

# Stock Analysis Report

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## Strategic Trading Analysis

Based on the detailed analysis of the attached PDF report for TCS.NS (Tata Consultancy Services), here is the assessment from a positional trading perspective.

**Date of Analysis:** 2026-02-07 (As per report timestamp)**Current Price:** INR 2941.60

### Step 1: Audit the Data

- **Data Present:**
  - **Price Action:** Daily and Weekly candlestick charts with EMA overlays (20, 50, 200).
  - **Trend Indicators:** Supertrend (Daily, Weekly, 15m), MACD, and Moving Average Crossovers.
  - **Volatility/Momentum:** Bollinger Bands, RSI, and ATR.
  - **Fundamentals:** Long-term (4 years) and Short-term (6 quarters) Revenue/EPS data.
  - **Volume:** Volume Analysis with "Distribution Day" counts and Accumulation/Distribution markers.
  - **Relative Strength:** Comparison against benchmark ^CNXIT.
- **Data Missing:**
  - **Institutional Activity:** FII/DII flow specific to this stock is not explicitly detailed, though price action implies heavy institutional selling.
  - **Fibonacci Retracements:** No explicit support/resistance levels based on Fibonacci logic are drawn.
- **Confidence Level: High.** The report provides a comprehensive technical and fundamental picture, allowing for a definitive conclusion on the stock's current health.

### Step 2: Analyze the Setup

- **Price Structure (Bearish):** The stock is in a confirmed **Strong Downtrend**. It is trading below all major Exponential Moving Averages (20, 50, and 200). The "Death Cross" (50 EMA crossing below 200 EMA) is active, signaling long-term weakness.
- **Momentum (Negative):**
  - **RSI:** Currently at 34.40. While nearing oversold territory, it has not formed a bullish divergence yet.
  - **Bollinger Bands:** Price is closing below the Lower Band (2983.68), indicating extreme selling pressure ("falling knife" scenario).
  - **Supertrend:** All timeframes (15m, Daily, Weekly) are in a "Sell" mode. The daily Supertrend resistance is far away at 3191.46.
- **Relative Strength (Weak):** The stock has an RS Score of 47.9/100 and is underperforming its sector (^CNXIT).
- **Volume (Distribution):** The volume analysis identifies multiple recent "Distribution Days" in Jan/Feb 2026, confirming that rallies are being sold into.
- **Fundamentals (Deteriorating):** Short-term fundamentals are concerning, with Net Income down -16.48% and EPS down -16.50% in the recent quarter.

**Conclusion:** There is **no confluence** for a long position currently. The stock is undergoing a capitulation phase. As a positional trader, entering now is gambling on a bottom rather than trading a trend. The risk of further downside to psychological supports (e.g., 2800-2900) is high.

### Step 3: Formulate the Recommendation

**Recommendation:** **NO** (Do not enter now).

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The stock is technically damaged and requires significant repair to market structure before a high-probability entry presents itself. A "V-shape" recovery is unlikely given the volume distribution; a consolidation base is needed first.

**Conditional Plan (Watchlist Strategy):** We require the stock to reclaim short-term momentum and structural resistance to confirm the selling climax is over.

- **Condition to Buy:** A daily **Close above the 50-day EMA** (currently ~3127) AND the **Supertrend** (currently ~3191). We need the price to clear this "knot" of resistance to invalidate the downtrend.
- **Entry Price:** **INR 3,210** (Entering only after strength is confirmed above the EMA 200 and Supertrend resistance cluster).
- **Stop Loss:** **INR 2,940** (Placing the stop below the current swing low; this is a wide stop, requiring smaller position sizing).
- **Take Profit:** **INR 3,550 - INR 3,600** (Targeting the previous breakdown zone and structural resistance, offering a ~10-12% upside from entry).

## Candlestick Classification Analysis

Based on the **Candlestick Classification System** provided in the report and the visual data from **Page 20 (Summary)** and **Page 21 (Chart)**, here is my detailed analysis and prediction for TCS.NS.

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

According to Page 20, the **Latest Classification** is **"No Control"**. \* **Interpretation:** The most recent trading session formed a candle with a small body relative to its ATR and likely long wicks on both sides (Step 3 of the algorithm). \* **Trader's View:** This represents a pause or indecision. After significant volatility, the market is catching its breath. However, in the context of a downtrend, "No Control" usually signals a lack of buying interest rather than a reversal. Buyers are not stepping in aggressively to defend the price even at these lower levels.

### 2. Trend Analysis: Sellers have the Upper Hand

- **Recent Trend Score (10-day avg): -0.30.**
  - The negative score indicates that over the last two weeks, the average daily close has been bearish. The "Seller Control" (-1) and "Seller Strong Control" (-2) days are outweighing any bullish attempts.
- **Candle Distribution:**
  - **Seller Control (65 + 3 Strong):** 68 days
  - **Buyer Control (54 + 4 Strong):** 58 days
  - **Dominant Regime:** Sellers are statistically winning more sessions than buyers over the analyzed period.

### 3. Visual Analysis (Page 21) - The "Seller Strong Control" Event

Looking at the far right of the chart on Page 21, there is a critical price action event that dictates the current sentiment:

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- **The "Kill Candle" (Seller Strong Control):** Just prior to the current "No Control" candle, there is a massive, long-body red candle dropping from ~3200 to below 3000.
  - **Logic Application (Step 1 & 2):** The body is clearly >1.5 ATR (Strong Body) and closes near the absolute low (Strong Conviction).
  - **Logic Application (Step 4 - Volume):** The volume bar corresponding to this drop is the **highest on the entire chart**. The algorithm multiplies the bearish score by 1.2x because of this high volume.
  - **Verdict:** This signifies **Institutional Liquidation**. "Price without volume is half the story," and this volume confirms that big players are exiting.

## 4. The Setup: **Bearish** Flag / Pause

The current "No Control" candle (the small grey one at the very end) is occurring *after* a massive volatility expansion to the downside.\* When a "Seller Strong Control" (-2) move is followed immediately by "No Control" (0), it indicates that **buyers failed to capitalize on the dip**.\* There is no "V-shape" recovery or "Buyer Strong Control" (+2) candle to counter the drop.

## Prediction: **BEARISH / CONTINUATION DOWN**

**Reasoning:** The price action suggests further downside. The market is currently in a **Strong Downtrend** (as noted in the EMA summary on other pages, but visible here via candlestick lower-highs and lower-lows).

1. **Volume Validation:** The massive sell-off was validated by record volume (Step 4), implying the move is genuine and not a "fake out."
2. **Negative Inertia:** The 10-day trend score is negative (-0.30), showing momentum is with the bears.
3. **Failed Support:** The price has sliced through previous consolidation zones without finding a "Buyer Strong Control" response.

