

Gemini Stock Analysis Report

This analysis evaluates **TCS.NS** from the perspective of a positional equity trader looking for a 5%-15% upside over the next 1-4 months.

Step 1: Audit the Data

- **Data Present:** Daily price charts (3-year and 1-year views), EMA Crossovers (20, 50, 200), Relative Strength (RS) analysis vs. Nifty IT, Bollinger Bands, Supertrend, MACD, Volatility Squeeze indicators, RSI, and Volume MAs. Long-term (4Y) and short-term (6Q) fundamental trends are also provided.
 - **Data Missing:** Weekly/Monthly charts (essential for confirming primary positional trends) and a broader market index comparison (Nifty 50).
 - **Confidence Level: High.** The report provides a comprehensive technical suite and fundamental context, allowing for a high-conviction "confluence" analysis.
-

Step 2: Analyze the Setup

Price Structure & Trend: TCS has been in a significant downtrend for much of 2025, falling from highs near INR 4500 to a low near INR 2900. However, the stock is currently in a "Stage 1" base-building/recovery phase. It has successfully reclaimed the 20-day and 50-day EMAs, which are now sloping upward, indicating a short-term trend reversal.

The "Decision Point": The stock is currently trading at **INR 3280**, which is immediately below its **200-day EMA (INR 3301.22)**. For a positional trader, the 200-EMA is the "line in the sand" between a bear market rally and a true trend reversal.

Momentum & Volatility: * **MACD:** **Bullish** crossover exists, though momentum is flagged as "weakening," suggesting a pause before a potential breakout. * **Volatility Squeeze:** A Bollinger Band squeeze was identified in mid-December, followed by a minor breakout. This suggests the stock is moving out of a low-volatility period into a trending period. * **Relative Strength:** The RS score is improving (up from 15 to 49) and the stock is starting to outperform the IT sector index (^CNXIT), marking it as a "Weakening Leader" that is attempting to regain its footing.

Fundamentals: Revenue and EPS are growing but decelerating. This supports a "mean reversion" or "recovery" trade rather than a "high-growth breakout" trade.

Step 3: Formulate the Recommendation

Should you enter now? NO.

Reasoning: As a risk-averse positional trader, entering immediately below the 200-day EMA (INR 3301) is suboptimal. Resistance at the 200-EMA is often heavy; buying now risks a "fake-out" where the stock hits the average and retreats. A high-probability entry requires a confirmed daily close above this level to signal that the intermediate-term trend has officially shifted to bullish.

Gemini Stock Analysis Report

Conditional Buy Plan (The "Trend Confirmation" Entry):

- **Condition to Buy:** A daily close above the 200-day EMA (INR 3301) on better-than-average volume.
- **Entry Price:** INR 3315 (Triggering once the 200-EMA hurdle is cleared).
- **Stop Loss:** INR 3130 (Placed below the 50-day EMA and the recent swing low to protect against a failed breakout).
- **Take Profit:** INR 3750 (This represents a ~13% upside, targeting the supply zone established in mid-2025, which aligns with your 5%-15% goal).

Trader's Note: Monitor the IT sector. If the ^CNXIT index also breaks its respective resistance, it will provide the sectoral tailwind needed to reach the target within the 4-month window.

News & Analyst Targets

As a stock research analyst, I have synthesized the following report on **Tata Consultancy Services (TCS)** based on the latest market data and news for the final week of December 2024.

1) Latest News for TCS (Current Week)

The primary focus for TCS this week has been the official announcement of its **Q3 FY25 Earnings Calendar**.

