

Gemini Stock Analysis Report

Based on the detailed analysis of the provided PDF report for **TECHM.NS (Tech Mahindra)**, here is the positional trading assessment.

Note on Timeline: The report data is dated **January 2026**. This analysis treats the provided data as "current" for the purpose of the simulation/backtest.

Step 1: Audit the Data

- **Data Present:**
 - **Price Action:** Daily and Weekly candlestick charts (3-year and recent history).
 - **Trend Indicators:** Moving Averages (EMA 20, 50, 200), Supertrend (Multi-timeframe), and MACD.
 - **Volatility/Momentum:** Bollinger Bands, RSI, and Relative Strength (RS) against the benchmark (^CNXIT).
 - **Fundamentals:** Snapshot of revenue/income growth and durability scores.
 - **Signals:** Explicit "Golden Cross," "BB Squeeze Breakout," and divergence alerts.
 - **Data Missing:**
 - **Detailed Order Flow:** While volume is present, intraday order flow or market depth is missing (less critical for positional trades).
 - **Global Macro Context:** No data on USD/INR or NASDAQ correlation which heavily influences Indian IT stocks.
 - **Confidence Level: High.** The technical report provides a comprehensive suite of indicators (Trend, Momentum, Volatility, and Volume) necessary to make a technically sound decision.
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Step 2: Analyze the Setup

Price Structure & Trend:

- **Status:** Strong **Uptrend**.
- The stock is trading above all key EMAs (20 > 50 > 200), signaling strong bullish alignment.
- A **Golden Cross** (50 crossing above 200) occurred recently (Dec 2025), which is a classic intermediate-term bullish signal.
- The **Supertrend** is bullish across Weekly, Daily, and 15-min timeframes (Page 20), indicating fractal trend alignment.

Momentum & Volatility:

- **The Catalyst:** Page 14 identifies a "**BB Squeeze (Bullish Breakout)**" on Jan 16. Volatility squeezes often precede significant expansions in price. The bandwidth is low (0.0573), suggesting the stock has gathered enough energy for a move.
- **RSI:** At 65.05, RSI is in the bullish zone but not yet overbought (>70), leaving room for a 5-10% upside push.
- **Relative Strength:** The stock shows positive relative strength against the IT sector benchmark (RS Ratio > 1 across 1M, 3M, 6M timeframes).

Risks/Contradictions:

- **MACD Divergence:** Page 12 notes a "**Bearish** Divergence" and "**Bearish**" trend on the MACD histogram. This indicates that while price is rising, immediate momentum velocity is slowing slightly. However, in strong breakouts (like a BB squeeze), price action often overrides lagging momentum oscillators.
- **Valuation:** Analyst targets (Page 23) suggest the stock is near fair value (Target 1670), implying limited

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"value" upside, relying purely on technical momentum.

Confluence Verdict: The setup is **Bullish**. The confluence of a multi-timeframe Supertrend buy signal + a Volatility Squeeze breakout outweighs the lagging MACD divergence.

Step 3: Formulate the Recommendation

Recommendation: **YES**. The setup fits the criteria for a positional trade (1-4 months) driven by a volatility breakout in a verified uptrend.

Entry Price: **INR 1670 - INR 1680** (Current Market Price to slight strength).

- *Rationale:* Enter on the confirmation of the Bollinger Band breakout. Do not wait for a deep pullback as volatility breakouts often leave bargain hunters behind.

Stop Loss: **INR 1585** (Daily Closing Basis).

- *Rationale:* This places the risk below the 20-day EMA (INR 1601) and the psychological INR 1600 level. If price closes below 1585, the "squeeze breakout" has failed, and the price will likely revert to the mean (50 EMA at 1563).
- *Risk:* ~5.1%

Take Profit:

- **Target 1: INR 1760** (approx. 5.5% gain).
 - *Rationale:* This tests the recent 52-week high resistance zone (INR 1736) and pushes slightly through it on momentum.
- **Target 2: INR 1870** (approx. 12% gain).
 - *Rationale:* Fibonacci extension target and implied move from the volatility expansion width.

Trade Management: If the stock reaches INR 1736 (recent high), trail the **Stop Loss** to Cost (Breakeven) to eliminate risk. If the MACD line crosses significantly below the Signal line while price stalls, exit early.

News & Analyst Targets

Based on the latest search results for the week ending **January 17, 2026**, here is the research update on Tech Mahindra (TECHM).

1) Latest News for TECHM This Week (Jan 12 - Jan 17, 2026)

The most significant event this week was the announcement of **Q3 FY26 Earnings** on Friday, January 16, 2026.

- **Q3 FY26 Financial Performance:**
 - **Net Profit:** Reported at **INR 1,122 Crore**, a rise of **14% YoY** (Year-on-Year). However, it declined ~6% QoQ (Quarter-on-Quarter) due to a one-time cost.
 - **Revenue:** Stood at **INR 14,393 Crore**, up **8.3% YoY** and **2.8% QoQ**.
 - **EBIT Margin:** Expanded significantly by **290 basis points YoY** to **13.1%**.

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- **One-Time Impact:** The bottom line was impacted by a one-time cost of **INR 272 Crore** related to the implementation of new Labour Codes.
- **Strong Deal Wins:** New deal wins (Total Contract Value) jumped to **\$1.1 Billion**, marking a **47% YoY** increase, signaling a recovery in demand.
- **Stock Price Action:** Shares surged **~5.2%** on Friday, Jan 16, closing at **INR 1,672**, driven by the margin expansion and strong deal flows despite the one-time profit hit.
- **Dividend & Corporate Action:** The company has fixed **January 27, 2026** as the Record Date for its interim dividend.
- **Strategic Investment:** The board approved an additional investment of **INR 37.5 Lakhs** in the New Democratic Electoral Trust.

2) Brokerage Upgrades & Downgrades

Analyst sentiment has turned cautiously optimistic following the margin expansion and deal wins, though some concerns on valuation and macro headwinds persist.

- **Kotak Institutional Equities:** Recently **upgraded** their target price to **INR 1,800** (from INR 1,725) while maintaining a **BUY** rating, citing confidence in the medium-term growth strategy under the new leadership.
- **Motilal Oswal:** Maintains a **NEUTRAL** stance but acknowledges the guidance upgrade; they have a target of **INR 1,850**.
- **ICICI Securities:** Remains cautious with a **REDUCE** rating, citing valuation concerns.
- **Consensus View:** Out of ~41 analysts covering the stock, opinion is divided. Approximately **19 analysts** have a Buy/Strong Buy rating, while **13 analysts** have a Sell/Strong Sell rating, reflecting the turnaround nature of the story.

3) Other News Impacting TECHM

- **Sector Sentiment:** The IT sector (Nifty IT) rallied this week, supported by results from peers like **Wipro** and **HCL Tech**, which also posted decent numbers. TECHM's performance (specifically the 47% jump in deal wins) is seen as a positive indicator for the broader "turnaround" theme in Indian IT.
- **Headcount Reduction:** Total headcount dropped by **872 employees** YoY to **149,616**, consistent with the industry trend of improving utilization and reducing costs to protect margins.
- **AI Focus:** Management highlighted a strategic shift from "AI pilots" to "scaled execution" with clients, particularly through their partnership with Google for the Gemini Enterprise platform.

4) Analyst Targets for Tech Mahindra (TECHM)

Brokerage Firm	Rating	Target Price (INR)	Outlook/Key Note
Kotak Inst. Equities	BUY	1,800	Raised from 1,725; sees growth acceleration.
Motilal Oswal	NEUTRAL	1,850	Acknowledges strong deal wins & guidance upgrade.
BNP Paribas	NEUTRAL	1,485	Cautious on discretionary spending recovery.
ICICI Securities	REDUCE	1,250	Valuation concerns despite operational improvements.
Consensus (Avg)	HOLD	~1,719	Average of 26 recent reports (Trendlyne data).