**Trader's Plan:** I expect the price to likely break below the low of the recent "No Control" candle. The "No Control" classification is likely a temporary pause (a bearish consolidation) before the next leg down. I would remain on the **Short** side until a "Buyer Strong Control" (+2) candle appears with significant volume to prove that a bottom has formed.

# News & Analyst Targets

**Date:** February 7, 2026 **To:** Investment Committee **From:** Equity Research Desk **Subject:** Weekly Update on Tata Consultancy Services (TCS)

Here is the latest research and market intelligence on Tata Consultancy Services (TCS) for the week ending February 7, 2026.

## 1. Latest News for TCS (Week of Feb 1-7, 2026)

The week was marked by significant volatility driven by sectoral fears, despite positive operational announcements from the company.

- **Stock Price Correction on AI Fears (Feb 4):** TCS shares witnessed a sharp decline (~5-7%) mid-week, falling to levels around INR 2,940-INR 3,060. The sell-off was triggered by renewed fears that Generative AI (specifically new tools from Anthropic) could automate professional services faster than anticipated, disrupting the traditional IT services business model.

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- **Brazil Expansion (Feb 3-5):** TCS announced a major expansion in Latin America with a **US\$37 million investment** to build a new delivery center in Londrina, Brazil. The facility is expected to create 1,600 specialized jobs over five years, focusing on AI, business transformation, and cognitive operations.
- **Expanded Partnership with The Warehouse Group (Feb 3):** TCS expanded its strategic partnership with New Zealand's The Warehouse Group. Under the new "learner operating structure," TCS will co-source and manage critical corporate functions including technology, finance, and operations to drive cost efficiencies for the retailer.
- **Heavy Derivatives Activity:** Towards the end of the week, TCS saw a spike in put option trading (bearish bets) ahead of the February 24 monthly expiry, signaling that investors are hedging against further near-term downside.

## 2. Brokerage Upgrades & Downgrades

The sentiment from the brokerage community this week has been **cautious**, largely retaining views formed after the Q3 FY26 earnings (released Jan 12). There were no major *rating upgrades* this specific week, but the bearish price action has tested support levels.

- **Current Sentiment:** Most brokerages have maintained a **"Neutral"** or **"Hold"** stance. The prevailing view is that while TCS's margins remain resilient, there is limited visibility on a broad-based demand recovery in the US and Europe.
- **Recent Shifts:**
  - **Constructive:** **CLSA** remains one of the few constructive voices, citing TCS's stable margins and AI-led deal wins as key differentiators.
  - **Bearish:** **Citi** has maintained a more bearish stance, concerned about the slow conversion of the deal pipeline into revenue.
  - **Post-Earnings Context:** Following the Q3 results (where Profit fell 14% YoY due to exceptional items but Revenue beat estimates), analysts have been waiting for clearer signs of a discretionary spending revival before upgrading targets.

## 3. Indirect News Impacting TCS

- **The "Anthropic" Shock:** The release of advanced AI agents by **Anthropic** (specifically plugins for Claude that automate complex legal and data analysis tasks) sent shockwaves through the Nifty IT index. Investors fear these tools challenge the "time and material" billing models of Indian IT majors.
- **Sector Weakness:** The **Nifty IT index** underperformed the broader market significantly this week, down ~5%. TCS, being the bellwether, bore the brunt of this ETF-led selling.
- **Currency:** The Indian Rupee remained relatively stable, offering no immediate tailwind to offset the negative sentiment from the US tech sector.

## 4. Latest Analyst Price Targets

The following table summarizes the most recent available targets from major brokerages. Note that while some targets were set post-Q3 (Jan 12), they remain the active guidance for this quarter.

Brokerage / Firm	Rating	Price Target (INR)	Outlook / Note
JP Morgan	Overweight	INR 3,800	Expects recovery in H2 FY26 driven by AI transformation.
Nuvama	Buy	INR 3,650	Sees TCS as a leader in AI transition; strong cash flows.
Emkay Global	Add	INR 3,250	Valuation comfort emerging; focused on AI-led modernization.

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Brokerage / Firm	Rating	Price Target (INR)	Outlook / Note
Consensus (Avg)	Buy/Hold	INR 3,617	Average of ~46 analysts (Upside potential ~23% from CMP).
Trendlyne Avg	--	INR 3,743	Aggregated consensus target.
Investec	Buy	--	Maintained bullish stance on long-term IT resilience.
Citi	Sell/Neutral	Below CMP	Cautious on near-term growth visibility.

**Analyst Note:** With the stock currently trading near **INR 2,950**, it is significantly below the consensus target of **INR 3,617**. This divergence suggests the market is currently pricing in a "hard landing" for IT demand or a structural AI risk that analysts have not yet fully factored into their models. Aggressive investors may see value here, but near-term momentum is negative.

# Stock Detailed Analysis Report

**TCS.NS**

Current Price: ₹2941.60

Generated: 2026-02-07 10:28

# TCS.NS - 3 Year Daily Price Chart



## Long-term Fundamental Analysis (4 Years)

Metric	Is Growing?	Accelerating?	1Y Growth	3Y CAGR
Revenue	Yes	No	5.99%	10.01%
Net Income	Yes	No	5.76%	8.20%
ROE	Yes	No	1.00%	6.02%
EPS	Yes	No	6.60%	9.00%

## Short-term Fundamental Analysis (6 Quarters)

Metric	Is Growing?	Recent QoQ	Avg QoQ
Revenue	Yes	5.75%	1.12%
Net Income	No	-16.48%	-2.35%
ROE	Yes	1.02%	5.48%
EPS	No	-16.50%	-4.55%



# TCS.NS - Relative Strength Analysis

## == OVERVIEW ==:

Benchmark Index:	^CNXIT
Sector:	IT
Classification:	<b>Neutral</b>
RS Score:	47.9/100
:	

## == RS RATIOS ==:

1M RS:	<b>0.969 [Neutral]</b>
3M RS:	<b>0.992 [Neutral]</b>
6M RS:	<b>0.955 [Neutral]</b>
1Y RS:	<b>0.869 [Neutral]</b>
:	