- **Earnings Date Confirmed:** TCS officially announced that it will declare its third-quarter results for the period ending December 31, 2024, on **Thursday, January 9, 2025**, after market hours.
 - **Dividend Announcement:** Along with the results, the Board of Directors will consider the declaration of a **third interim dividend** for FY 2024-25.
 - **Dividend Record Date:** The company has already fixed **January 17, 2025**, as the record date for determining shareholder eligibility for the dividend, should it be declared.
 - **AI Platform Expansion:** TCS recently launched "**BaNCS AI Compass**," an advanced AI core for its flagship banking platform. This move aims to integrate Generative AI and deep learning into banking operations to drive efficiency.
 - **Workforce Realignment:** There is significant ongoing discussion regarding a **2% global workforce reduction** (approx. 12,200 jobs) targeting middle and senior management. The company is positioning this as a "future-ready" strategy to address skill gaps and accelerate AI-led services.
-

2) Brokerage Upgrades and Downgrades

While major shifts often wait for the quarterly earnings call, recent sentiment has been mixed as valuations remain at a premium:

- **MarketsMOJO (Downgrade):** Recently downgraded the stock to "**Hold**" from "Buy," citing flat recent results and an "expensive valuation" (Price-to-Book ratio near 15x).
 - **JPMorgan (Positive Outlook):** Maintained an "**Overweight**" rating, projecting a recovery in growth by the second half of the 2025-26 fiscal year, supported by AI deal ramp-ups.
 - **Jefferies (Cautionary):** Currently maintains a "**Hold**" rating, expressing caution over the immediate upside due to potential global trade uncertainties and tariff-related risks for the IT sector in 2025.
-

3) Indirect News & Impacting Factors

- **Seasonal "Furloughs":** The December quarter is seasonally weak for Indian IT firms due to year-end holidays and client-side furloughs in the US and Europe. Analysts expect this to lead to flattish revenue

Gemini Stock Analysis Report

growth for TCS in Q3.

- **IT Sector Re-rating:** Recent strong performance by US-based peer Accenture has provided a positive indirect sentiment boost to the Indian IT pack, suggesting that enterprise spending on AI and cloud transformation remains robust.
- **Currency Volatility:** Fluctuations in the USD/INR and the Euro are being closely monitored, as currency tailwinds/headwinds could play a critical role in TCS's Q3 margin performance.
- **\$13 Billion Renewal Pipeline:** Indian IT giants, including TCS, are currently eyeing a massive **\$13 billion wave of contract renewals** coming up through early 2025, which will be a key driver for order book growth.

4) Latest Brokerage Targets & Ratings

The following table summarizes the most recent price targets and ratings from the analyst community for TCS as of late December 2024.

Brokerage Firm	Rating	Target Price (INR)	Potential Upside*
Motilal Oswal	Buy	5,000 - 5,400	~20% - 30%
HDFC Securities	Add	4,500	~8%
Morgan Stanley	Overweight	4,600	~11%
Kotak Securities	Add	4,115 (Fair Value)	Neutral
ICICI Direct	Buy	3,800	-8% (Conservative)
JP Morgan	Overweight	3,800	-8% (Conservative)
Axis Direct	Buy	3,565	Under Review
Citi	Sell	3,515	~15% Downside
Jefferies	Hold	3,300	~20% Downside

**Potential Upside is calculated based on the current market price of approximately INR 4,165 as of December 27, 2024.*

Analyst Summary: The consensus remains cautiously optimistic. While the "Tata" brand and high TCV (Total Contract Value) of deal wins provide a safety net, the primary "monitorables" for investors in the upcoming Jan 9 report will be the **operating margins** and management commentary on **discretionary spending revival** for 2025.