Disclaimer: As an AI, I provide information based on the latest available data. Stock market investments are subject to market risks. Please consult with a certified financial advisor before making investment decisions.

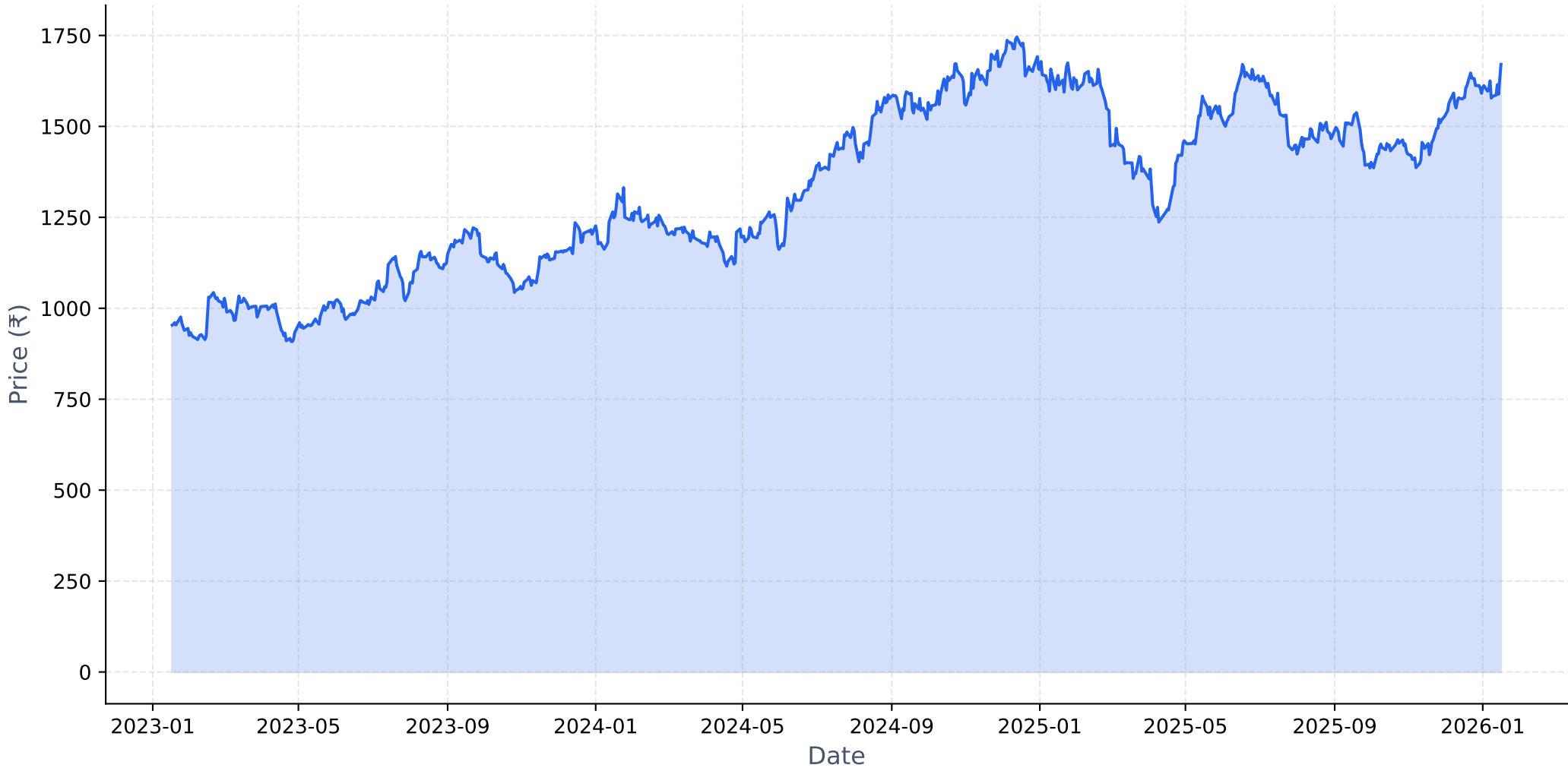
Stock Detailed Analysis Report

TECHM.NS

Current Price: ₹1670.50

Generated: 2026-01-17 17:59

TECHM.NS - 3 Year Daily Price Chart



Long-term Fundamental Analysis (4 Years)

Metric	Is Growing?	Accelerating?	1Y Growth	3Y CAGR
Revenue	Yes	No	1.91%	5.88%
Net Income	No	Yes	80.32%	-8.59%
ROE	No	Yes	75.76%	-9.12%
EPS	No	Yes	80.05%	-8.82%

Short-term Fundamental Analysis (6 Quarters)

Metric	Is Growing?	Recent QoQ	Avg QoQ
Revenue	Yes	-0.25%	0.66%
Net Income	Yes	-2.24%	10.47%
ROE	No	-9.79%	-9.79%
EPS	Yes	-21.39%	12.69%

TECHM.NS - Relative Strength Analysis

== OVERVIEW ==:

Benchmark Index:	^CNXIT
Sector:	IT
Classification:	Weakening Leader
RS Score:	52.9/100
:	

== RS RATIOS ==:

1M RS:	1.039 [Leader]
3M RS:	1.051 [Leader]
6M RS:	1.029 [Leader]
1Y RS:	1.165 [Leader]
:	

== TURNAROUND ANALYSIS ==:

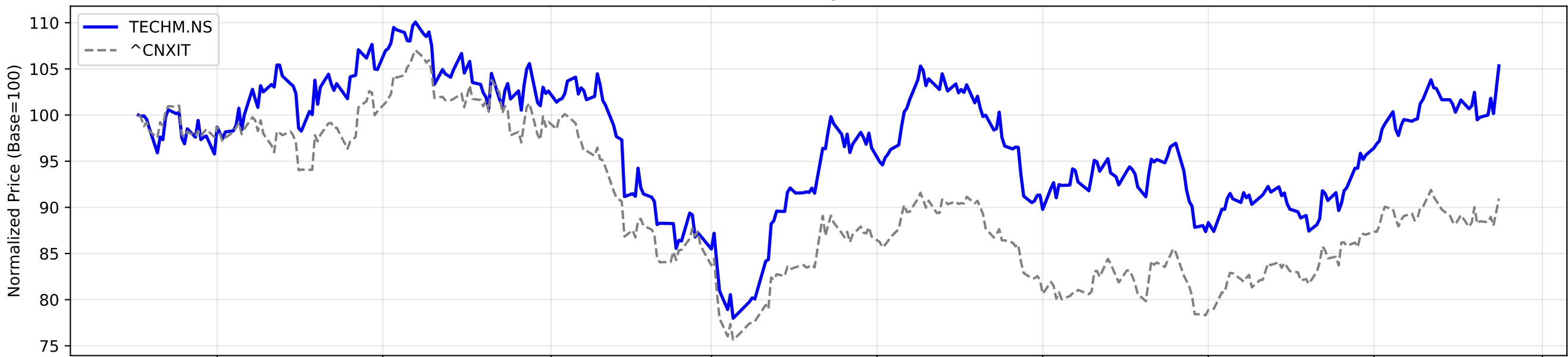
Turnaround Status:	Not Detected
:	

SIGNAL CRITERIA::

