

Stock Analysis Report

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Strategic Trading Analysis

Based on the detailed analysis of the "INFY.NS" (Infosys) report provided, here is my assessment as a Positional Equity Trader.

Step 1: Audit the Data

- **Data Present:**
 - **Price Action:** Daily, Weekly, and 15-minute candlestick charts with EMA overlays (20, 50, 200).
 - **Trend Indicators:** Supertrend, MACD, Bollinger Bands, Moving Averages.
 - **Momentum & Strength:** RSI, Relative Strength (RS) against Benchmark, Volatility Squeeze.
 - **Fundamental Snapshot:** Revenue, Net Income, EPS trends (Long-term & Short-term).
 - **Volume Analysis:** Volume Moving Averages, Distribution day counts.
- **Data Missing:**
 - **Option Chain:** Open Interest (OI) data to identify support/resistance via derivatives.
 - **Specific News Flow:** While the report shows a Net Income drop, the specific qualitative reason (guidance cut, margin pressure, etc.) is not detailed in the text.
- **Confidence Level: High.** The technical report is comprehensive. Note: The report date is generated as **2026-02-07**. I will treat this as "Current Day" for the purpose of this simulation.

Step 2: Analyze the Setup

- **Price Structure (Bearish):** The stock is currently trading at **1507.10**, which is significantly below the 20 EMA (1612), 50 EMA (1604), and most critically, the **200 EMA (1569)**. The chart on Page 7 and 23 confirms a sharp breakdown, invalidating the "Strong Uptrend" text summary found on Page 6. The stock has effectively crashed through major support levels.
- **Momentum (Negative):**
 - **RSI:** Currently at **31.12** (Page 16). While technically oversold, in a strong downtrend, RSI can remain oversold for extended periods. It indicates extreme weakness rather than an immediate buying opportunity.
 - **MACD:** The MACD is in a bearish crossover state below the zero line (Page 13), indicating accelerating downward momentum.
 - **Supertrend:** The daily Supertrend flipped to **SELL** on 2026-02-04 (Page 10), confirming the downtrend.
- **Fundamentals & Volume (Weak):**
 - **Earnings Miss:** Short-term Net Income dropped by **-10.97%** (Page 3). This is a significant fundamental catalyst driving the technical breakdown.
 - **Distribution:** Page 18 notes multiple "Distribution Days" in late Jan/early Feb 2026, suggesting institutional selling into the decline.
 - **Relative Strength:** The RS Score is mediocre (49.9), and the stock is classified as a "Weakening Leader." It is underperforming the CNXIT index.
- **Confluence:** There is a strong confluence of bearish signals: Price below 200 EMA + Fundamental Income Drop + Supertrend Sell Signal + Institutional Distribution.

Step 3: Formulate the Recommendation

Verdict: NO. You should **not** enter this stock right now.

Reasoning: The stock is currently a "falling knife." Entering now would be attempting to guess a bottom in the

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face of institutional selling and broken technical structure (trading below the 200 EMA). The risk of further downside to test the 2024 lows (~1350-1400 levels visible on Page 2) is high. As a positional trader, we wait for the trend to stabilize, not for the absolute bottom price.

Conditional Plan (Watchlist Strategy): We need to see the stock absorb the selling pressure and reclaim key structural levels before considering a long position.

- **Condition to Buy:** The stock must stabilize and close **above the 200 EMA** on a daily timeframe to prove the long-term trend is not dead. We also need the RSI to move out of the oversold territory and form a higher low.
- **Entry Price: INR 1,585** (Trigger only on a Daily Close above this level to clear the 200 EMA resistance at 1569 and filtered for false breakouts).
- **Stop Loss: INR 1,490** (A hard stop below the psychological INR 1500 level and current swing lows).
- **Take Profit: INR 1,725** (The previous consolidation zone and near the upper Bollinger Band/Weekly Supertrend resistance).

Risk Reward Ratio for Conditional Plan: ~1:1.5 (Modest, reflecting the need for confirmation).

Summary: Avoid for now. The trend is broken. Wait for a reclaim of INR 1,585.

Candlestick Classification Analysis

Based on the **Candlestick Classification Analysis** found on pages 20 and 21 of the report for **INFY.NS**, here is my assessment as a seasoned Price Action Trader.

Executive Summary: Weak Bullish Attempt in a Bearish Context

Current Signal: Buyer Control (+1) **Trend Score (10-day): -0.10 (Neutral-Bearish)** **Prediction: Bearish / Sell on Rise**

Detailed Interpretation

1. Immediate Price Action (The Latest Candle)

The latest candlestick is classified as "**Buyer Control**" (+1).^{*} **Logic:** This represents a moderate bullish candle or a strong candle lacking volume support.^{*} **Trader's View:** While green, this is **not** a "Buyer Strong Control" (+2) signal. In the context of the classification algorithm, a +1 score implies that while buyers pushed the price up, they either closed off the highs (weak conviction) or, more likely, the volume did not meet the 1.3x average threshold to confirm institutional accumulation. This looks like a **relief rally** or short-covering rather than a trend reversal.

2. The Recent Trend Context (Visual & Data)

Looking at the chart on **Page 21** and the summary on **Page 20**:^{*} **The Drop:** The chart shows a significant, sharp decline leading up to the current candle. We see a cluster of red candles (Seller Control) that drove the

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price from ~1650 down to the 1500 level.* **Trend Score (-0.10):** The 10-day average score is negative. This confirms that despite the current green candle, the dominant force over the last two weeks has been selling pressure. A score near zero usually suggests "No Control," but combined with the visual gap-down on the chart, it indicates the market is still digesting a heavy move downward.* **Distribution:** The historical data shows that "No Control" (106) is the most common state, indicating INFY often moves in choppy, low-conviction ranges. However, recently, sellers have been dictating the terms.

3. Volume & Conviction Analysis

- **Volume Validation:** The algorithm dictates that for a candle to be "Strong Control" (+2), it needs high volume (>1.3x). Since the current signal is only "Buyer Control" (+1), the buying volume is likely average or low.
- **The Trap:** A low-volume green candle immediately following high-volume red candles (the drop) is a classic "Dead Cat Bounce." The buyers are "fishing" for a bottom, but the institutions aren't aggressively stepping in yet.

Forecast & Trading Strategy

Prediction: The Future Price Side is DOWN (**Bearish**).

The current "Buyer Control" candle is likely a temporary pause. The market structure has been damaged by the recent sharp sell-off. Without a subsequent "Buyer Strong Control" (+2) candle to confirm a V-shape reversal, this bounce will likely fail.