## == TURNAROUND ANALYSIS ==:

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

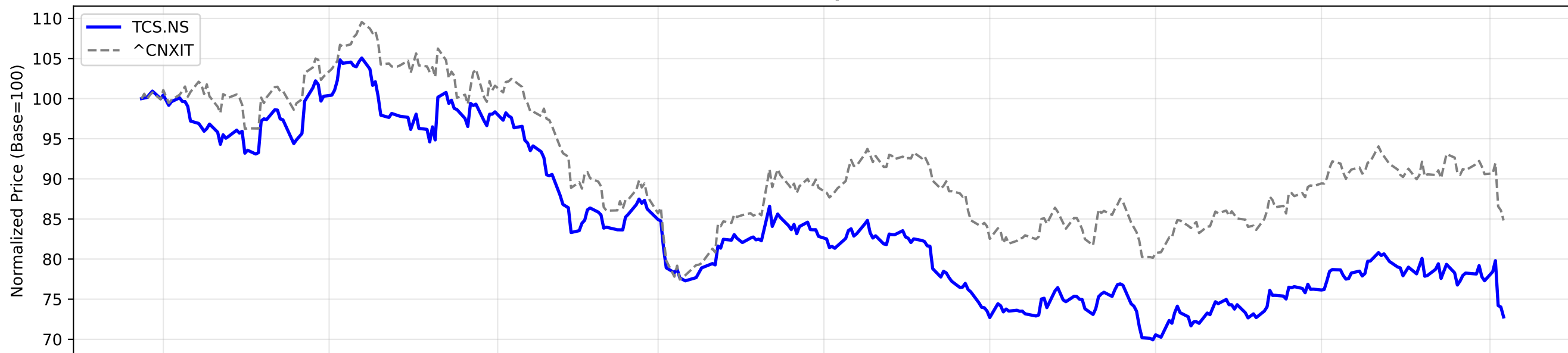
## SIGNAL CRITERIA::

✗ Emerging RS:	<b>Not accelerating</b>
✓ Medium-term Lagging:	6M=0.955, 1Y=0.869 ( $\leq 1.0$ )
✓ Performance Improving:	3M (-0.5%) > 6M (-2.2%)

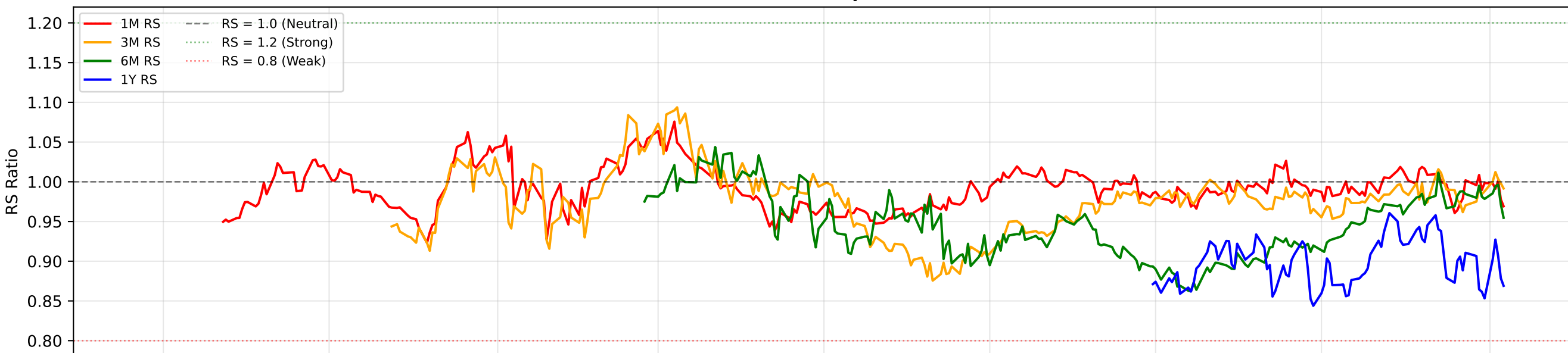
# Relative Strength Analysis: TCS.NS vs ^CNXIT

## Classification: Neutral

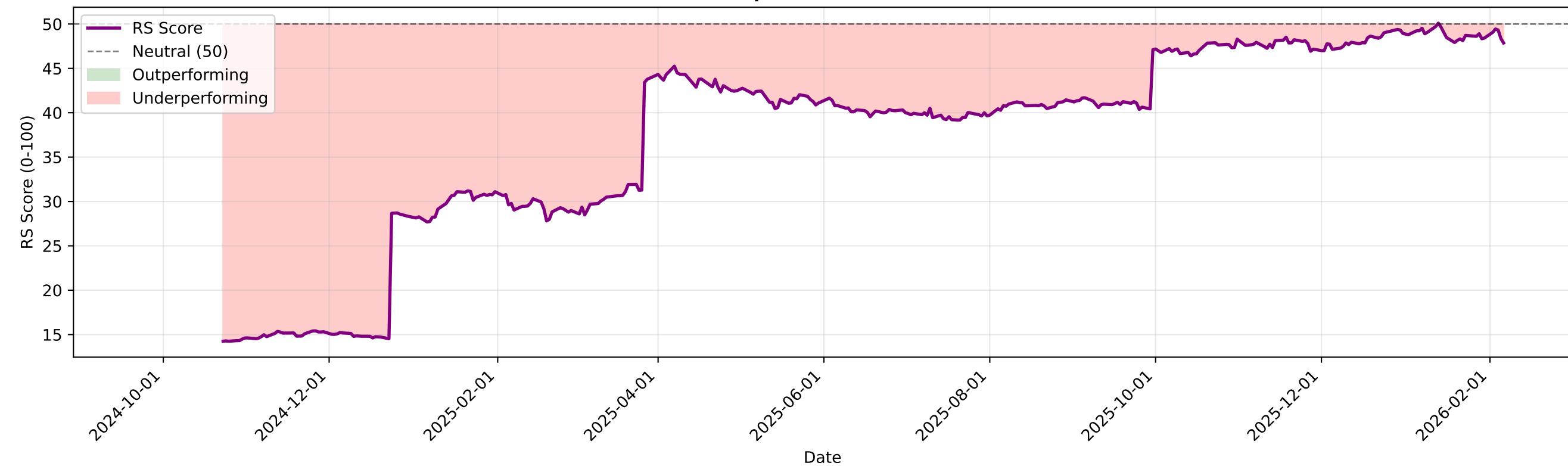
### Price Performance Comparison (Normalized)