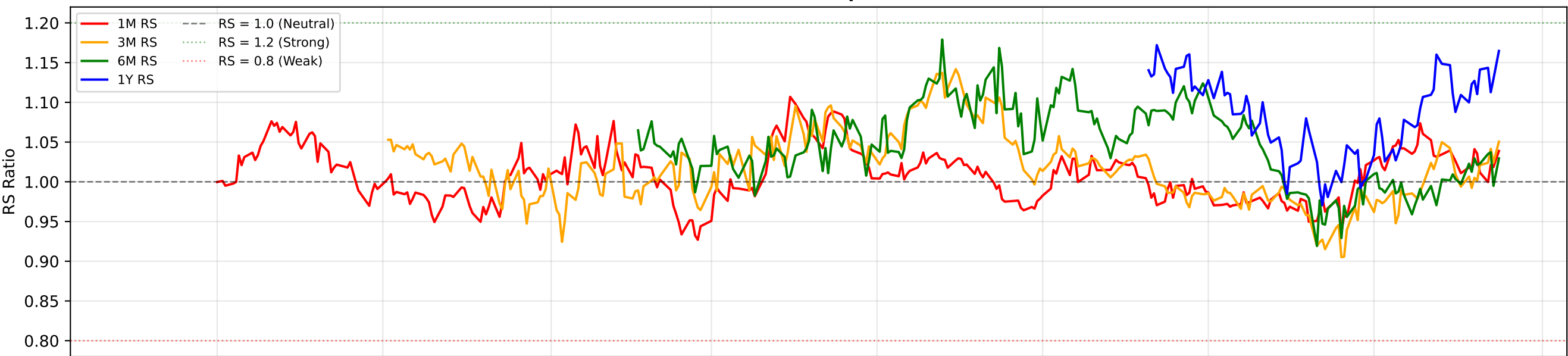
✗ Emerging RS:	Not accelerating
✗ Medium-term Lagging:	Not lagging
✓ Performance Improving:	3M (+15.7%) > 6M (+6.9%)

Relative Strength Analysis: TECHM.NS vs ^CNXIT
Classification: Weakening Leader

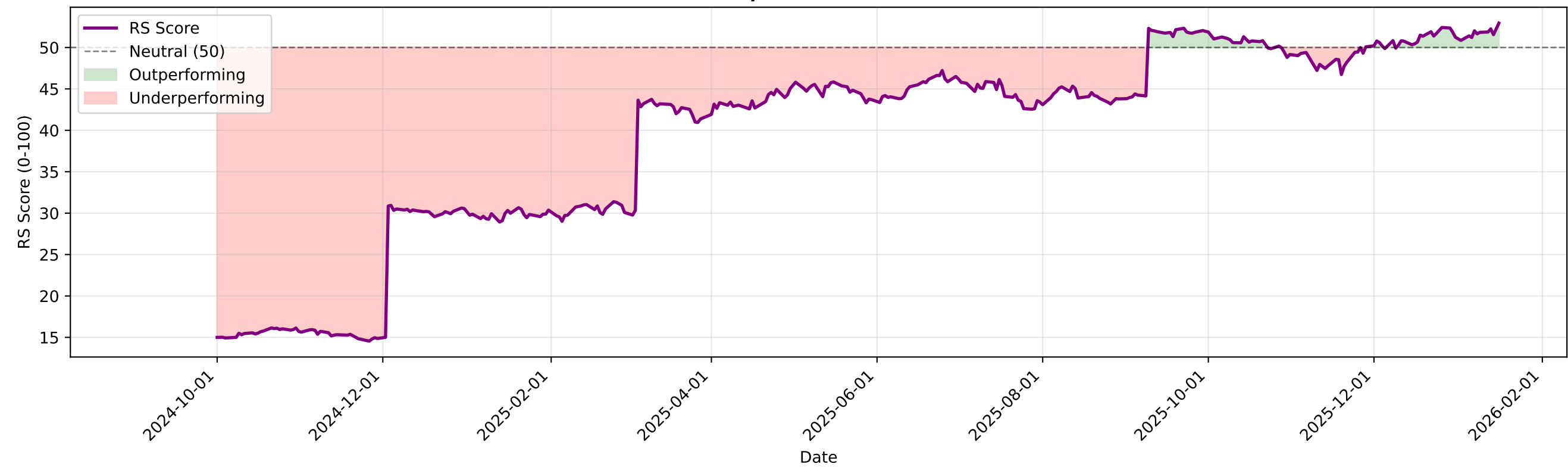
Price Performance Comparison (Normalized)



RS Ratio Trends (Multiple Timeframes)



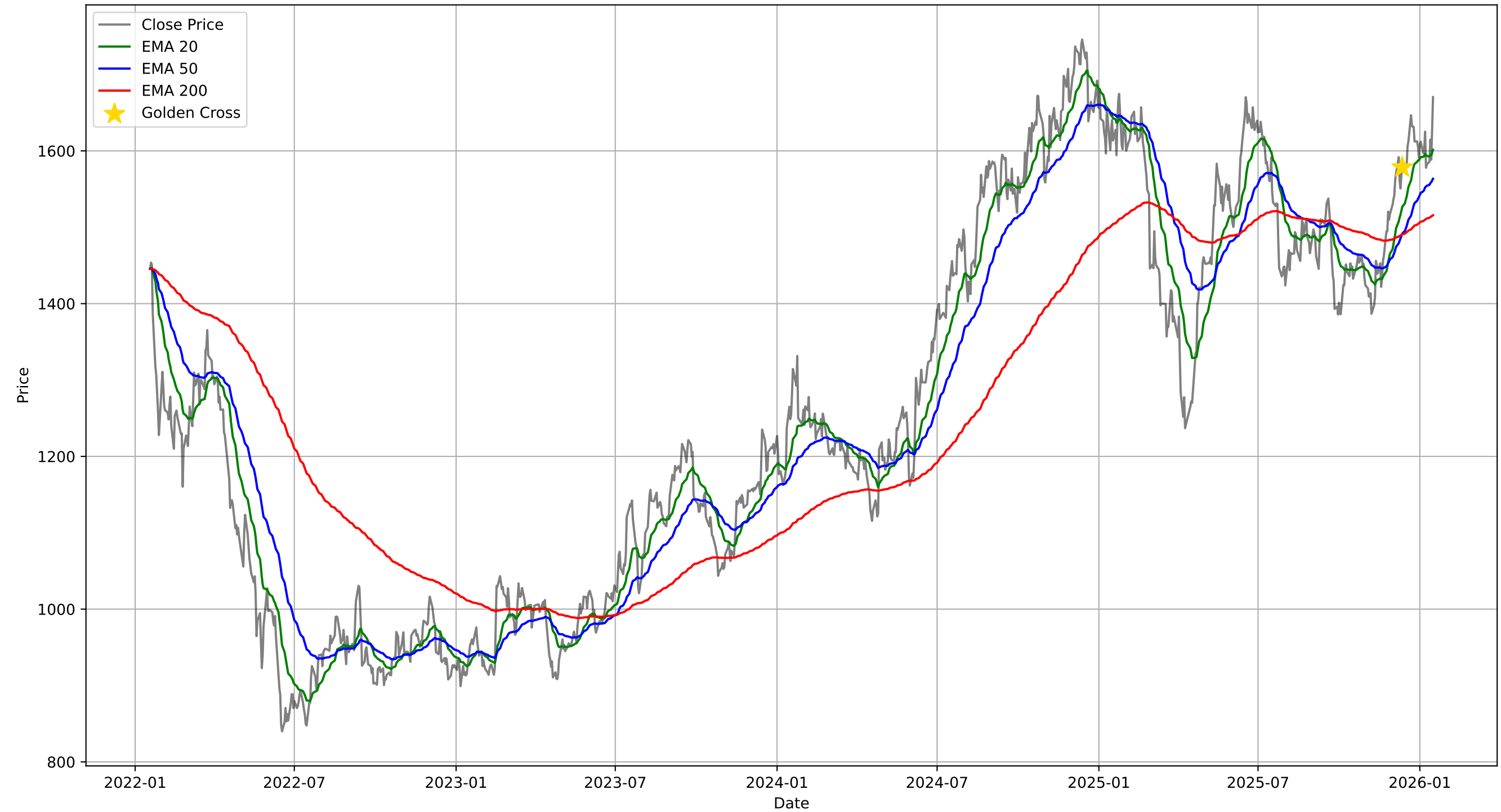
RS Composite Score Timeline



TECHM.NS - EMA Crossover Summary

EMA 20:	1601.44
EMA 50:	1563.49
EMA 200:	1515.73
Trend Status:	Strong Uptrend
Golden Cross Date:	2025-12-12 00:00:00+05:30
Golden Cross Price:	1578.40