Stock Detailed Analysis Report

TCS.NS

Current Price: ₹3280.00

Generated: 2025-12-28 10:29

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	-1.62%	0.34%
Net Income	Yes	4.38%	1.50%
ROE	Yes	1.02%	0.97%
EPS	Yes	3.92%	1.42%

TCS.NS - Relative Strength Analysis

== OVERVIEW ==:

Benchmark Index:	^CNXIT
Sector:	IT
Classification:	Weakening Leader
RS Score:	49.2/100
:	

== RS RATIOS ==:

1M RS:	1.005 [Leader]
3M RS:	1.006 [Leader]
6M RS:	0.965 [Neutral]
1Y RS:	0.931 [Neutral]
:	

== TURNAROUND ANALYSIS ==:

Turnaround Status:	Not Detected
:	

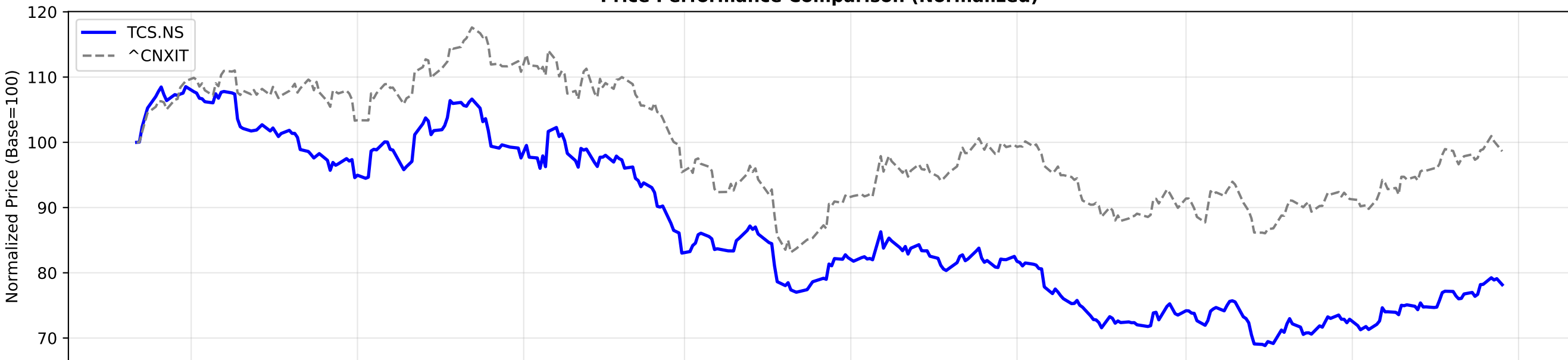
SIGNAL CRITERIA::

✗ Emerging RS:	Not accelerating
✓ Medium-term Lagging:	6M=0.965, 1Y=0.931 (≤ 1.0)
✓ Performance Improving:	3M (+10.9%) > 6M (-4.7%)

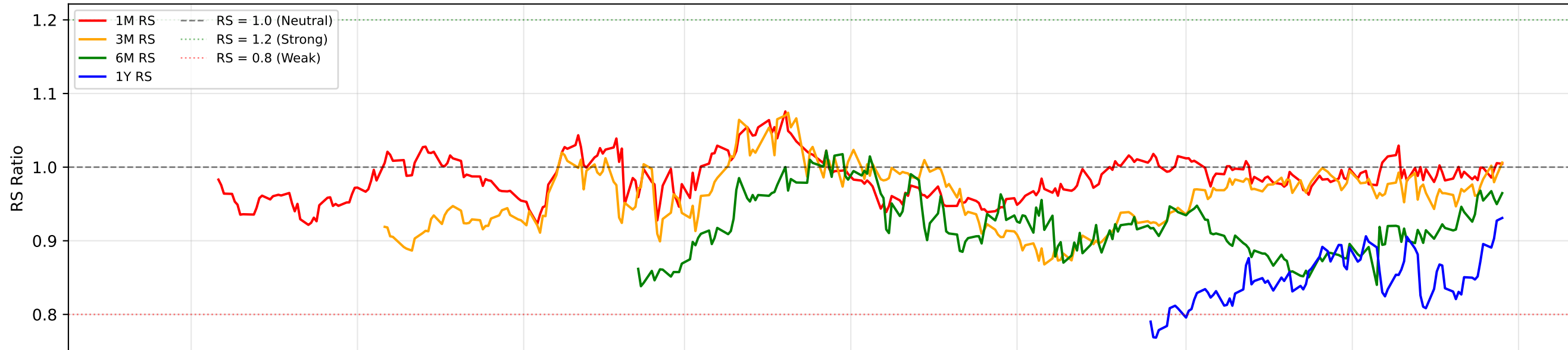
Relative Strength Analysis: TCS.NS vs ^CNXIT