Price Action Scenarios: 1. **Likely Scenario (Bearish Continuation):** The price may drift slightly higher or consolidate sideways for 1-2 days (the "No Control" phase). Once this weak buying pressure exhausts, sellers will likely re-enter to test the recent low (around 1500). 2. **Invalidation (Bullish Reversal):** I would only flip to **Bullish** if the *next* candle is classified as **Buyer Strong Control (+2)**-meaning a large body closing near the high with >1.3x volume, effectively engulfing the previous selling candle.

Verdict: Treat the current green candle as an opportunity to **sell into strength**. The "Buyer Control" classification is too weak to fight the prevailing negative momentum shown in the Trend Score.

News & Analyst Targets

As an investment research analyst, I have compiled the latest research and market developments for **Infosys Ltd (INFY)** for the week ending **February 7, 2026**.

The dominant theme this week has been a sharp sector-wide sell-off triggered by renewed Artificial Intelligence (AI) disruption fears, which has significantly impacted Infosys' stock price and near-term sentiment.

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

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The week was marked by high volatility and a significant correction in Infosys' share price.

- **Major Stock Crash (Feb 4):** Infosys shares plunged approximately 7-8% on Wednesday, falling to around INR 1,520 levels. This was the steepest single-day decline for the stock and the Nifty IT index since March 2020.
- **Trigger - Anthropic AI Launch:** The sell-off was triggered by the US-based AI startup **Anthropic** launching a new "workplace productivity" tool. The tool reportedly automates complex enterprise tasks (legal, sales, marketing workflows) that were traditionally part of the service ambit of IT firms. This has reignited fears that Generative AI will cannibalize the "time and material" business model of Indian IT majors faster than anticipated.
- **Continued Weakness (Feb 5-6):** The stock continued to face selling pressure through the remainder of the week as global tech sentiment soured. The Nifty IT index shed nearly 7% in two sessions.
- **Q3 FY26 Context:** Earlier in January (Jan 14, 2026), Infosys had reported steady Q3 earnings with a revenue growth guidance hike for FY26. However, this week's AI-driven panic has overshadowed those fundamentals.

2. Brokerage Upgrades & Downgrades

The sentiment has shifted rapidly from "cautious optimism" post-Q3 results to "heightened risk" this week.

- **Jefferies (Bearish Note):** Following the Anthropic news, analysts at **Jefferies** issued a note warning of "more pain ahead." They highlighted that the new AI capabilities could erode application services revenue—a core revenue stream for Infosys. While not an explicit rating downgrade to "Sell" in the snippets, the commentary is decidedly negative.
- **Previous Context (Jan 2026):** Just weeks prior, after Q3 results, the sentiment was positive. For instance, **CLSA** had upgraded Infosys to *Outperform* (Jan 2026) citing stable demand, and **Seeking Alpha** contributors upgraded it to *Buy* (Jan 16, 2026) due to improving margins and European growth.
- **Current Status:** Most brokerages are likely reviewing their models this weekend to factor in the potential deflationary impact of the new AI tools on pricing.

3. Indirect News Impacting INFY

- **Sector-Wide Sell-off:** The fear is not Infosys-specific. Peers like **TCS, Wipro, and HCL Tech** also fell between 4-7% this week, confirming a sector-wide de-rating rather than a company-specific issue.
- **Nasdaq Correction:** The Indian IT fall mirrored a drop in the US **Nasdaq Composite**, where software stocks shed nearly \$300 billion in market value due to similar AI disruption concerns.
- **Partnerships:** On a positive but less impactful note, Infosys renewed its digital innovation partnership with the **Madison Square Garden** family of companies and successfully delivered AI-first experiences for the **Australian Open 2026**.

4. Latest Analyst Price Targets

The following table summarizes the consensus targets available *prior* to the Feb 4th crash, along with the current market price for context. Note that many analysts may revise these targets downward in the coming days.

Brokerage / Source	Rating Consensus	Price Target (INR)	Upside/Downside Potential*
Consensus Mean	BUY	INR 1,820	+19.7%
High Estimate	Buy	INR 2,200	+44.7%
Low Estimate	Sell/Hold	INR 1,555	+2.3%
Zacks Investment	Buy	INR 1,615 (approx conv.)	+6.0%
Current Market Price	--	~INR 1,520	--

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**Upside calculated based on the current depressed market price of ~INR 1,520. The "Low Estimate" of INR 1,555 is now very close to the current trading price, indicating the stock has fallen to its bearish support levels.*

Analyst View: The sharp disconnect between the consensus target (INR 1,820) and the current price (INR 1,520) suggests the market is pricing in a structural risk that analyst models haven't fully quantified yet. Investors are advised to watch for updated brokerage notes next week.