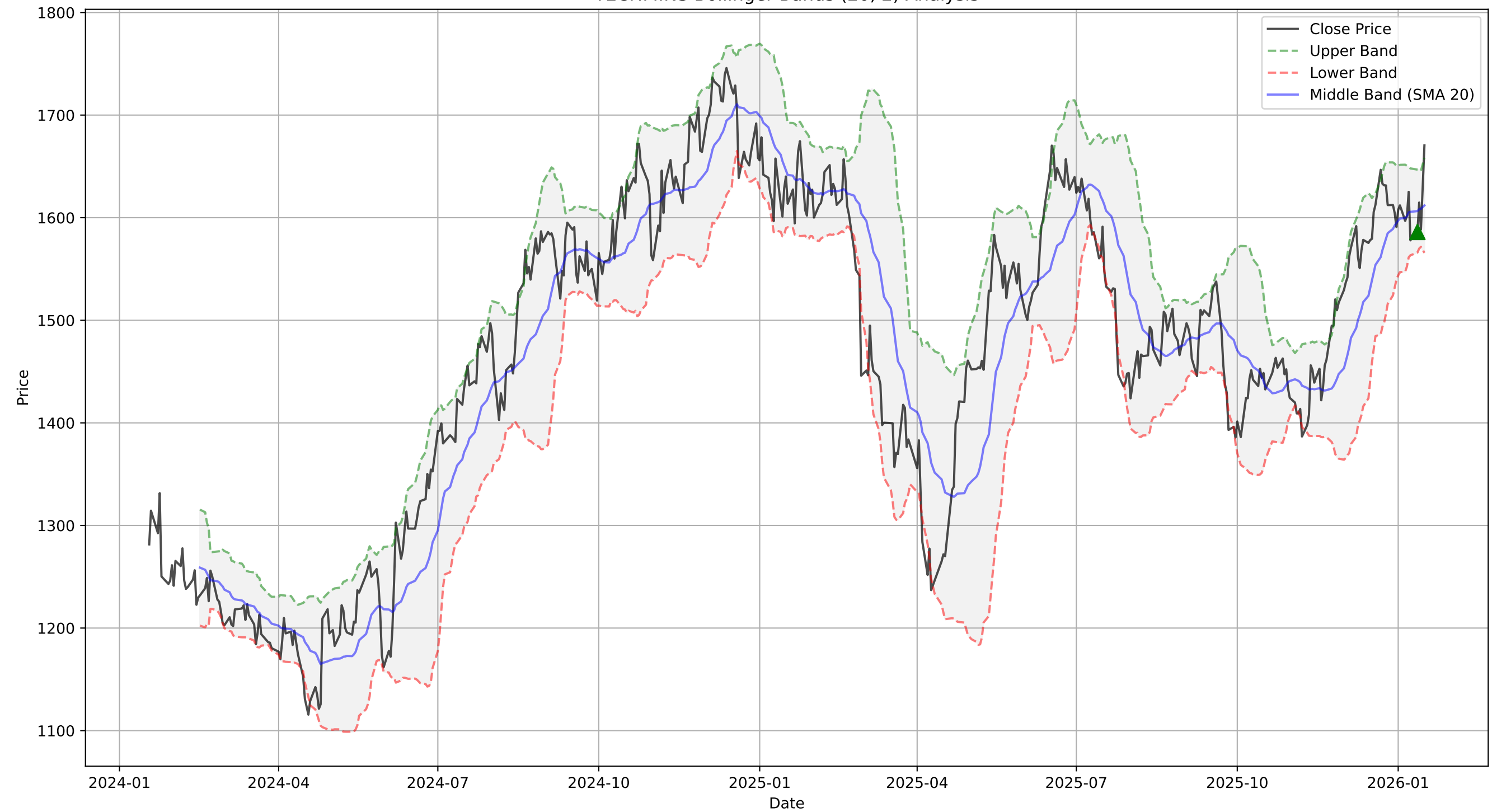
TECHM.NS EMA Crossover Analysis



TECHM.NS - Bollinger Bands Summary

Current Price:	1670.50
Upper Band:	1658.14
Middle Band (SMA 20):	1611.95
Lower Band:	1565.76
%B:	1.1338
Band Width:	0.0573
Status:	Above Upper Band
Signal:	None
Recent Signal 1:	Buy Signal at 2026-01-12 00:00:00+05:30

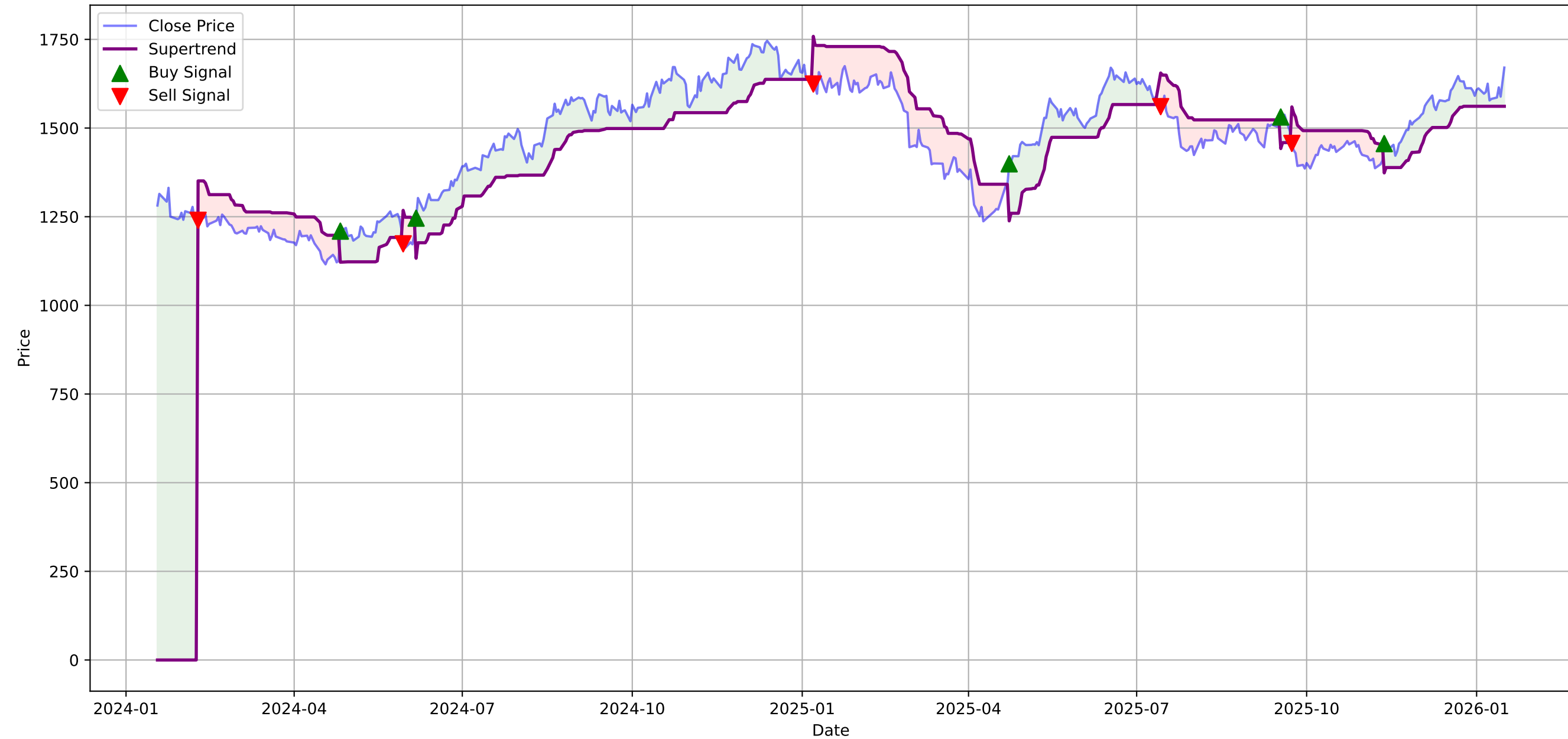
TECHM.NS Bollinger Bands (20, 2) Analysis