Classification: Weakening Leader

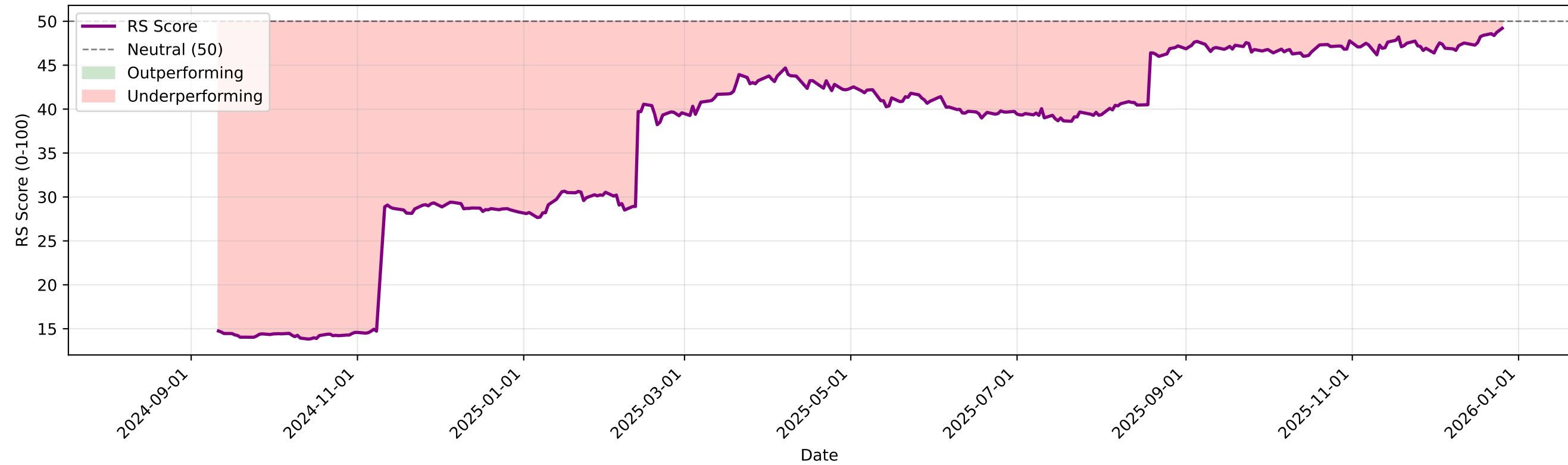
Price Performance Comparison (Normalized)



RS Ratio Trends (Multiple Timeframes)



RS Composite Score Timeline



TCS.NS - EMA Crossover Summary

EMA 20:	3233.40
EMA 50:	3166.49
EMA 200:	3301.22
Trend Status:	Short-term Uptrend

TCS.NS EMA Crossover Analysis



TCS.NS - Bollinger Bands Summary

Current Price:	3280.00
Upper Band:	3344.33
Middle Band (SMA 20):	3227.51
Lower Band:	3110.69
%B:	0.7247
Band Width:	0.0724
Status:	Upper Half
Signal:	None