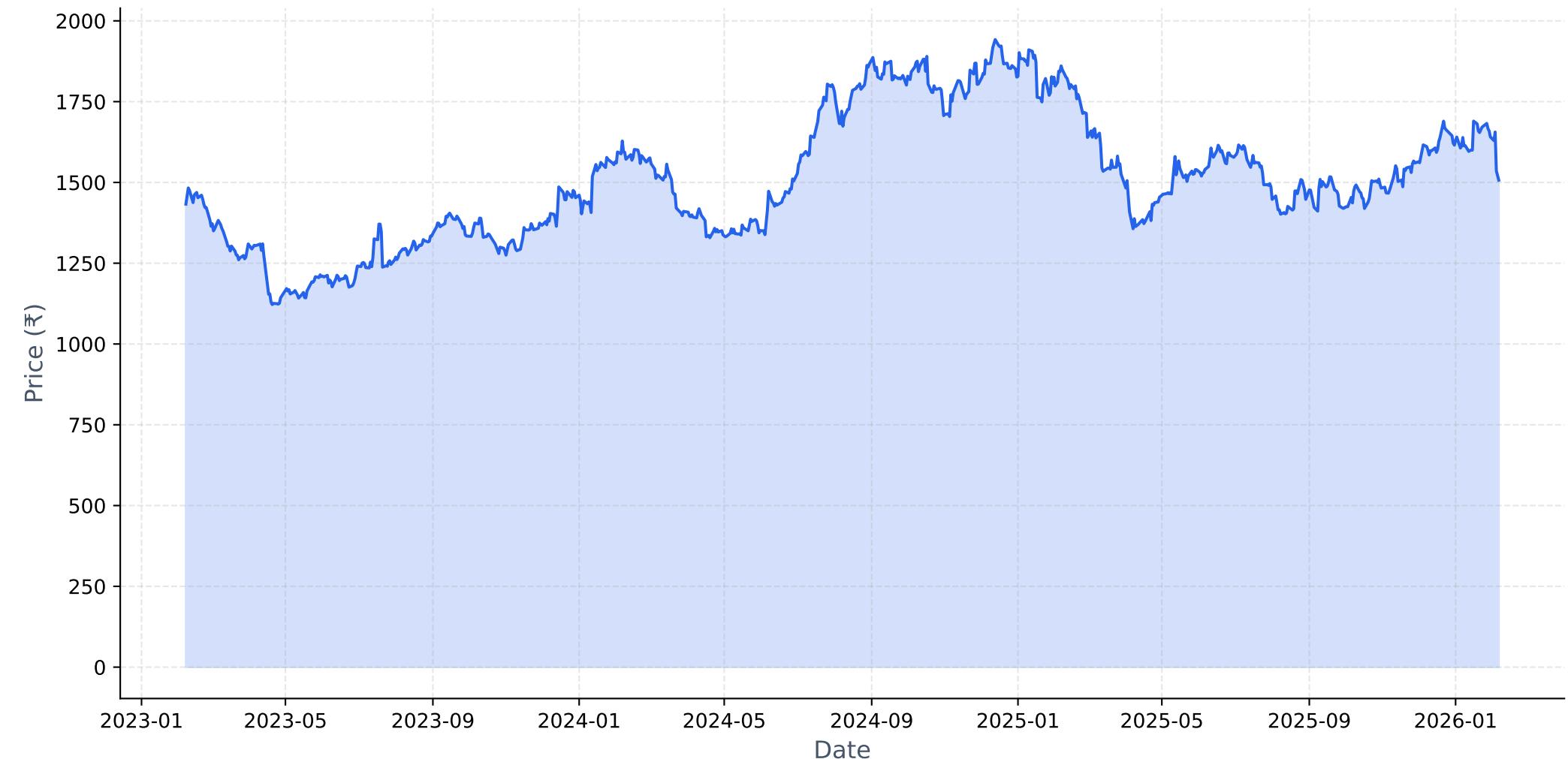
Stock Detailed Analysis Report

INFY.NS

Current Price: ₹1507.10

Generated: 2026-02-07 10:28

INFY.NS - 3 Year Daily Price Chart



Long-term Fundamental Analysis (4 Years)

Metric	Is Growing?	Accelerating?	1Y Growth	3Y CAGR
Revenue	Yes	No	3.85%	5.73%
Net Income	Yes	No	-0.28%	2.15%
ROE	No	No	-6.03%	-1.85%
EPS	Yes	No	-1.30%	2.78%

Short-term Fundamental Analysis (6 Quarters)

Metric	Is Growing?	Recent QoQ	Avg QoQ
Revenue	Yes	0.45%	0.85%
Net Income	No	-10.97%	-1.66%
ROE	Yes	12.19%	1.15%
EPS	Yes	0.00%	1.75%

INFY.NS - Relative Strength Analysis

== OVERVIEW ==:

Benchmark Index:	^CNXIT
Sector:	IT
Classification:	Weakening Leader
RS Score:	49.9/100
:	

== RS RATIOS ==:

1M RS:	0.981 [Neutral]
3M RS:	1.011 [Leader]
6M RS:	1.020 [Leader]
1Y RS:	0.969 [Neutral]
:	

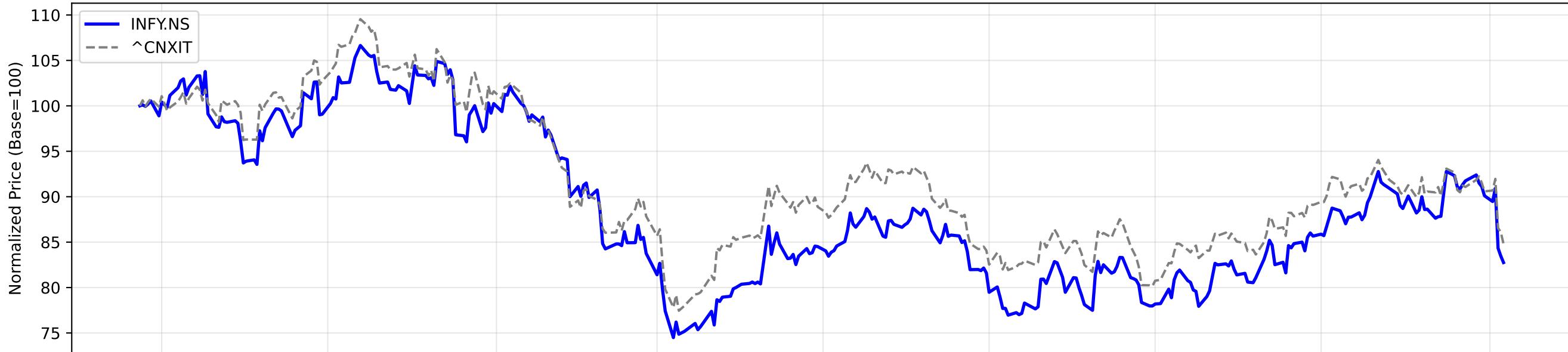
== TURNAROUND ANALYSIS ==:

Turnaround Status:	Not Detected
:	

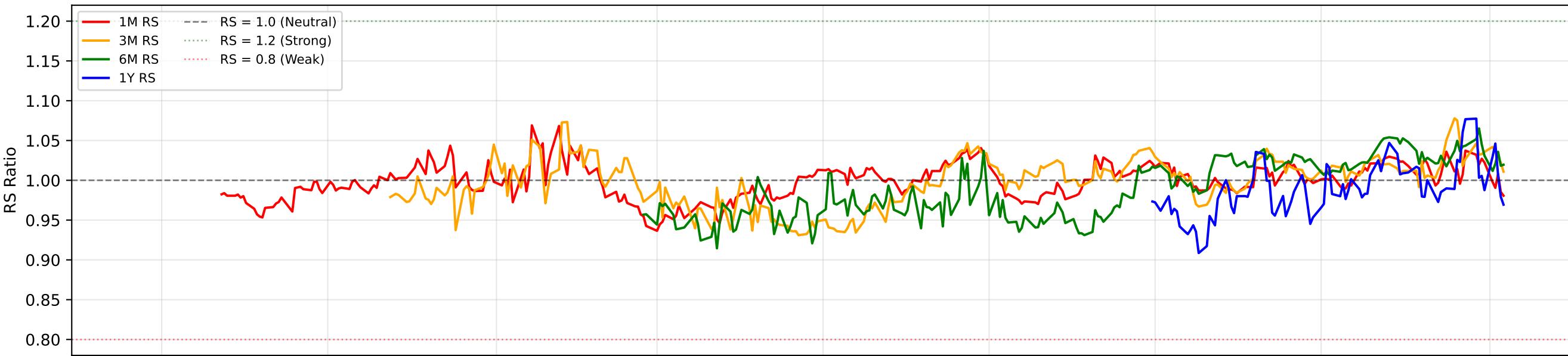
SIGNAL CRITERIA::

✗ Emerging RS:	Not accelerating
✓ Medium-term Lagging:	1Y=0.969 (≤ 1.0)
✗ Performance Improving:	Not improving