TECHM.NS - Supertrend Summary

Status:	UPTREND (Buy)
Supertrend Value:	1561.34
Signal Identified On:	2025-11-12

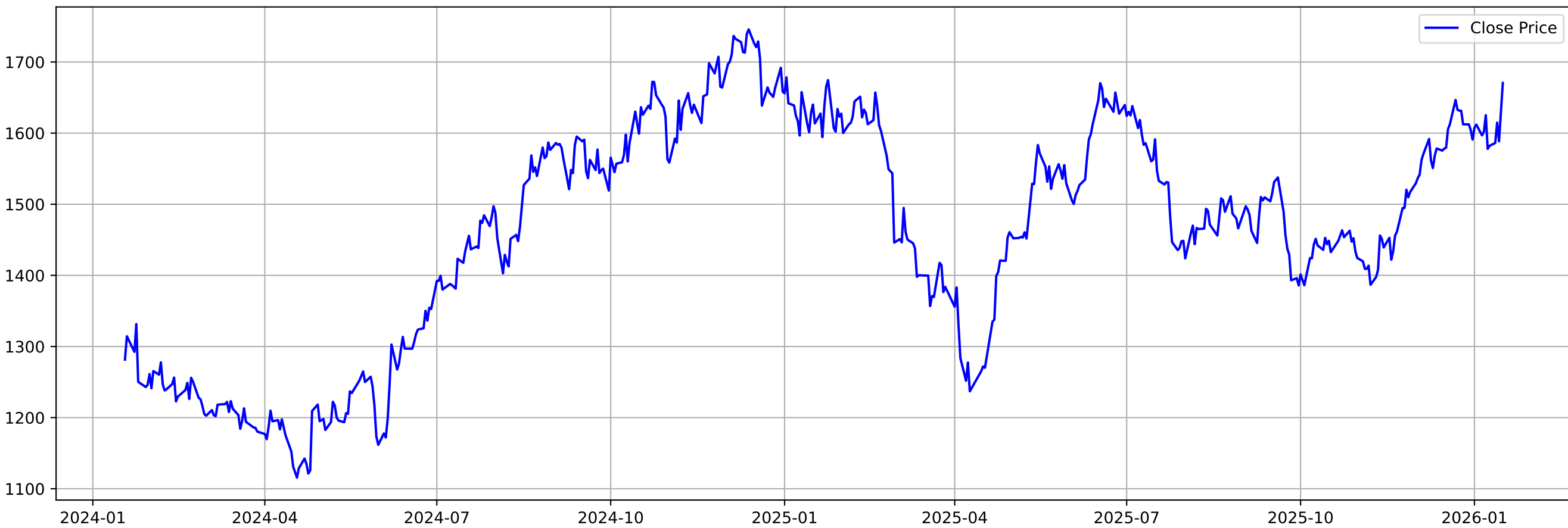
Supertrend Analysis for TECHM.NS (Period: 14, Multiplier: 3.0, Interval: 1d)



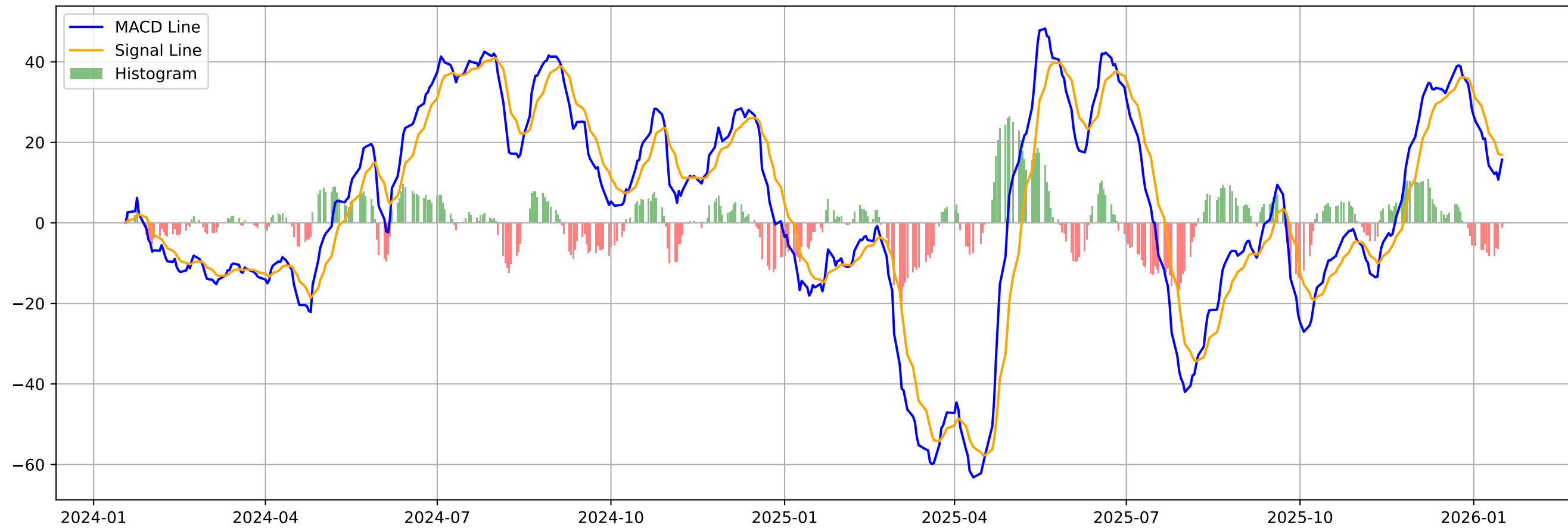
TECHM.NS - MACD Summary

MACD Line:	15.69
Signal Line:	16.85
Histogram:	-1.16
Trend:	Bearish
Momentum:	Weakening
Signal:	None
Divergences Detected:	1
└ Bearish Divergence:	Date: 2026-01-16 00:00:00+05:30, Price: 1670.50