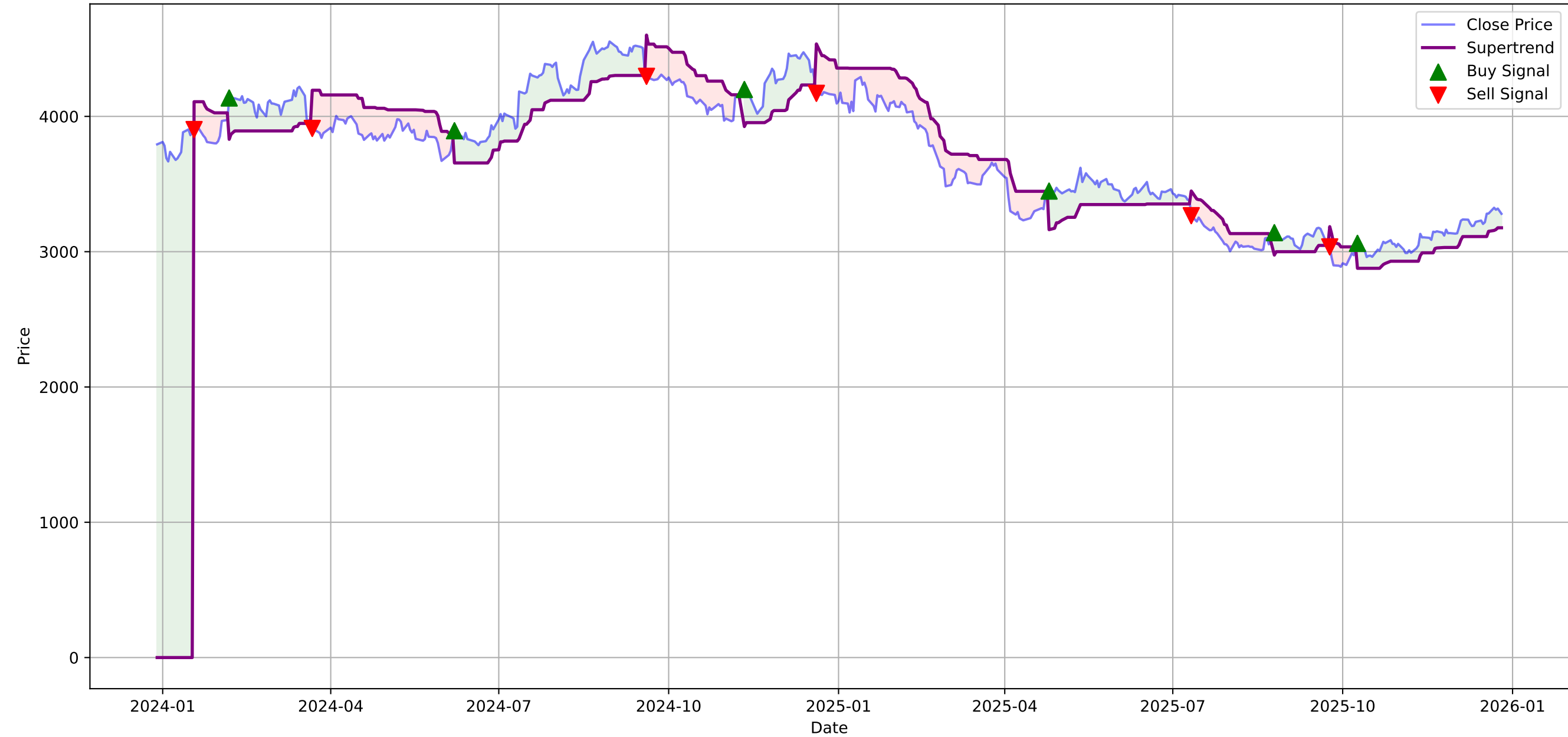
TCS.NS Bollinger Bands (20, 2) Analysis



TCS.NS - Supertrend Summary

Status:	UPTREND (Buy)
Supertrend Value:	3176.64
Signal Identified On:	2025-10-09