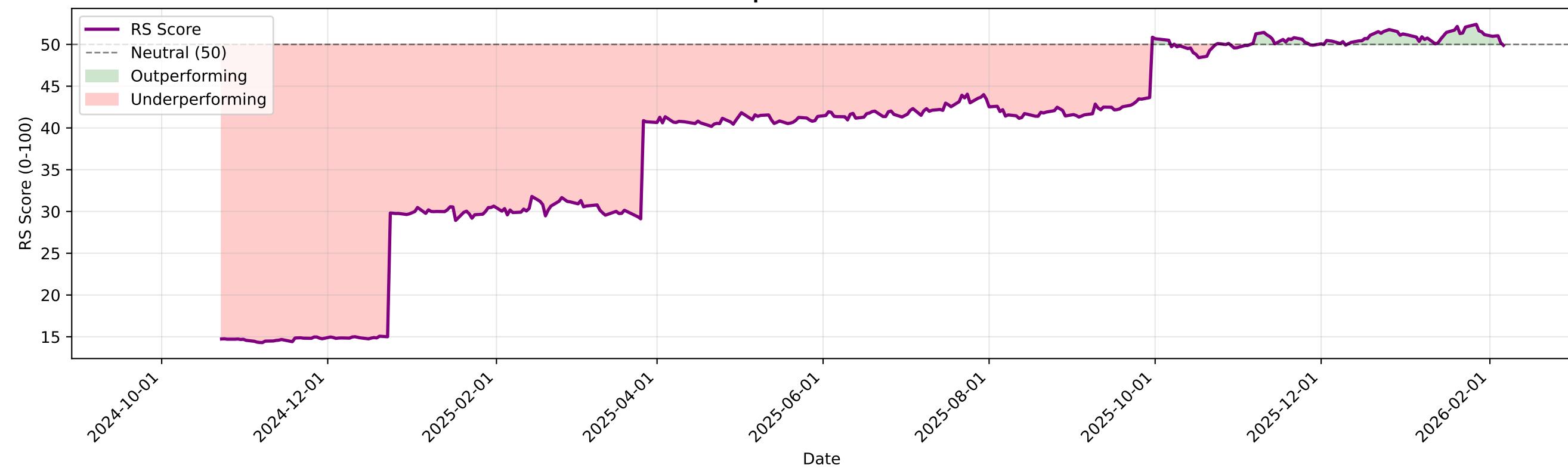
Relative Strength Analysis: INFY.NS vs ^CNXIT
Classification: Weakening Leader
Price Performance Comparison (Normalized)



RS Ratio Trends (Multiple Timeframes)



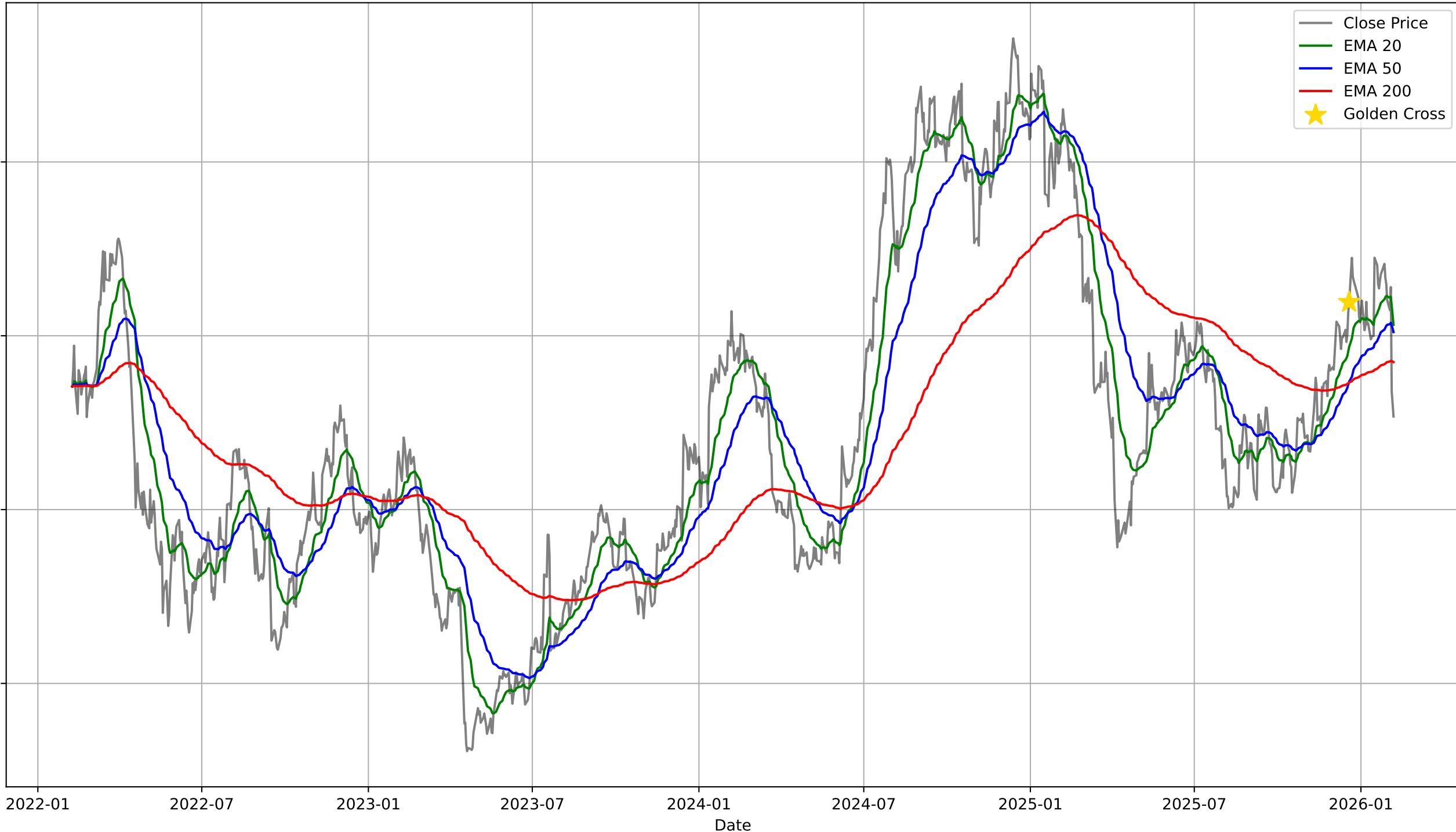
RS Composite Score Timeline



INFY.NS - EMA Crossover Summary

EMA 20:	1612.61
EMA 50:	1604.30
EMA 200:	1569.72
Trend Status:	Strong Uptrend
Golden Cross Date:	2025-12-19 00:00:00+05:30
Golden Cross Price:	1638.70