TECHM.NS Price



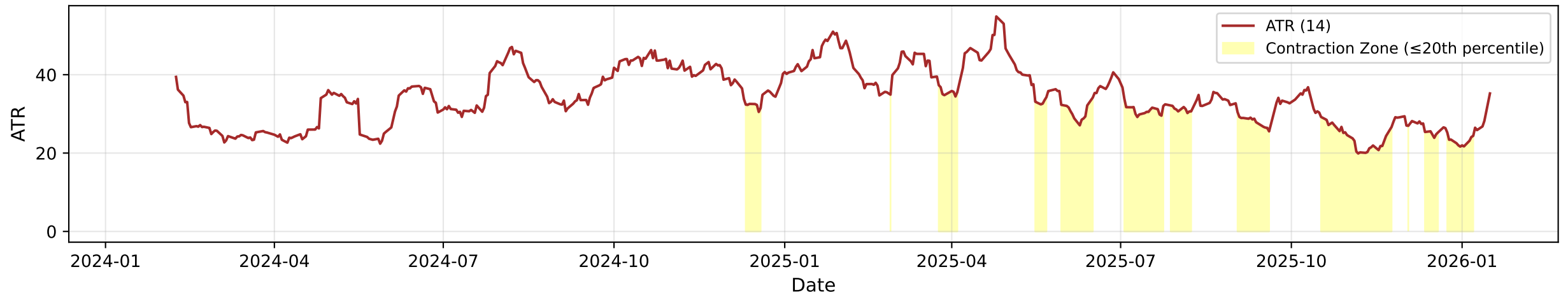
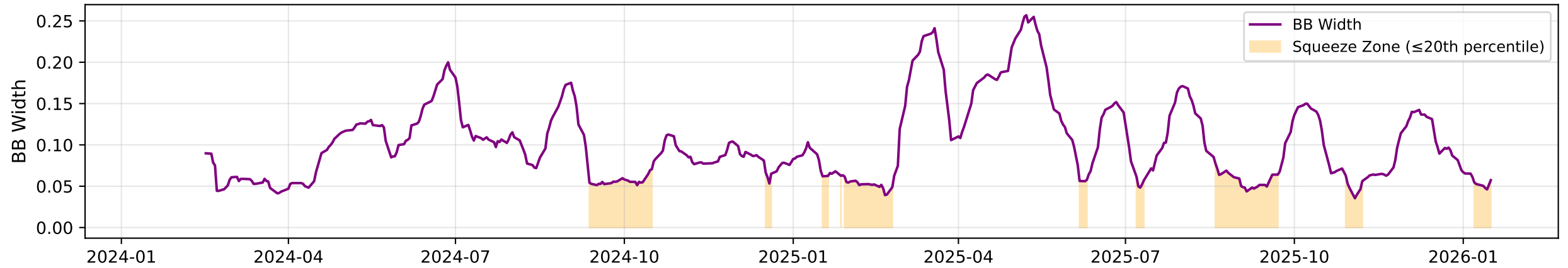
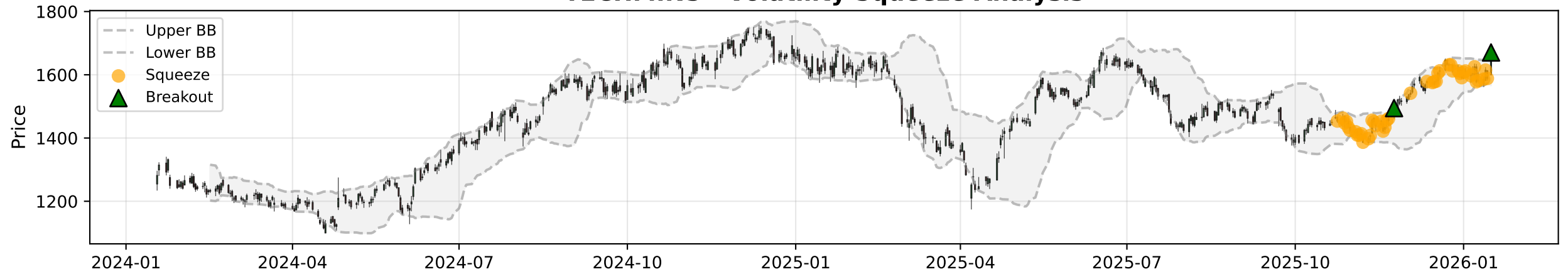
TECHM.NS MACD (12, 26, 9)



TECHM.NS - Volatility Squeeze Summary

BB Width:	0.0573
ATR:	35.2143
Total Signals:	46
Signal 1:	BB Squeeze at 2026-01-09 00:00:00+05:30 (Price: 1582.20)
Signal 2:	BB Squeeze at 2026-01-12 00:00:00+05:30 (Price: 1586.10)
Signal 3:	BB Squeeze at 2026-01-13 00:00:00+05:30 (Price: 1614.80)
Signal 4:	BB Squeeze at 2026-01-14 00:00:00+05:30 (Price: 1588.50)
Signal 5:	BB Squeeze (Bullish Breakout) at 2026-01-16 00:00:00+05:30

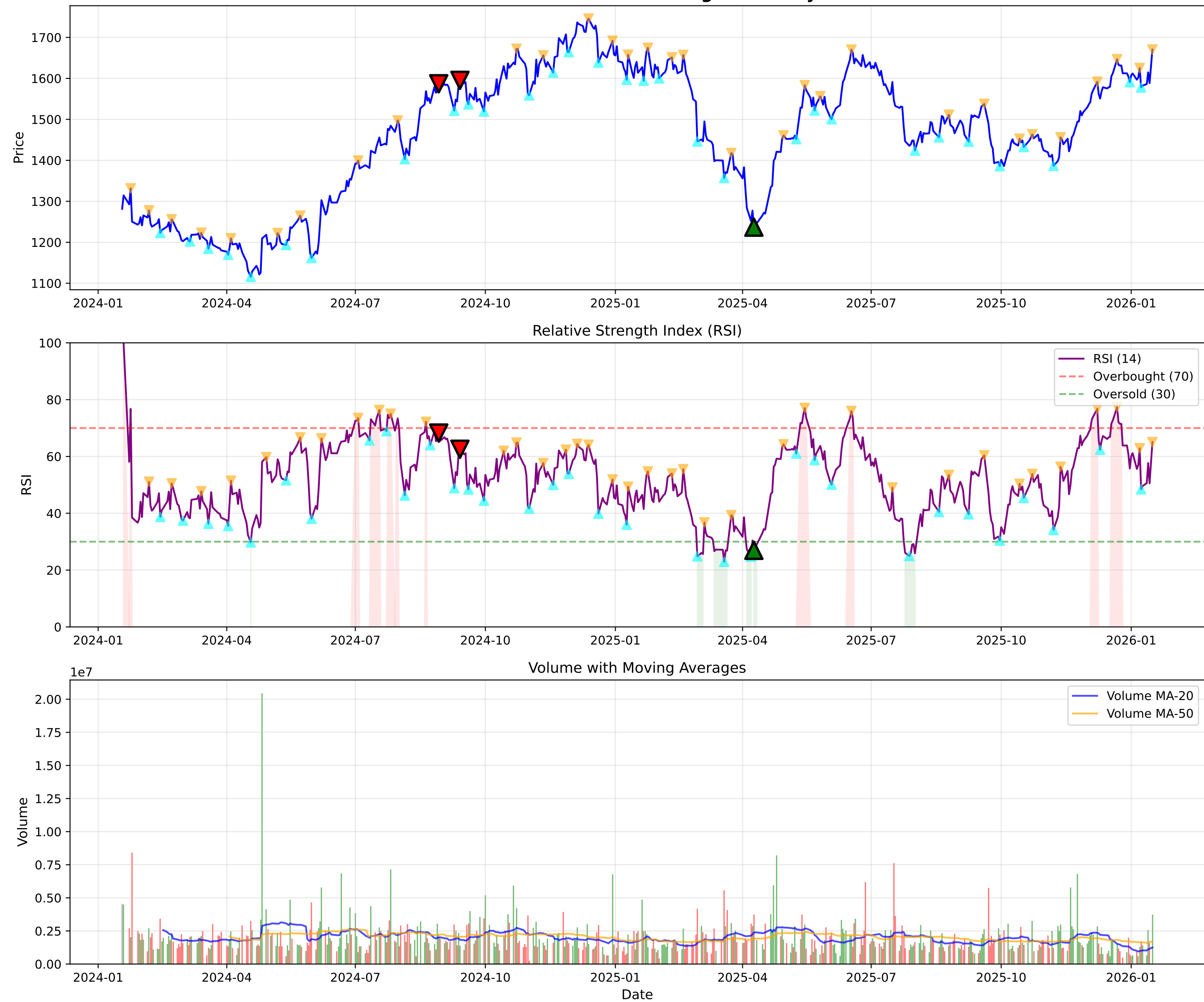
TECHM.NS - Volatility Squeeze Analysis



TECHM.NS - RSI-Volume Summary

Current RSI:	65.05
Current Volume:	3733401
Volume MA 20:	1251456
Bullish Divergences:	1
Bearish Divergences:	2
Bullish Div 1:	Date: 2025-04-09 00:00:00+05:30, Price: 1236.96
Bearish Div 1:	Date: 2024-08-29 00:00:00+05:30, Price: 1586.77
Bearish Div 2:	Date: 2024-09-13 00:00:00+05:30, Price: 1595.15