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



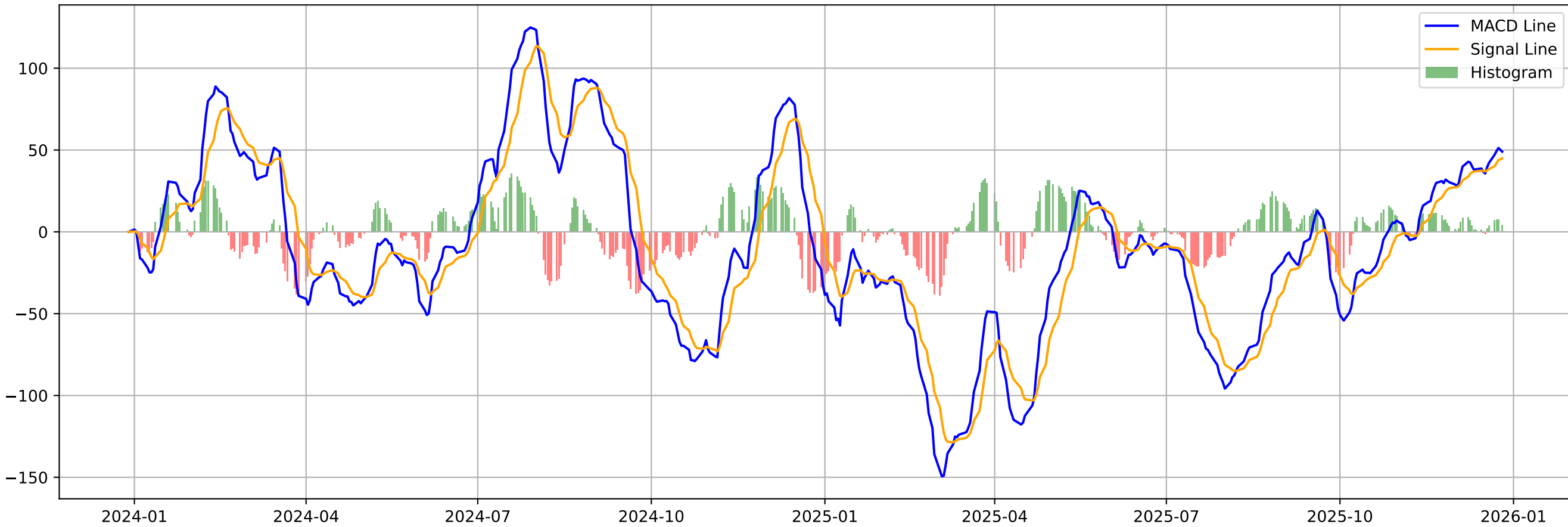
TCS.NS - MACD Summary

MACD Line:	49.03
Signal Line:	44.87
Histogram:	4.16
Trend:	Bullish
Momentum:	Weakening
Signal:	None