### RS Ratio Trends (Multiple Timeframes)



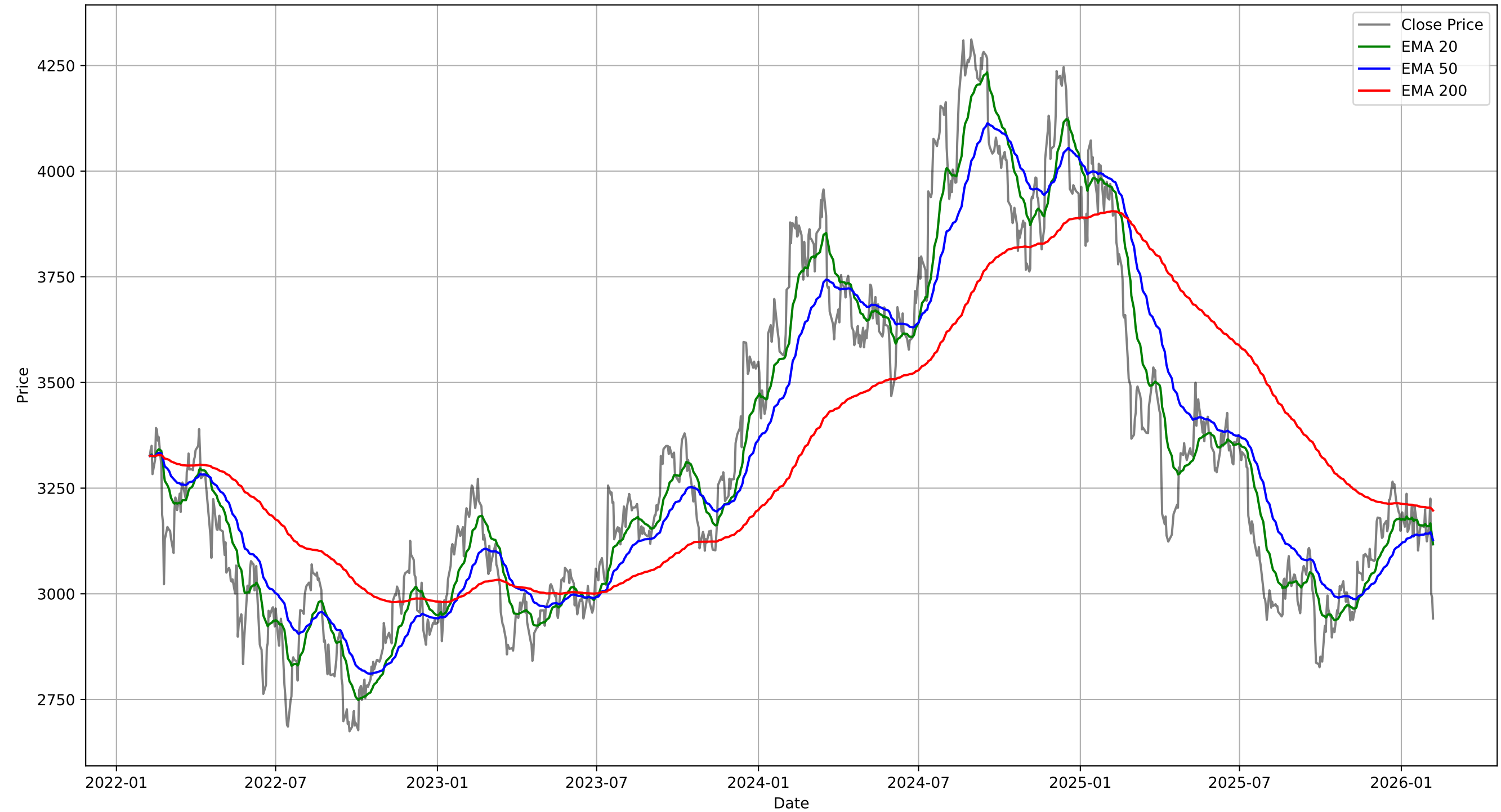
### RS Composite Score Timeline



## TCS.NS - EMA Crossover Summary

EMA 20:	3117.08
EMA 50:	3127.03
EMA 200:	3197.09
Trend Status:	<b>Strong Downtrend</b>

