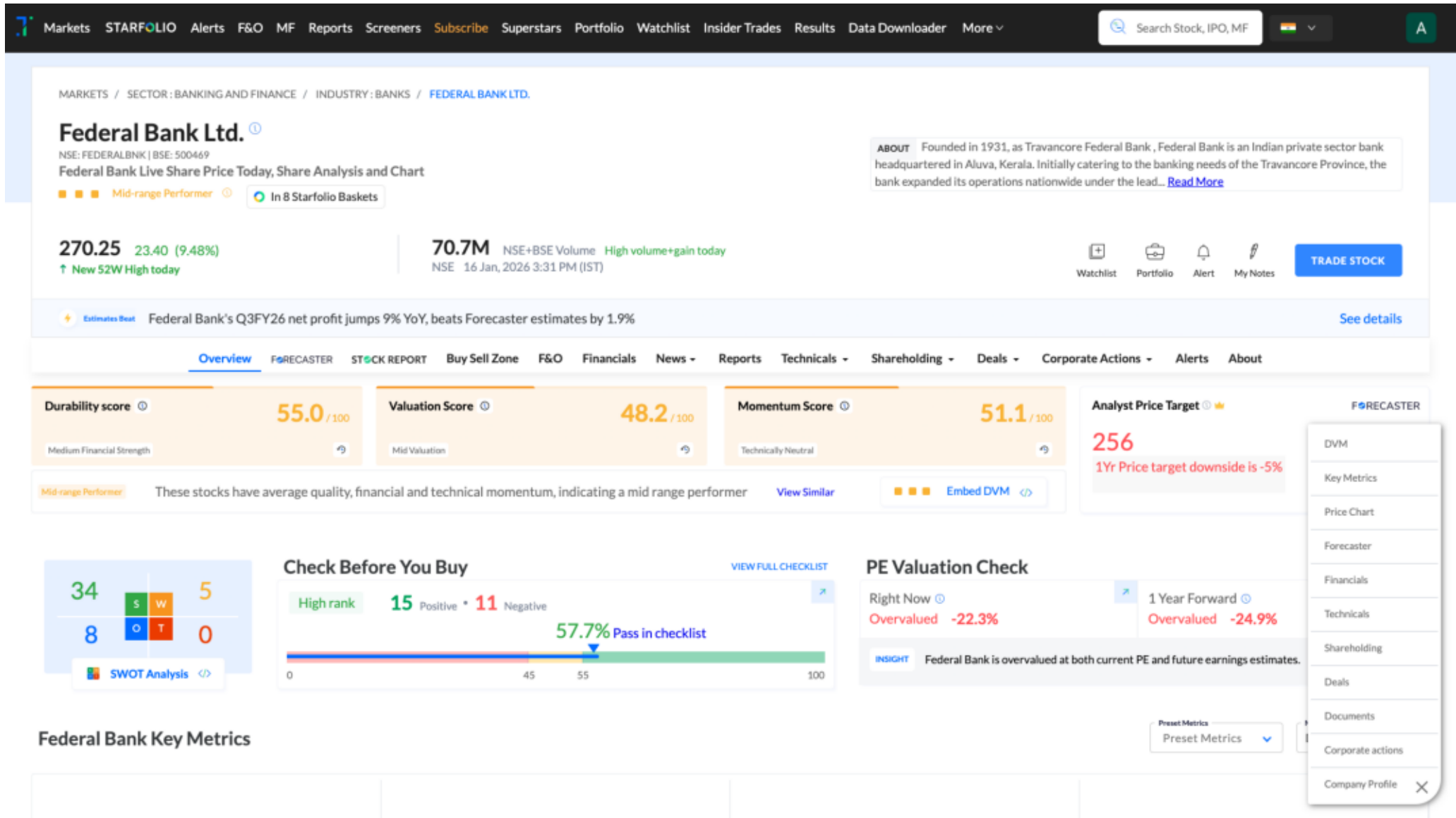
FEDERALBNK.NS - 1 Day (Candlestick + EMAs)



FEDERALBNK.NS - 15 Min (Candlestick + EMAs)



Trendlyne Snapshot - FEDERALBNK_main



Trendlyne Snapshot - FEDERALBNK_forecaster

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MARKETS / SECTOR: BANKING AND FINANCE / INDUSTRY: BANKS / [FEDERAL BANK LTD.](#)

Federal Bank Ltd.

NSE: FEDERALBNK | BSE: 500469

Mid-range Performer

In 8 Starfolio Baskets

270.25

23.40 (9.48%)

↑ New 52W High today

70.7M

NSE+BSE Volume

High volume+gain today

NSE 16 Jan, 2026 3:31 PM (IST)

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My Notes

TRADE STOCK

Estimates Beat

Federal Bank's Q3FY26 net profit jumps 9% YoY, beats Forecaster estimates by 1.9%

See details

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FORECASTER

STOCK REPORT

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Federal Bank - FEDERALBNK - stock price prediction, stock forecast, target price, analyst ratings from 33 analysts

Federal Bank has a share price target of Rs 256, revenue growth forecast of 10.0%, and profit growth estimate of -2.4% for FY26, based on top 33 analyst calls.

Federal Bank FORECASTER - Analyst Estimates

FORECASTER DASHBOARD

SHARE PRICE TARGET FORECAST

12 MONTH ESTIMATE

LOW ESTIMATE

HIGH ESTIMATE

CURRENT PRICE

AVG. ESTIMATE

199

270.3

255.9

320

● CURRENT PRICE

● AVG. ESTIMATE

In \$

EPS FORECAST

QUARTER

ANNUAL

25

20

15

10

Mar '23

Mar '24

Mar '25

Mar '26

Mar '27

◇ ACTUAL EPS

◇ AVG. ESTIMATE

In Rs

CONSENSUS RECOMMENDATION

33 ANALYST Recommendations

BUY

21	5	6	1	Aug '25
20	5	6	1	Sep '25
20	4	8	1	Oct '25
20	4	8	1	Nov '25
19	4	9	1	Dec '25
18	5	9	1	Jan '26

● STRONG BUY

● BUY

● HOLD

● SELL

● STRONG SELL