INFY.NS EMA Crossover Analysis

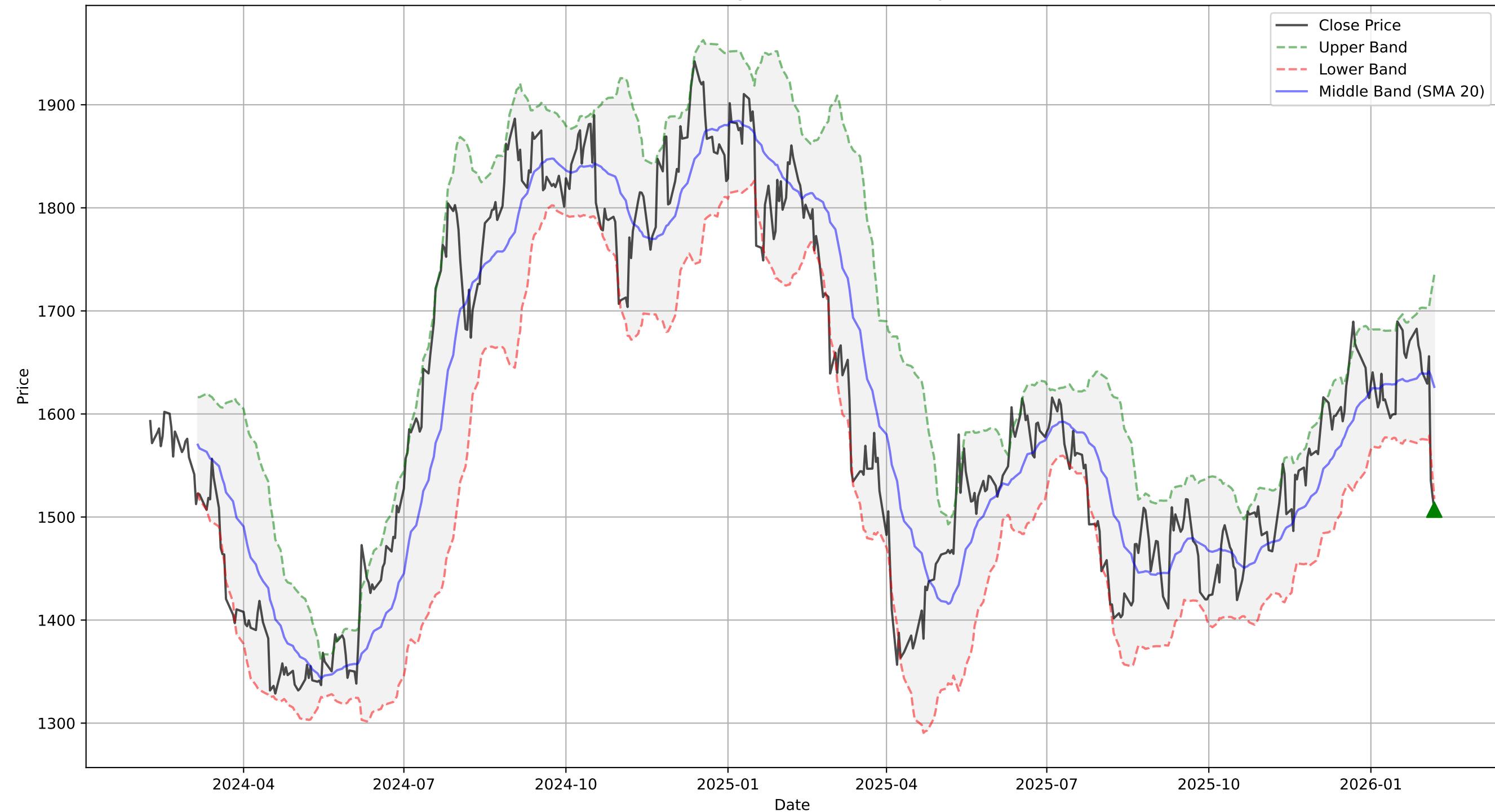


INFY.NS - Bollinger Bands Summary

Current Price:	1507.10
Upper Band:	1734.99
Middle Band (SMA 20):	1626.27
Lower Band:	1517.55
%B:	-0.0480
Band Width:	0.1337
Status:	Below Lower Band
Signal:	Buy Signal
Recent Signal 1:	Buy Signal at 2026-02-06 00:00:00+05:30

INFY.NS Bollinger Bands (20, 2) Analysis

— Close Price
- - Upper Band
- - Lower Band
— Middle Band (SMA 20)



INFY.NS - Supertrend Summary

Status: DOWNTREND (Sell)

Supertrend Value: 1633.62

Signal Identified On: 2026-02-04

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



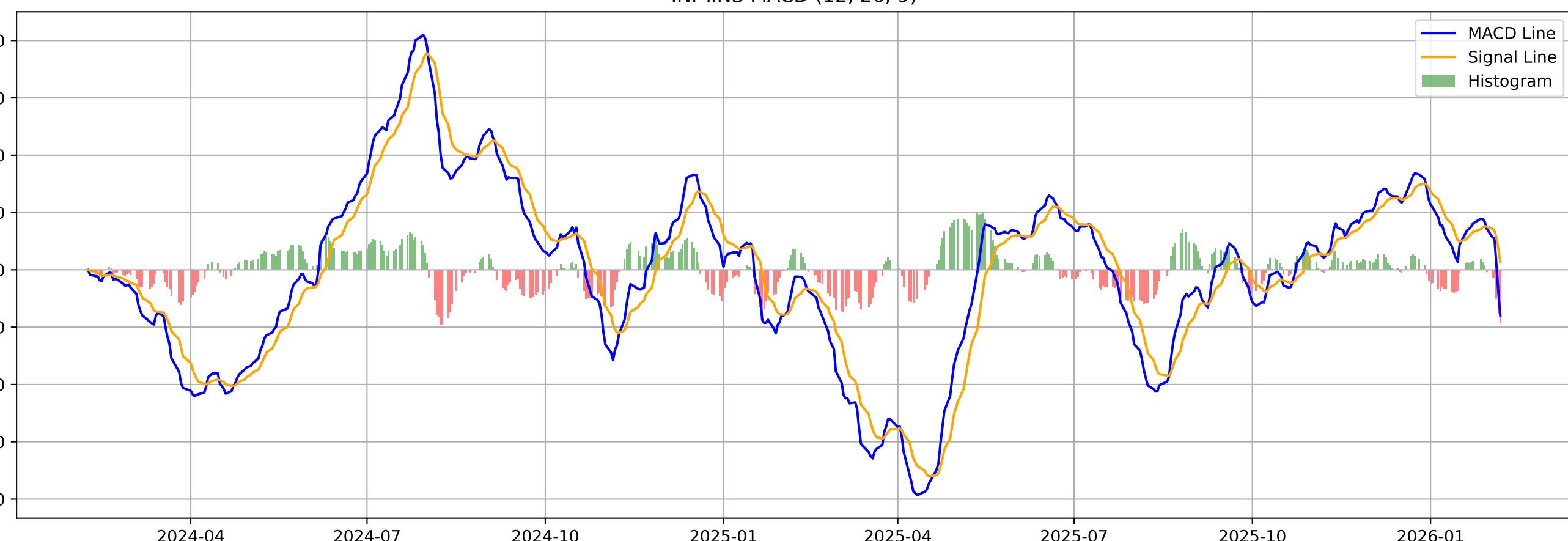
INFY.NS - MACD Summary

MACD Line:	-16.10
Signal Line:	2.61
Histogram:	-18.71
Trend:	Bearish
Momentum:	Strengthening
Signal:	None