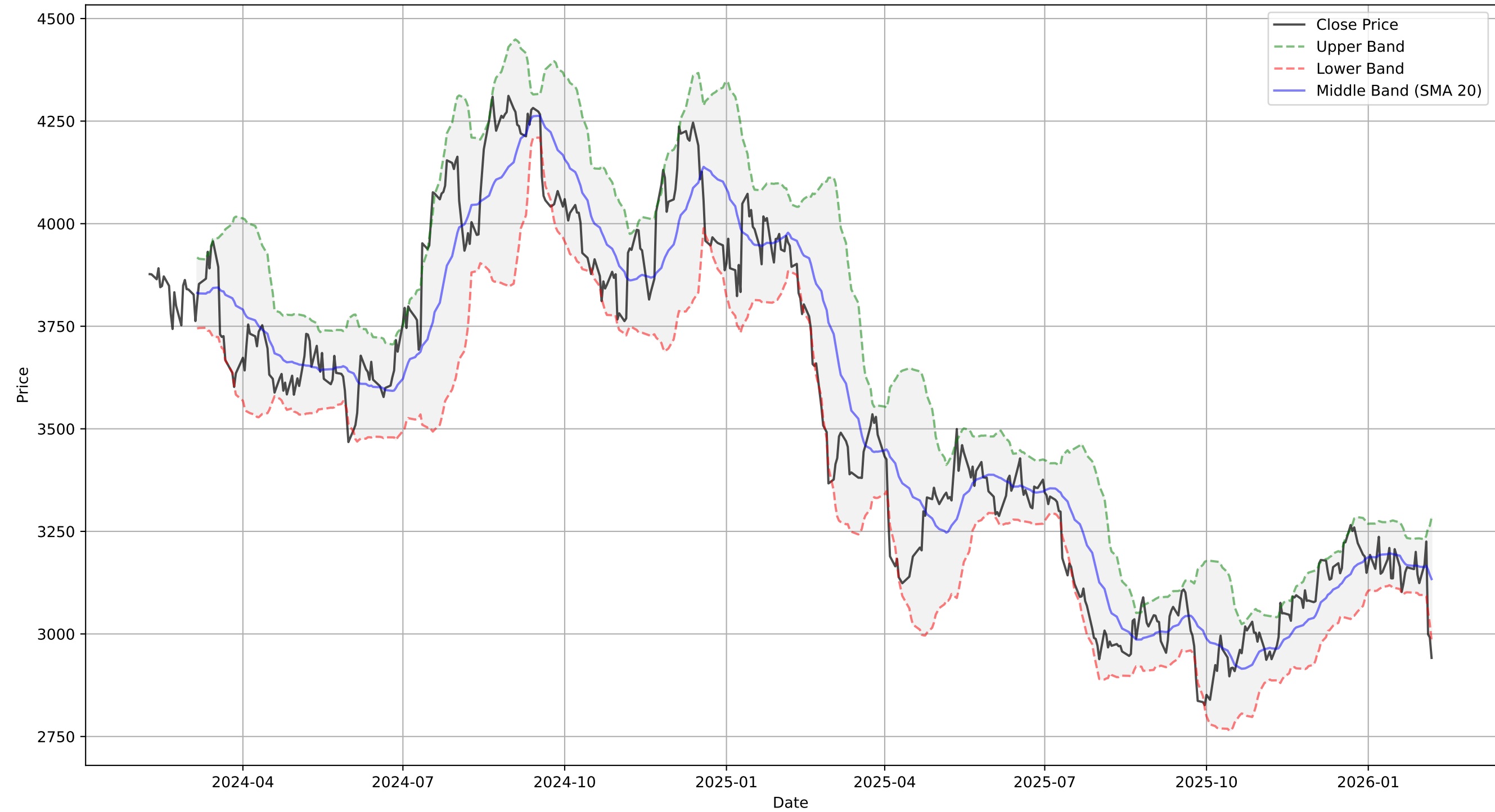
TCS.NS EMA Crossover Analysis



## TCS.NS - Bollinger Bands Summary

<b>Current Price:</b>	2941.60
<b>Upper Band:</b>	3283.77
<b>Middle Band (SMA 20):</b>	3133.73
<b>Lower Band:</b>	2983.68
<b>%B:</b>	-0.1402
<b>Band Width:</b>	0.0958
<b>Status:</b>	Below Lower Band
<b>Signal:</b>	None

TCS.NS Bollinger Bands (20, 2) Analysis



## TCS.NS - Supertrend Summary

Status:	<b>DOWNTREND (Sell)</b>
Supertrend Value:	3191.46
Signal Identified On:	2026-01-20

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





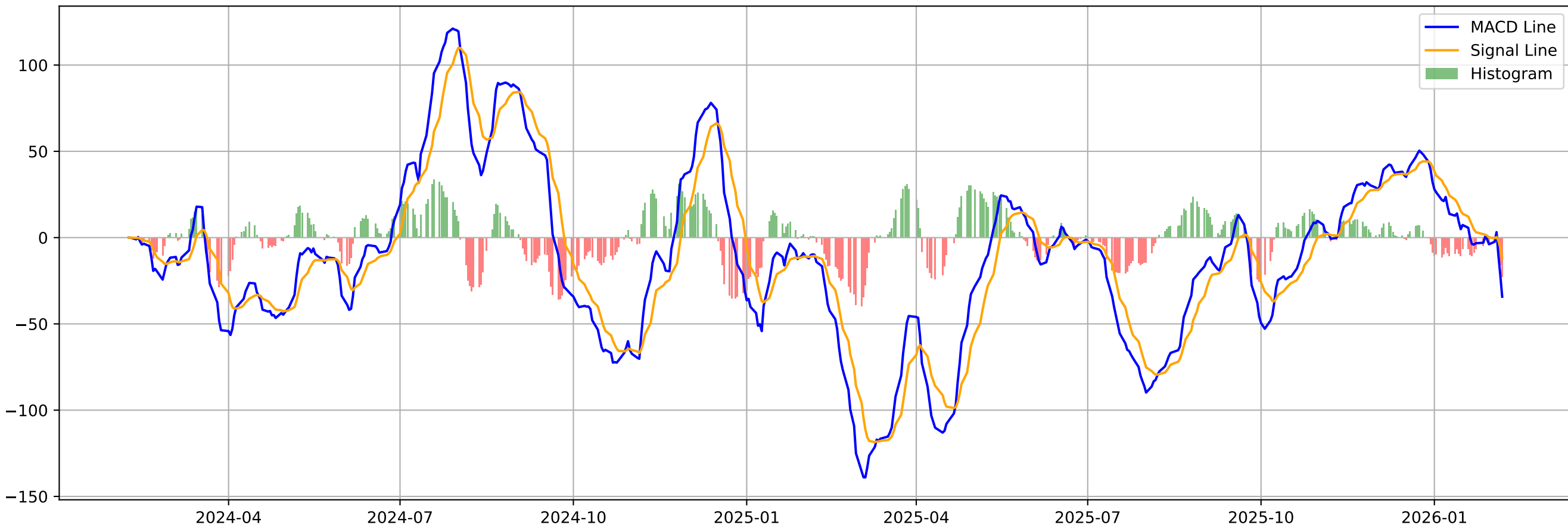
## TCS.NS - MACD Summary

MACD Line:	-34.27
Signal Line:	-11.50
Histogram:	-22.77
Trend:	<b>Bearish</b>
Momentum:	<b>Strengthening</b>
Signal:	None

TCS.NS Price



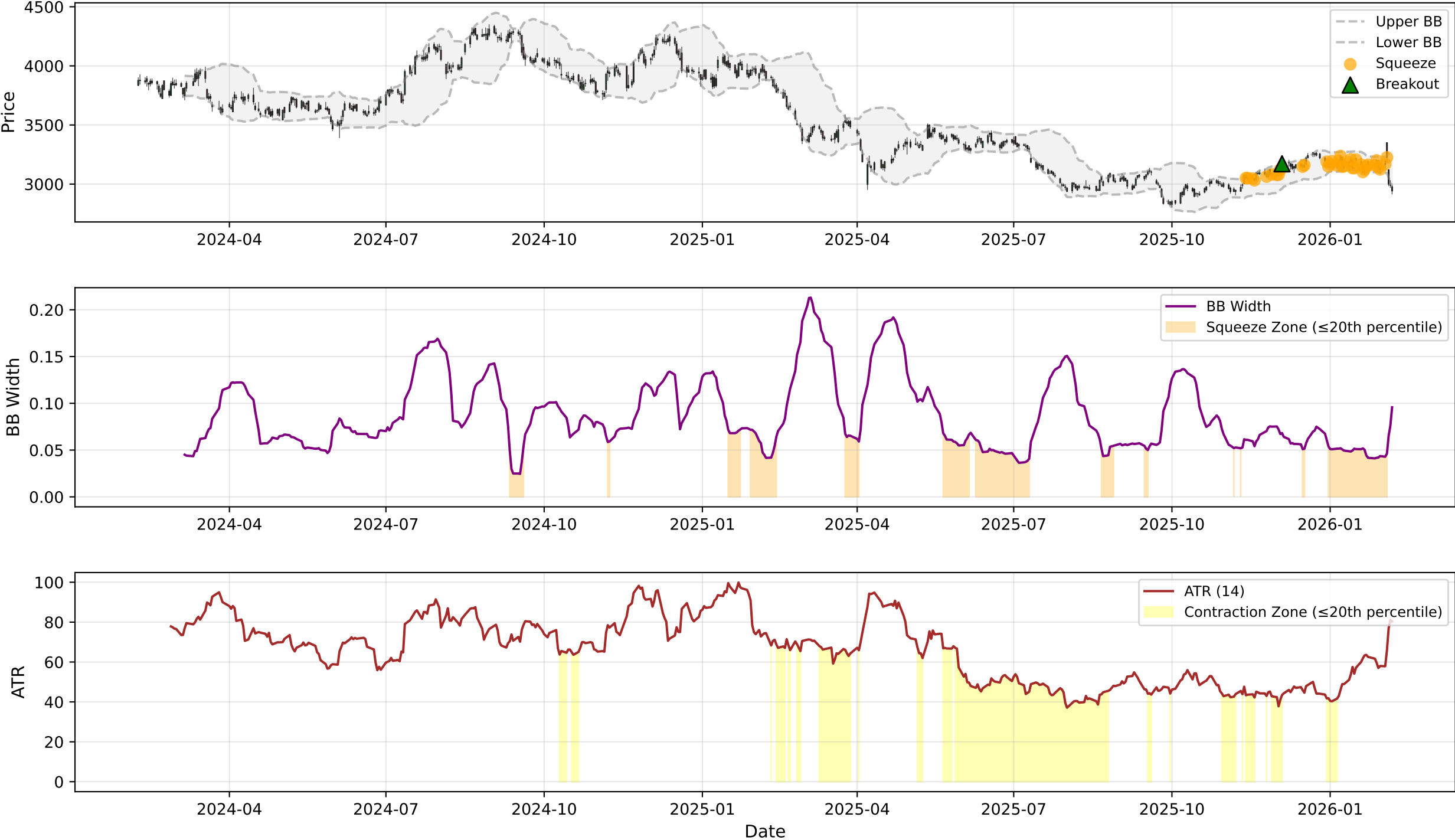
TCS.NS MACD (12, 26, 9)