TECHM.NS RSI-Volume Divergence Analysis



TECHM.NS - Volume Analysis

== VOLUME ANALYSIS ==:

Status:

125 Signals Detected

:

2025-11-07 [+]:

Selling Exhaustion (Bullish Div)

2025-11-19 [-]:

Climax Volume (Churning)

2025-12-08 [+]:

Buying Exhaustion (Bearish Div)

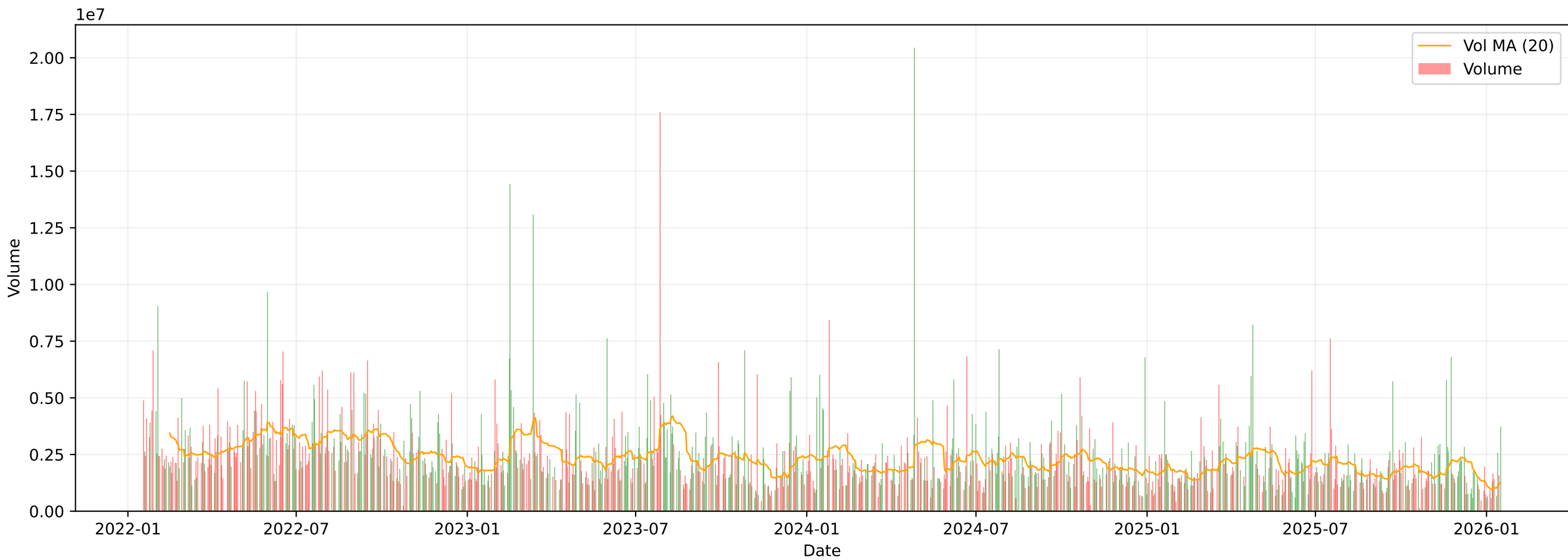
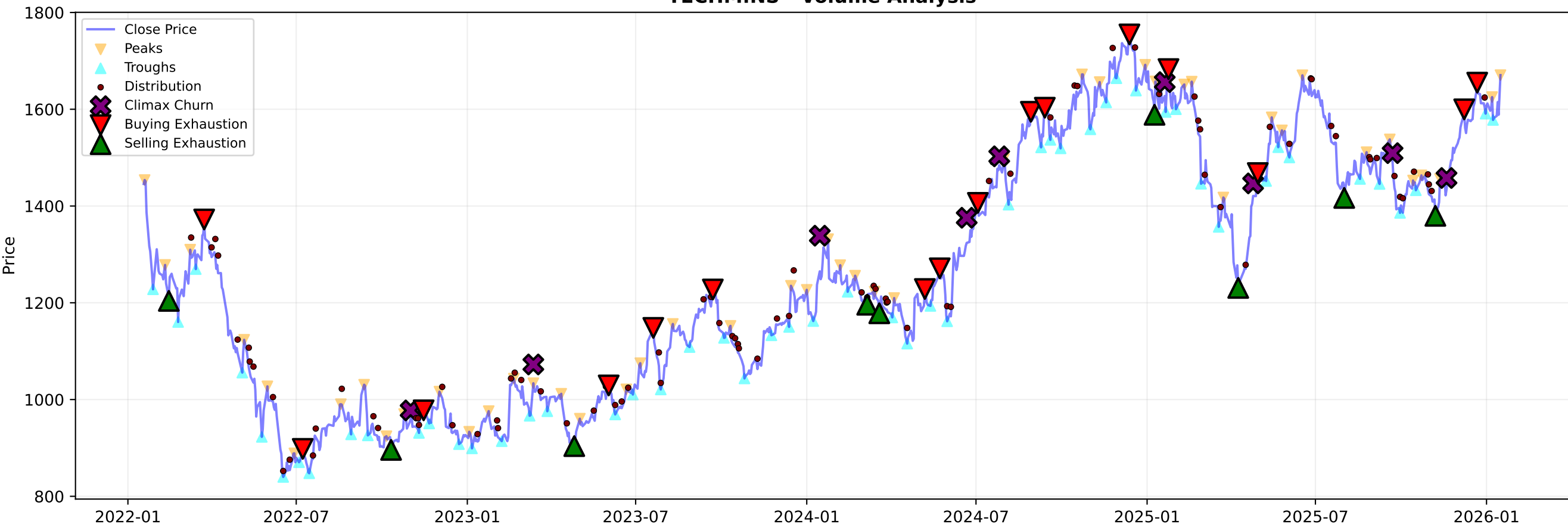
2025-12-22 [+]:

Buying Exhaustion (Bearish Div)

2025-12-30 [-]:

Distribution Day

TECHM.NS - Volume Analysis



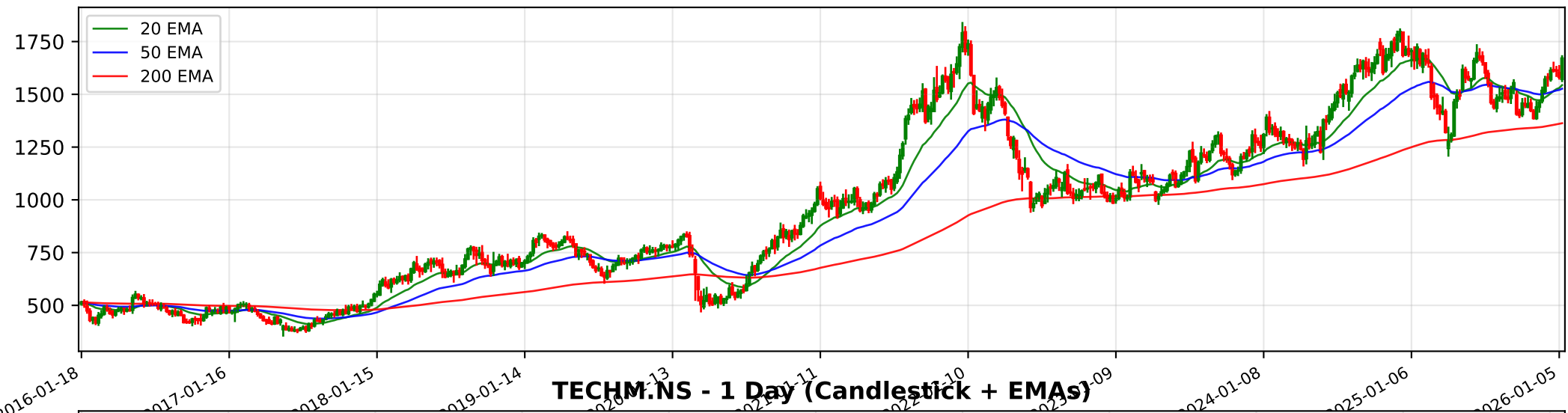
Multi-Timeframe Supertrend Analysis

Timeframe	Status	Value	Last Price	Signal Date
1 Week	UPTREND (Buy)	1505.76	1670.5	2025-12-01
1 Day	UPTREND (Buy)	1561.34	1670.5	2025-11-12
15 Min	UPTREND (Buy)	1651.44	1670.5	2026-01-16