INFY.NS Price



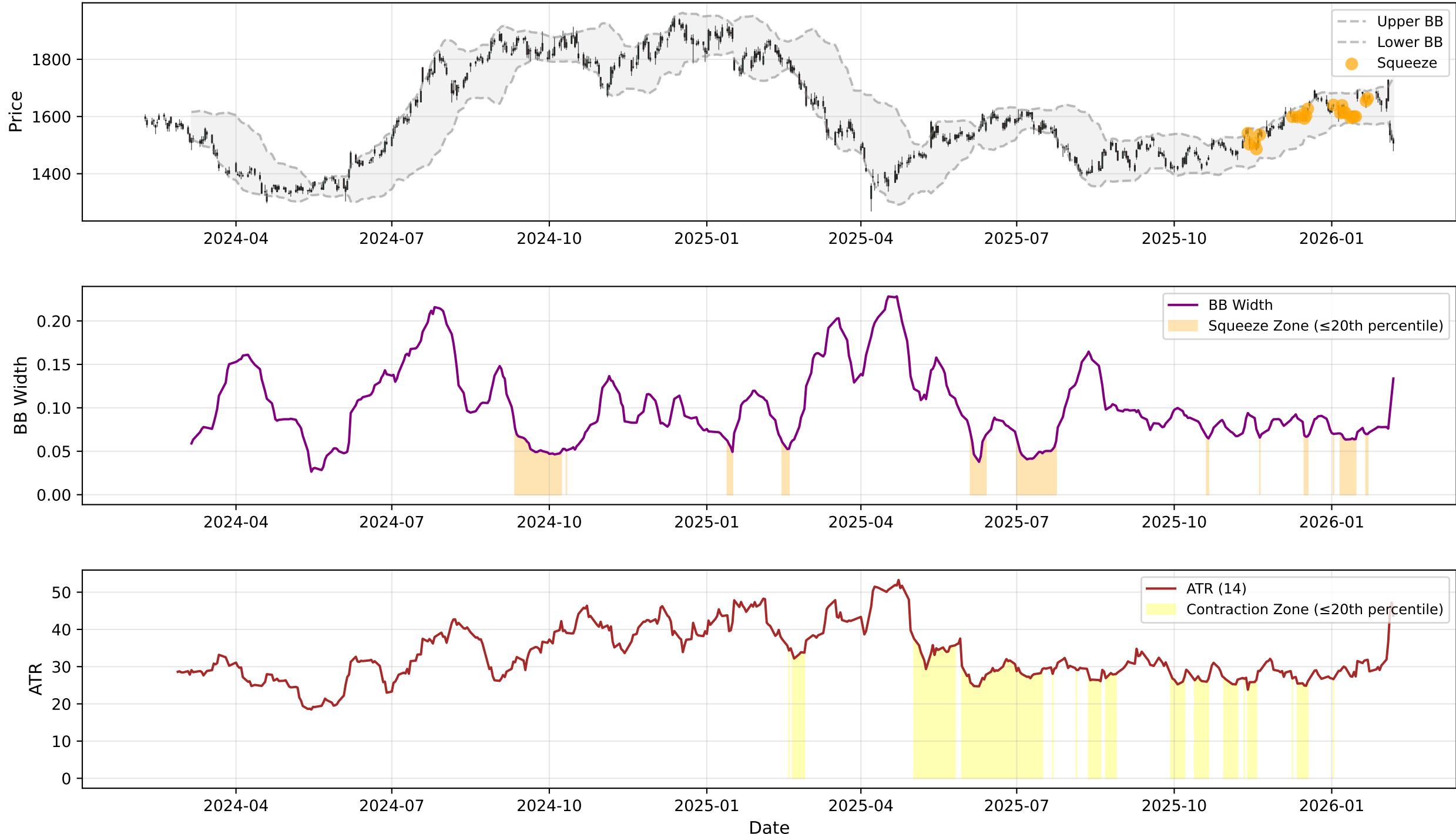
INFY.NS MACD (12, 26, 9)



INFY.NS - Volatility Squeeze Summary

BB Width:	0.1337
ATR:	43.7072
Total Signals:	22
Signal 1:	BB Squeeze at 2026-01-13 00:00:00+05:30 (Price: 1599.00)
Signal 2:	BB Squeeze at 2026-01-14 00:00:00+05:30 (Price: 1599.80)
Signal 3:	BB Squeeze at 2026-01-15 00:00:00+05:30 (Price: 1599.80)
Signal 4:	BB Squeeze at 2026-01-21 00:00:00+05:30 (Price: 1654.40)
Signal 5:	BB Squeeze at 2026-01-22 00:00:00+05:30 (Price: 1663.50)