## TCS.NS - Volatility Squeeze Summary

<b>BB Width:</b>	0.0958
<b>ATR:</b>	80.3214
<b>Total Signals:</b>	37
<b>Signal 1:</b>	BB Squeeze at 2026-01-28 00:00:00+05:30 (Price: 3200.10)
<b>Signal 2:</b>	BB Squeeze at 2026-01-29 00:00:00+05:30 (Price: 3144.40)
<b>Signal 3:</b>	BB Squeeze at 2026-01-30 00:00:00+05:30 (Price: 3123.90)
<b>Signal 4:</b>	BB Squeeze at 2026-02-02 00:00:00+05:30 (Price: 3169.60)
<b>Signal 5:</b>	BB Squeeze at 2026-02-03 00:00:00+05:30 (Price: 3225.30)

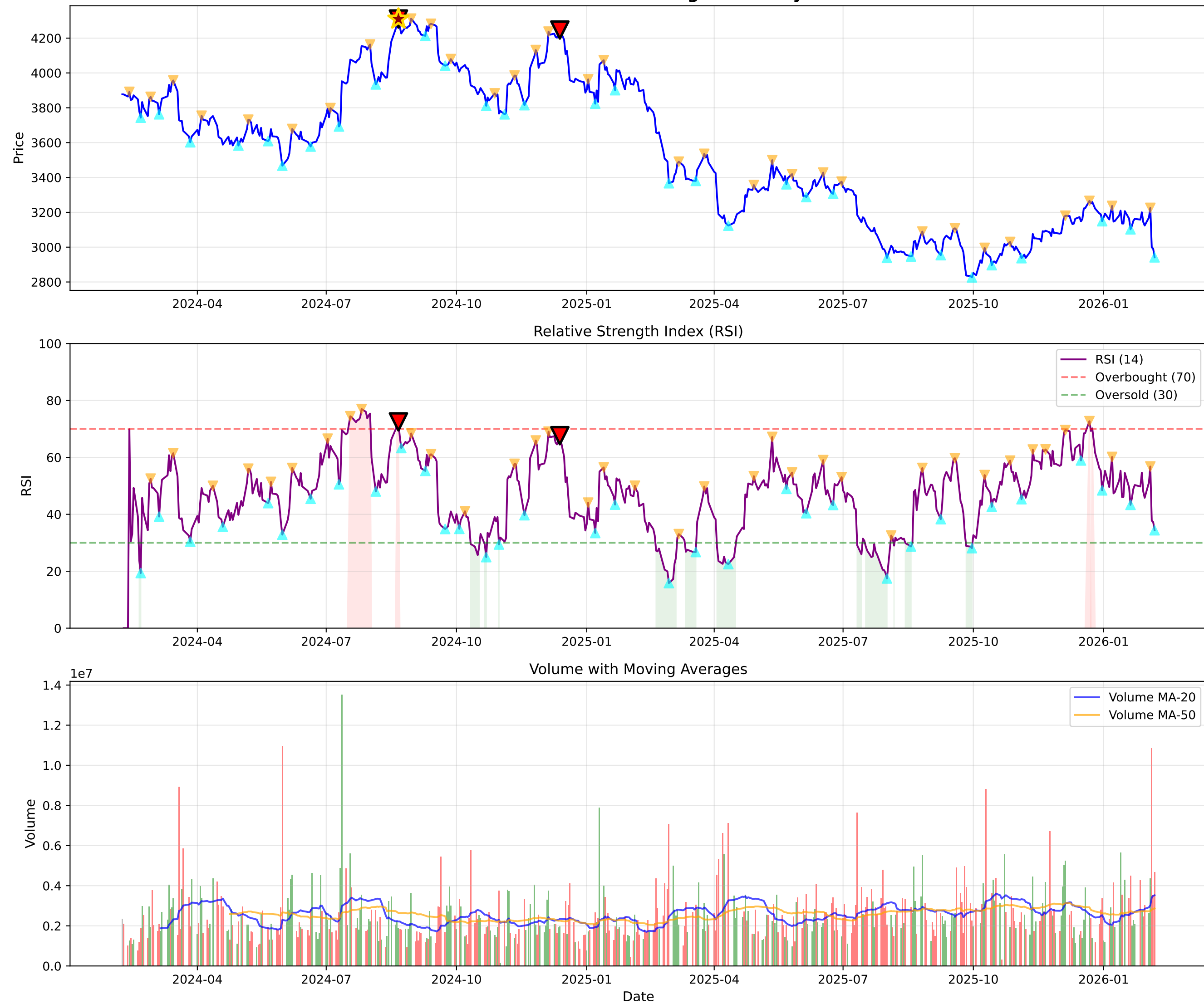
# TCS.NS - Volatility Squeeze Analysis



## TCS.NS - RSI-Volume Summary

<b>Current RSI:</b>	34.40
<b>Current Volume:</b>	4687389
<b>Volume MA 20:</b>	3523034
<b>Bullish Divergences:</b>	0
<b>Bearish Divergences:</b>	2
<b>Bearish Div 1:</b>	Date: 2024-08-21 00:00:00+05:30, Price: 4309.46
<b>Bearish Div 2:</b>	Date: 2024-12-13 00:00:00+05:30, Price: 4246.32