TCS.NS Price



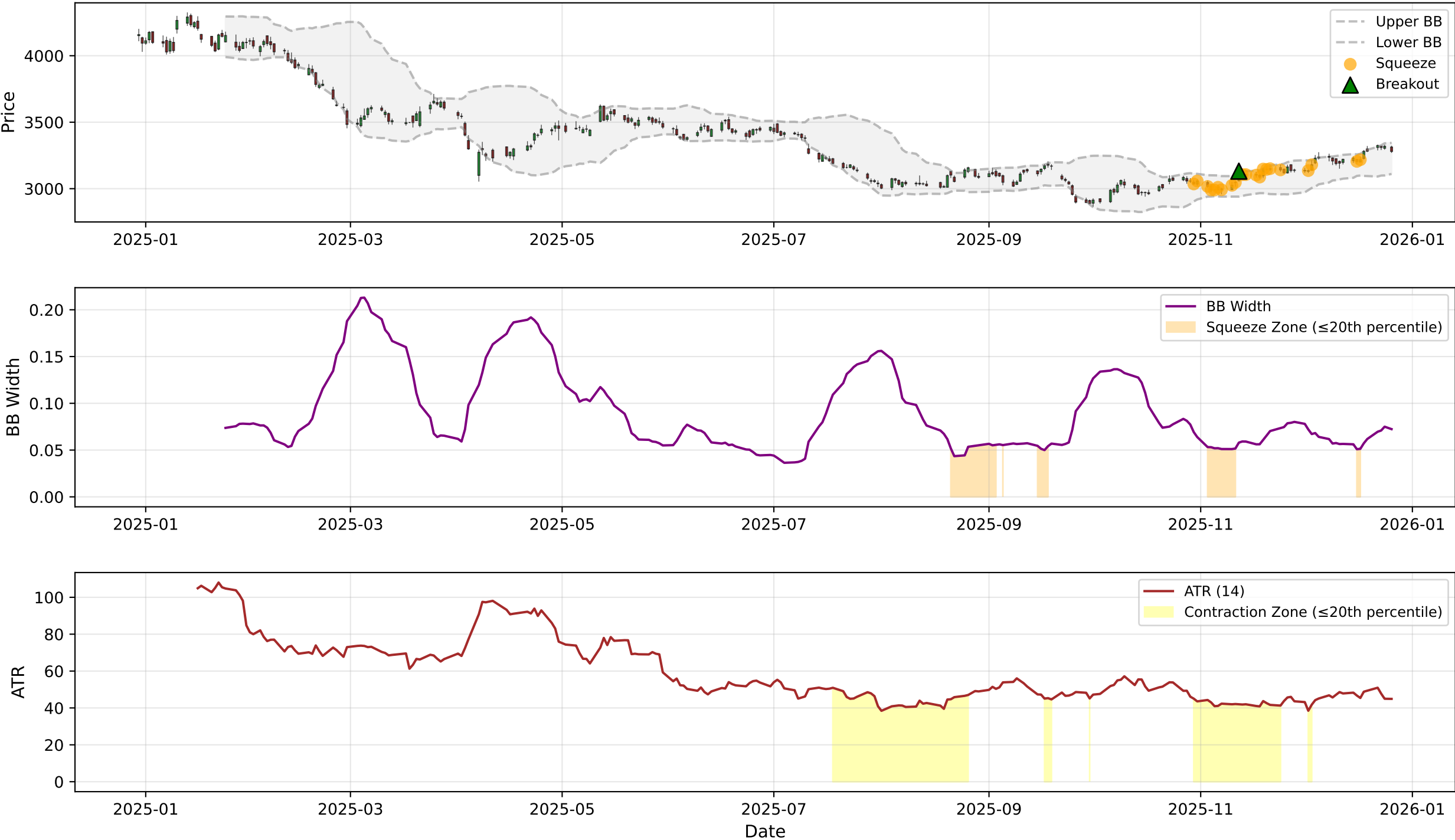
TCS.NS MACD (12, 26, 9)



TCS.NS - Volatility Squeeze Summary

BB Width:	0.0724
ATR:	44.9142
Total Signals:	22
Signal 1:	ATR Contraction at 2025-11-24 00:00:00 (Price: 3141.20)
Signal 2:	ATR Contraction at 2025-12-02 00:00:00 (Price: 3135.70)
Signal 3:	ATR Contraction at 2025-12-03 00:00:00 (Price: 3180.00)
Signal 4:	BB Squeeze at 2025-12-16 00:00:00 (Price: 3205.10)
Signal 5:	BB Squeeze at 2025-12-17 00:00:00 (Price: 3217.80)

TCS.NS - Volatility Squeeze Analysis



TCS.NS - RSI-Volume Summary

Current RSI:	61.67
Current Volume:	1176664
Volume MA 20:	2412573
Bullish Divergences:	1
Bearish Divergences:	2
Bullish Div 1:	Date: 2024-05-21 00:00:00, Price: 3820.20
Bearish Div 1:	Date: 2024-08-21 00:00:00, Price: 4551.50
Bearish Div 2:	Date: 2024-12-13 00:00:00, Price: 4473.90

TCS.NS RSI-Volume Divergence Analysis