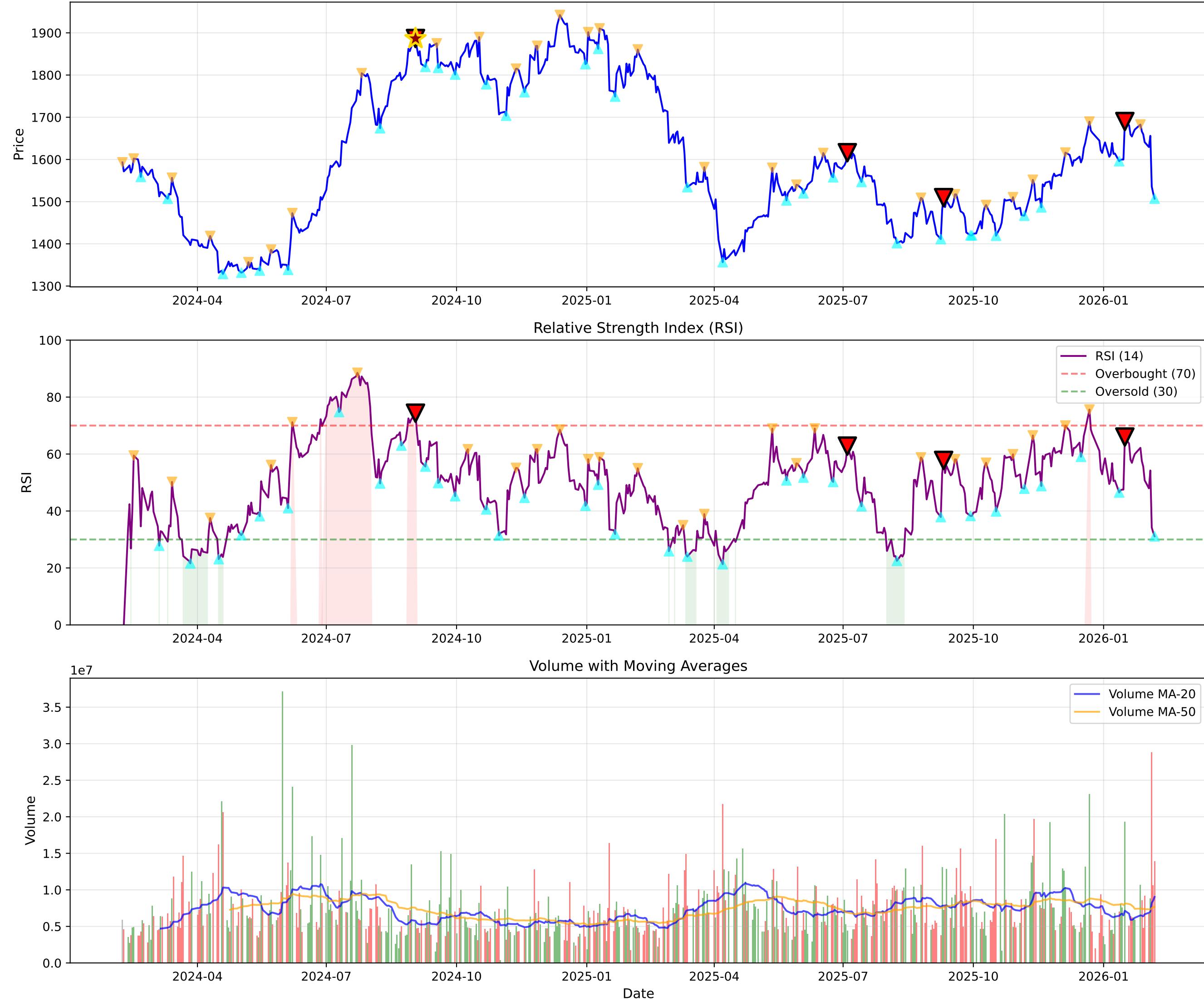
INFY.NS - Volatility Squeeze Analysis



INFY.NS - RSI-Volume Summary

Current RSI:	31.12
Current Volume:	13900866
Volume MA 20:	9038874
Bullish Divergences:	0
Bearish Divergences:	4
Bearish Div 1:	Date: 2025-09-10 00:00:00+05:30, Price: 1509.49
Bearish Div 2:	Date: 2026-01-16 00:00:00+05:30, Price: 1689.80

INFY.NS RSI-Volume Divergence Analysis



INFY.NS - Volume Analysis

== VOLUME ANALYSIS ==:

Status: 41 Signals Detected

:

2026-01-21 [-]: Distribution Day

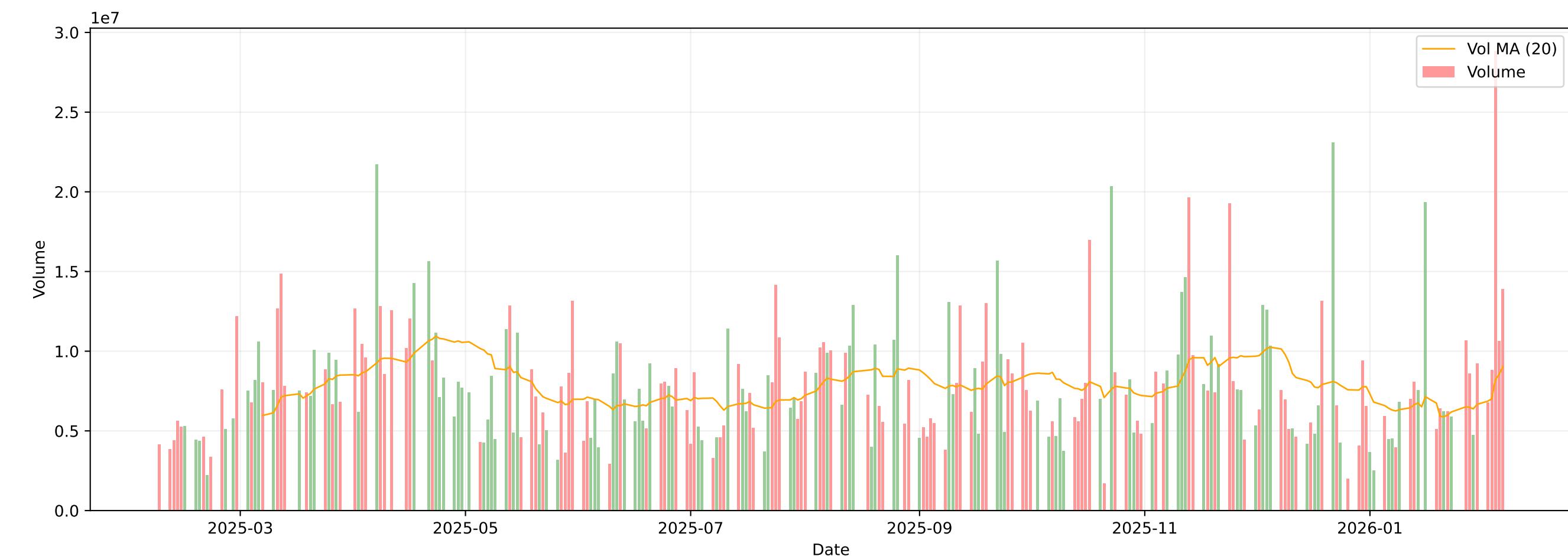
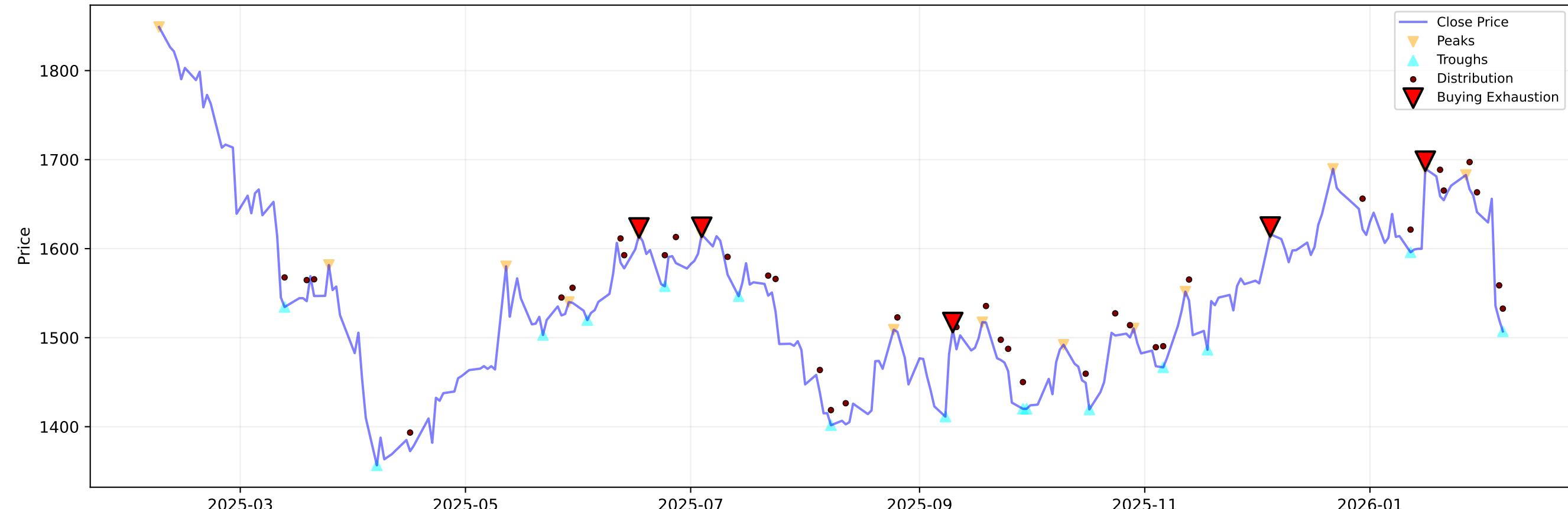
2026-01-28 [-]: Distribution Day