# TCS.NS RSI-Volume Divergence Analysis



# TCS.NS - Volume Analysis

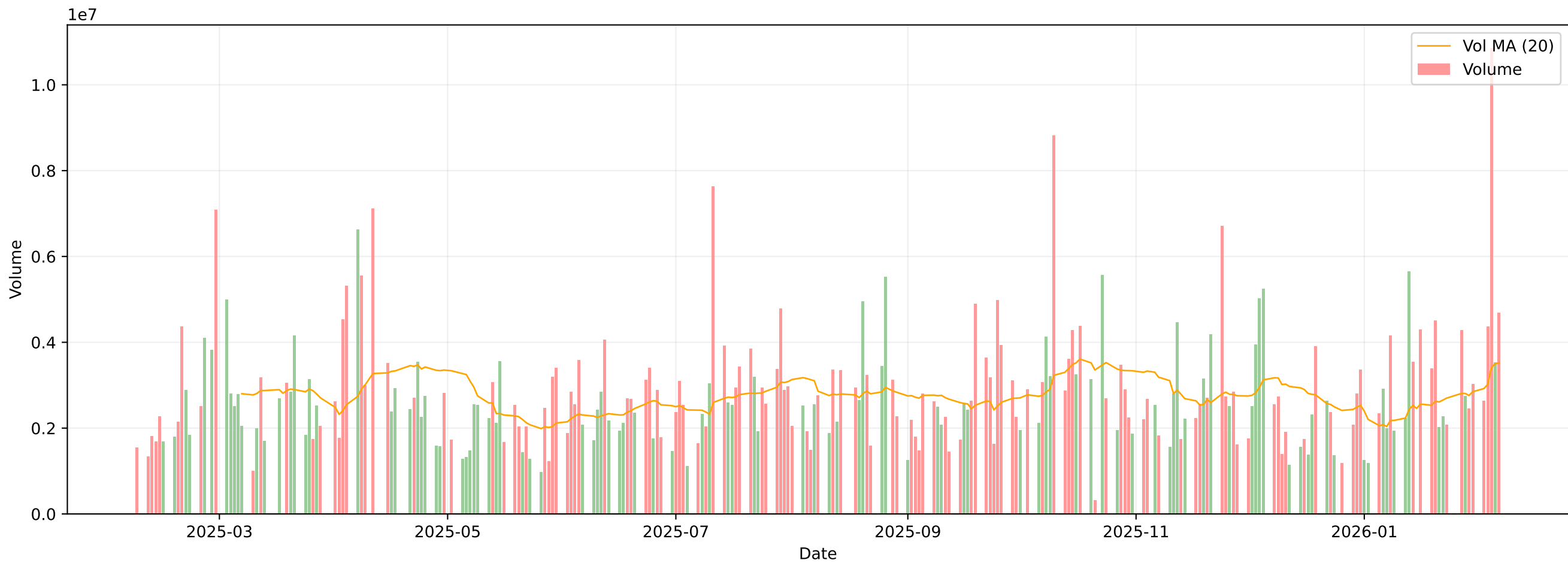
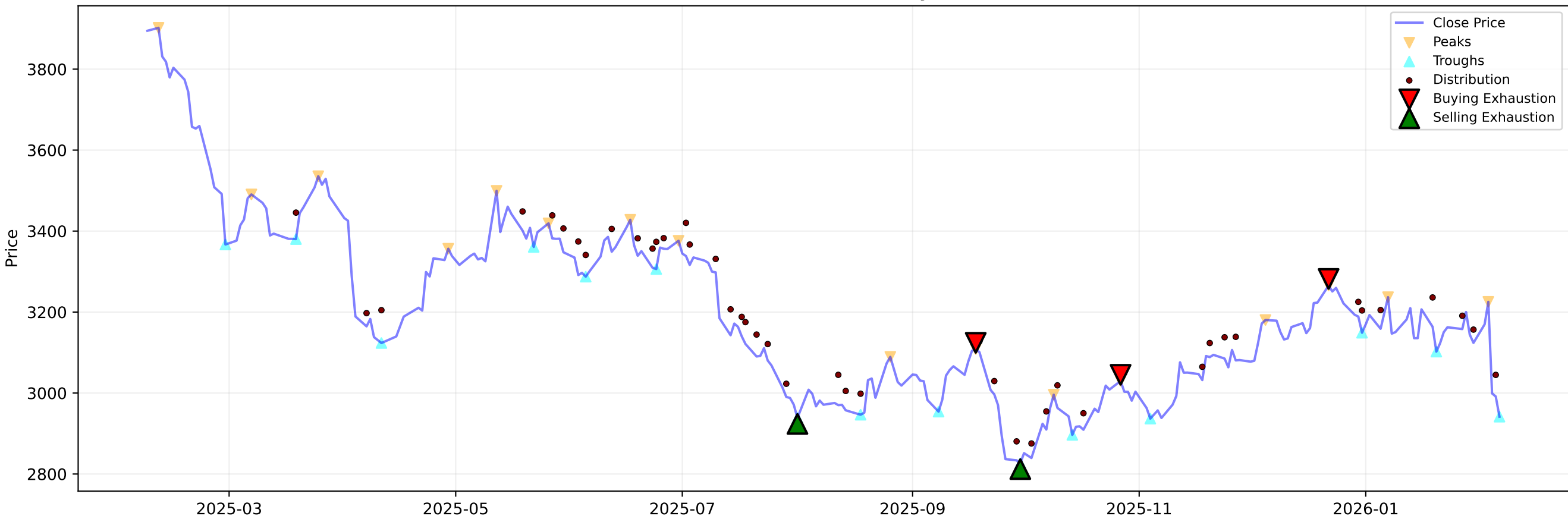
== VOLUME ANALYSIS ==:

Status: 49 Signals Detected

:

2026-01-05 [-]:	Distribution Day
2026-01-19 [-]:	Distribution Day
2026-01-27 [-]:	Distribution Day
2026-01-30 [-]:	Distribution Day
2026-02-05 [-]:	Distribution Day

# TCS.NS - Volume Analysis





# TCS.NS - Candlestick Classification Summary

## == CANDLESTICK CLASSIFICATION ==:

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

**Recent Trend Score (10-day avg):** -0.30

:

### **Distribution:**

**No Control:** 102

**Seller Control:** 65

**Buyer Control:** 54

**Buyer Strong Control:** 4

**Seller Strong Control:** 3

# TCS.NS - Candlestick Classification



## Multi-Timeframe Supertrend Analysis

Timeframe	Status	Value	Last Price	Signal Date
1 Week	DOWNTREND (Sell)	3364.09	2941.6	2026-02-02
1 Day	DOWNTREND (Sell)	3191.46	2941.6	2026-01-19
15 Min	DOWNTREND (Sell)	2953.21	2941.6	2026-02-03