Multi-Timeframe MACD Analysis

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

TECHM.NS - 1 Week (Candlestick + EMAs)



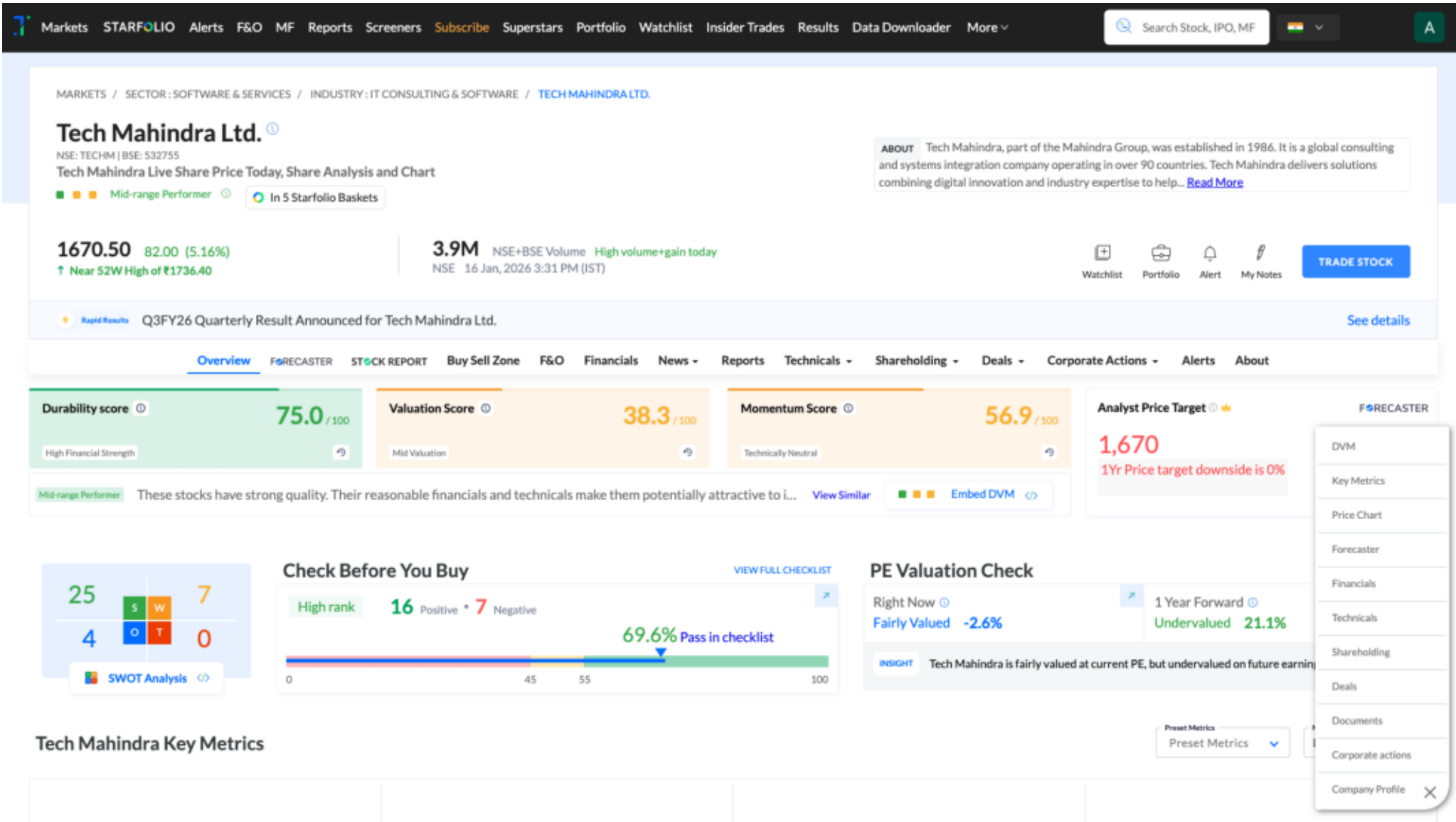
TECHM.NS - 1 Day (Candlestick + EMAs)



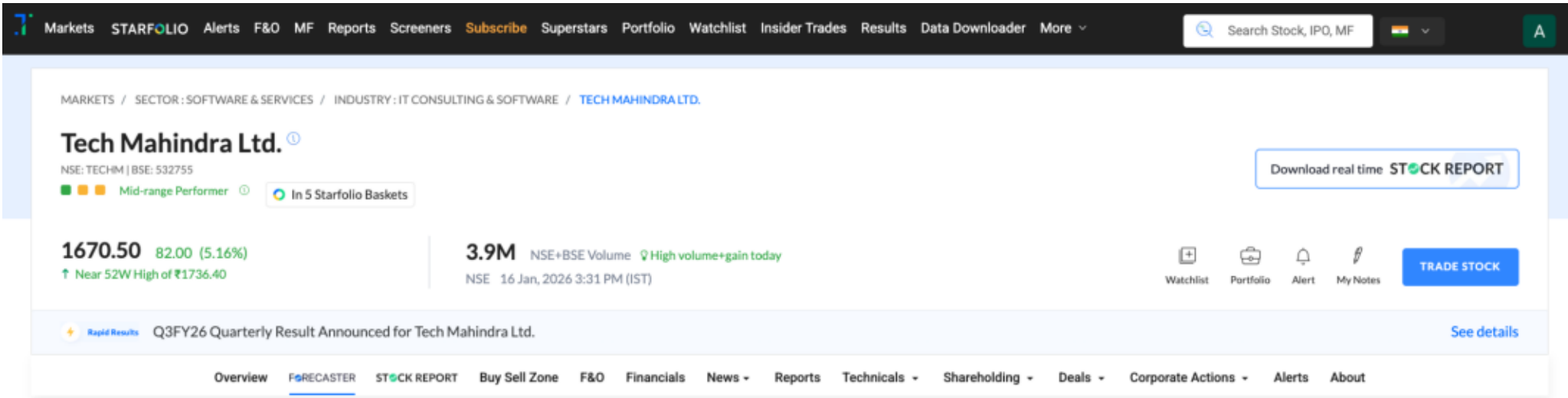
TECHM.NS - 15 Min (Candlestick + EMAs)



Trendlyne Snapshot - TECHM_main



Trendlyne Snapshot - TECHM_forecaster



Tech Mahindra - TECHM - stock price prediction, stock forecast, target price, analyst ratings from 42 analysts

Tech Mahindra has a share price target of Rs 1670, revenue growth forecast of 6.3%, and profit growth estimate of 21.1% for FY26, based on top 42 analyst calls.

Tech Mahindra FORECASTER - Analyst Estimates ^{NEW} ¹

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