2026-01-30 [-]: Distribution Day

2026-02-05 [-]: Distribution Day

2026-02-06 [-]: Distribution Day

INFY.NS - Volume Analysis



INFY.NS - Candlestick Classification Summary

== CANDLESTICK CLASSIFICATION ==:

Latest Classification: Buyer Control

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

:

Distribution:

No Control: 106

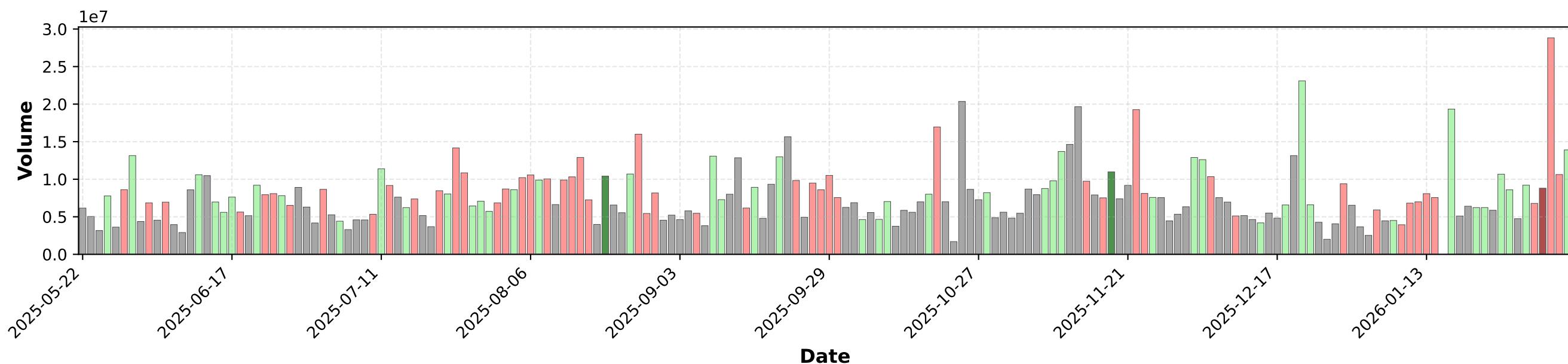
Seller Control: 60

Buyer Control: 57

Buyer Strong Control: 4

Seller Strong Control: 1

INFY.NS - Candlestick Classification



Multi-Timeframe Supertrend Analysis

Timeframe	Status	Value	Last Price	Signal Date
1 Week	DOWNTREND (Sell)	1727.39	1507.1	2026-02-02
1 Day	DOWNTREND (Sell)	1633.62	1507.1	2026-02-04
15 Min	DOWNTREND (Sell)	1510.2	1504.8	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	Weakening	No Signal

INFY.NS - 1 Week (Candlestick + EMAs)



INFY.NS - 1 Day (Candlestick + EMAs)



INFY.NS - 15 Min (Candlestick + EMAs)



Trendlyne Snapshot - INFY_main

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Infosys Ltd.

NSE: INFY | BSE: 500209
Infosys Live Share Price Today, Share Analysis and Chart

Mid-range Performer In 6 Starfolio Baskets

1507.10 -13.10 (-0.86%)

14.3M NSE+BSE Volume
NSE 06 Feb, 2026 3:31 PM (IST)

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Durability score 65.0 /100 <small>High Financial Strength</small>	Valuation Score 38.7 /100 <small>Mid Valuation</small>	Momentum Score 46.7 /100 <small>Technically Neutral</small>	Analyst Price Target 1,820 <small>1Yr Price target upside is 21%</small>
<small>Mid-range Performer These stocks have strong quality. Their reasonable financials and technicals make them potentially attractive to i... View Similar Embed DVM </small>			

Check Before You Buy [VIEW FULL CHECKLIST](#)
High rank 16 10
6 3 [SWOT Analysis](#)
14 Positive * 9 Negative
60.9% Pass in checklist

PE Valuation Check
Right Now Undervalued 26.3%
1 Year Forward Undervalued 29.1%
INSIGHT Infosys is undervalued at both current PE and future earnings estimates.

Infosys Key Metrics

ROE Ann. % 27.9 High in Industry	Broker Average Target 1,801.83 19.56% upside	Market Capitalization 611,080 Market Runner Up	Price to Book 3.7 Below Industry Median
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Infosys Ltd. [①](#)
NSE: INFY | BSE: 500209
■ ■ ■ Mid-range Performer [①](#) In 6 Starfolio Baskets

1507.10 -13.10 (-0.86%) **14.3M** NSE+BSE Volume
NSE 06 Feb, 2026 3:31 PM (IST)

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Infosys - INFY - stock price prediction, stock forecast, target price, analyst ratings from 45 analysts

Infosys has a share price target of Rs 1820, revenue growth forecast of 9.1%, and profit growth estimate of 7.8% for FY26, based on top 45 analyst calls.

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