## Multi-Timeframe MACD Analysis

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

TCS.NS - 1 Week (Candlestick + EMAs)



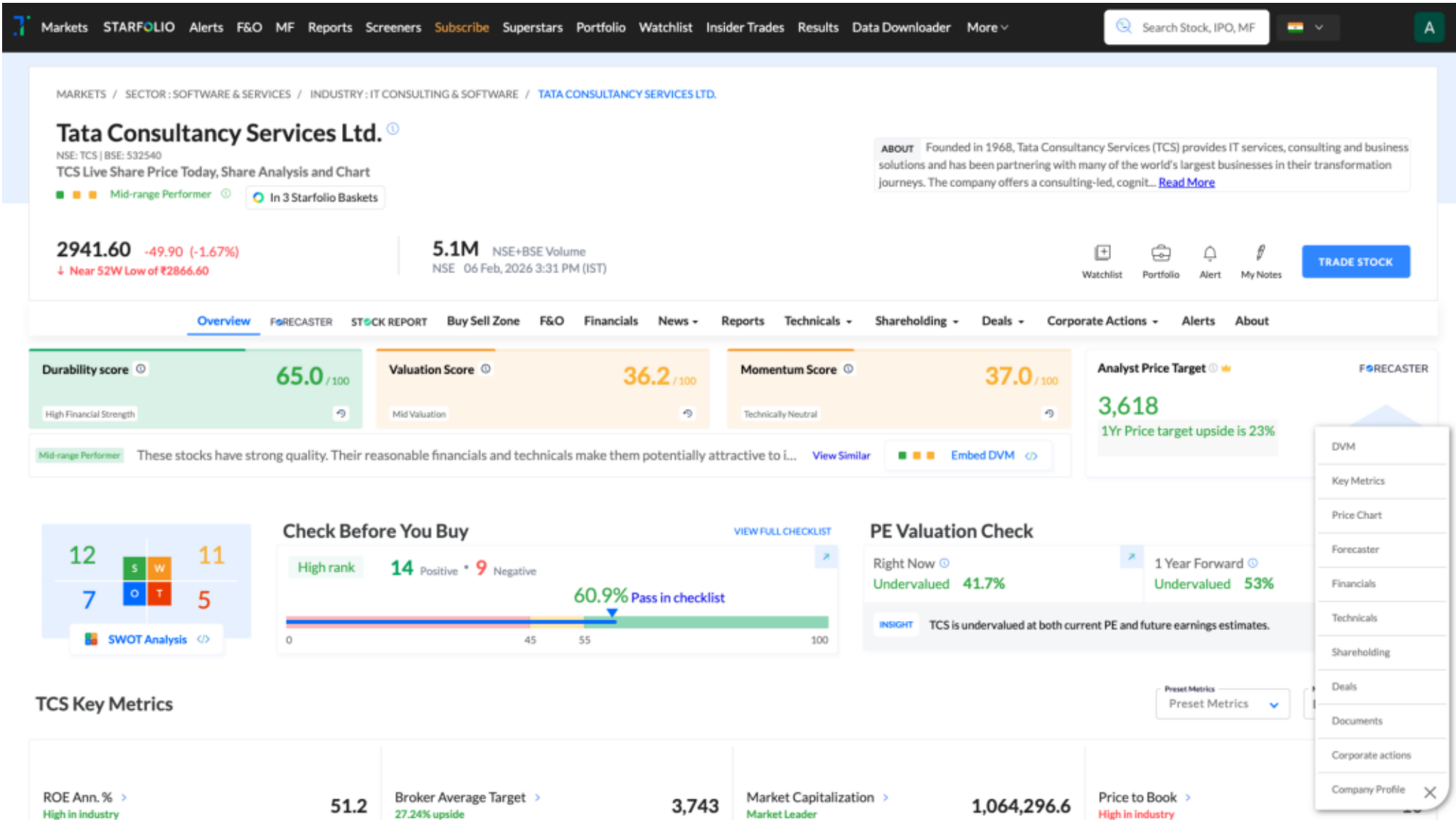
TCS.NS - 1 Day (Candlestick + EMAs)



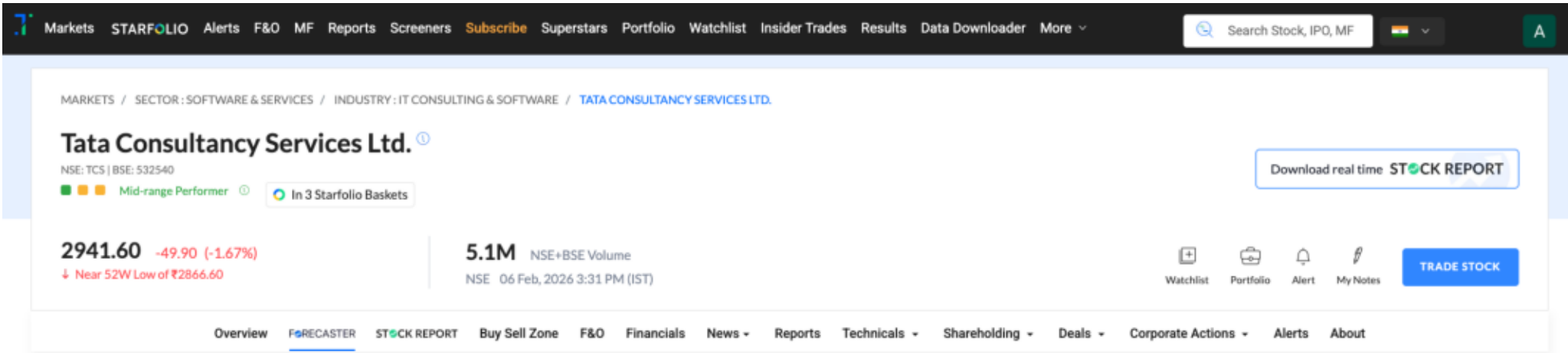
TCS.NS - 15 Min (Candlestick + EMAs)



## Trendlyne Snapshot - TCS\_main



## Trendlyne Snapshot - TCS\_forecaster



### TCS - TCS - stock price prediction, stock forecast, target price, analyst ratings from 46 analysts

TCS has a share price target of Rs 3618, revenue growth forecast of 3.6%, and profit growth estimate of 4.7% for FY26, based on top 46 analyst calls.

### TCS FORECASTER - Analyst Estimates ⓘ

[FORECASTER DASHBOARD](#) →

