

# Gemini Stock Analysis Report

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This analysis is conducted from the perspective of a positional equity trader focusing on intermediate-term trends (1-4 months).

## Step 1: Audit the Data

- **Data Present:**
    - Daily Price Action (3-year and 1-year views).
    - Moving Averages (EMA 20, 50, 200).
    - Momentum Indicators (RSI, MACD with histogram).
    - Volatility Indicators (Bollinger Bands, ATR, Volatility Squeeze).
    - Trend Indicators (Supertrend).
    - Relative Strength (RS) against the FMCG sector index (^CNXFMCG).
    - Fundamental snapshot (Long-term growth vs. Short-term performance).
  - **Data Missing:**
    - Weekly/Monthly charts (Essential for identifying "Big Picture" structural support levels during a heavy correction).
    - Detailed volume profile (to see where the most shares changed hands).
  - **Confidence Level: High.** The report provides a multi-factor technical overlay that aligns across trend, momentum, and volatility.
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## Step 2: Analyze the Setup

**Trend Structure:** COLPAL is currently in a **Strong Downtrend**. Price is trading below the EMA 20, 50, and 200. The EMAs are stacked in a bearish alignment ( $20 < 50 < 200$ ). Since peaking near INR 3750 in late 2024, the stock has lost nearly 45% of its value.

**Momentum & Divergence:** There is a significant **Bullish Divergence** appearing on the RSI (Page 16/17). While the price made a fresh low in December 2025, the RSI made a higher low. This indicates that selling pressure is exhausting. Additionally, the MACD histogram is "Strengthening" (moving toward zero), suggesting the downward momentum is decelerating.

**Volatility & Support:** The stock is in a "Volatility Squeeze" (Page 15). These squeezes often precede a violent move. Given the price is at the bottom of its 3-year range and RSI is showing strength, the probability of a "mean reversion" bounce is increasing. However, the short-term fundamentals (6 Quarters) are negative, which explains why the stock is lagging the FMCG sector (1Y RS: 0.784).

**Confluence:** We have a "Turnaround Status: Detected" (Page 4) based on improving short-term relative strength compared to long-term lagging. However, there is no price confirmation yet. Buying now would be "catching a falling knife."

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## Step 3: Formulate the Recommendation

**Should I enter this stock now? NO.**

**Explanation:** While the bullish RSI divergences and the volatility squeeze are professional "tells" that a

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bottom may be forming, a positional trader requires **trend confirmation**. Currently, the Supertrend is "Sell" and price is pinned below all major resistance levels. Risk-averse trading dictates waiting for the stock to prove it can stop falling before committing capital.

## Conditional Plan (The "Wait-and-See" Setup):

We will monitor COLPAL for a breakout from its current base.

- **Condition to Buy:** A daily close above the **EMA 50** and the **Supertrend line**. This would signal that the intermediate trend has shifted from bearish to neutral/bullish.
- **Entry Price:** INR 2210 (Triggered once price clears the current Supertrend resistance of INR 2196 and the EMA 50 of INR 2171).
- **Stop Loss:** INR 2040 (Placed below the recent psychological support of INR 2050 and the December swing lows).
- **Take Profit:** INR 2480 (Targeting the underside of the EMA 200 and the previous consolidation breakdown zone from mid-2025. This represents a ~12% upside).

**Trader's Note:** If the price drops below INR 2000 before the "Condition to Buy" is met, this entire setup is invalidated as the structural downtrend has resumed.

## News & Analyst Targets

As a stock research analyst, I have synthesized the latest news and information for **Colgate-Palmolive (India) Limited (COLPAL)** for the week ending December 28, 2024.

### 1) Latest News for COLPAL (This Week: Dec 22-28, 2024)

- **INR 267.6 Crore Income Tax Demand:** On December 26, 2024, COLPAL informed the stock exchanges that it received a final assessment order from the Income Tax Department demanding **INR 267.64 crore** for the financial year 2021-22 (AY 2022-23).
  - **Reason:** The demand primarily relates to transfer pricing adjustments on international transactions and the disallowance of certain business expenses.
  - **Impact:** The company stated that this order does not have an immediate impact on its current financials or operations, as it plans to file an appeal before the Income Tax Appellate Tribunal (ITAT).
- **Trading Window Closure:** In compliance with SEBI insider trading regulations, COLPAL has announced the closure of its trading window for all designated persons and their relatives from **January 1, 2025**, until 48 hours after the declaration of the unaudited financial results for the quarter ending December 31, 2024.
- **Marginal Stock Recovery:** Following the tax demand news, the stock saw a marginal recovery of ~0.7-1% on Friday (Dec 27), showing resilience as investors viewed the tax issue as a "disputed matter" rather than a definitive cash outflow.

### 2) Brokerage Upgrades/Downgrades

While there were no major rating changes *this specific week*, the sentiment reflects recent significant shifts from the previous quarter: \* **JPMorgan (Downgrade):** Recently downgraded COLPAL to "**Neutral**" from "Overweight," citing weak volume growth and high valuations (~42x FY27E P/E). They lowered the price target significantly from INR 2,625 to INR 2,400. \* **MarketsMOJO (Maintain):** Continues to maintain a "**Hold**" rating due to high valuation concerns (Price-to-Book ratio near 50x) despite strong management efficiency. \* **Axis Direct (Maintain):** Maintains a "**BUY**" rating, highlighting the company's strong

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premiumization strategy (Visible White Purple toothpaste) and "Funding the Growth" cost-efficiency program.

## 3) Direct and Indirect Impacting News

- **GST Rate Transition:** A major theme this quarter has been the reduction of GST on oral care products from **18% to 5%**. While beneficial for consumers long-term, it has caused short-term **distribution channel disruptions** as retailers and distributors adjusted to new pricing, impacting COLPAL's Q2/Q3 sales volume.
- **Urban vs. Rural Demand Squeeze:** Indirectly, COLPAL is being impacted by a persistent **slowdown in urban demand** across the Indian FMCG sector. High food inflation (double digits for some commodities) has pinched middle-income household budgets, leading to "down-trading" to smaller pack sizes.
- **Competitive Intensity:** Increased promotions from local players and the rise of **Quick Commerce** (Blinkit, Zepto) are forcing the company to increase advertising and marketing spends to maintain its dominant ~50% market share in the toothpaste segment.

## 4) Latest Targets from Analysts and Brokerages

The current Market Price (CMP) of COLPAL is approximately **INR 2,093**.

Brokerage / Research Firm	Rating	Target Price (INR )	Potential Upside
Motilal Oswal	Neutral	3,250	~55%
Centrum Broking	Buy	3,215	~53%
Axis Securities	Buy	2,830	~35%
Geojit BNP Paribas	Buy	2,550	~22%
JPMorgan	Neutral	2,400	~15%
Consensus Average	Hold/Buy	2,488	~19%

**Analyst Summary:** COLPAL remains a high-quality "Dividend Aristocrat" with exceptional Return on Equity (ROE >80%). However, the stock is currently facing "triple headwinds": a fresh INR 267cr tax demand, a structural urban demand slowdown, and distribution friction following GST rate changes. Investors should monitor the upcoming Q3 FY25 earnings (expected in late Jan 2025) for signs of volume recovery.

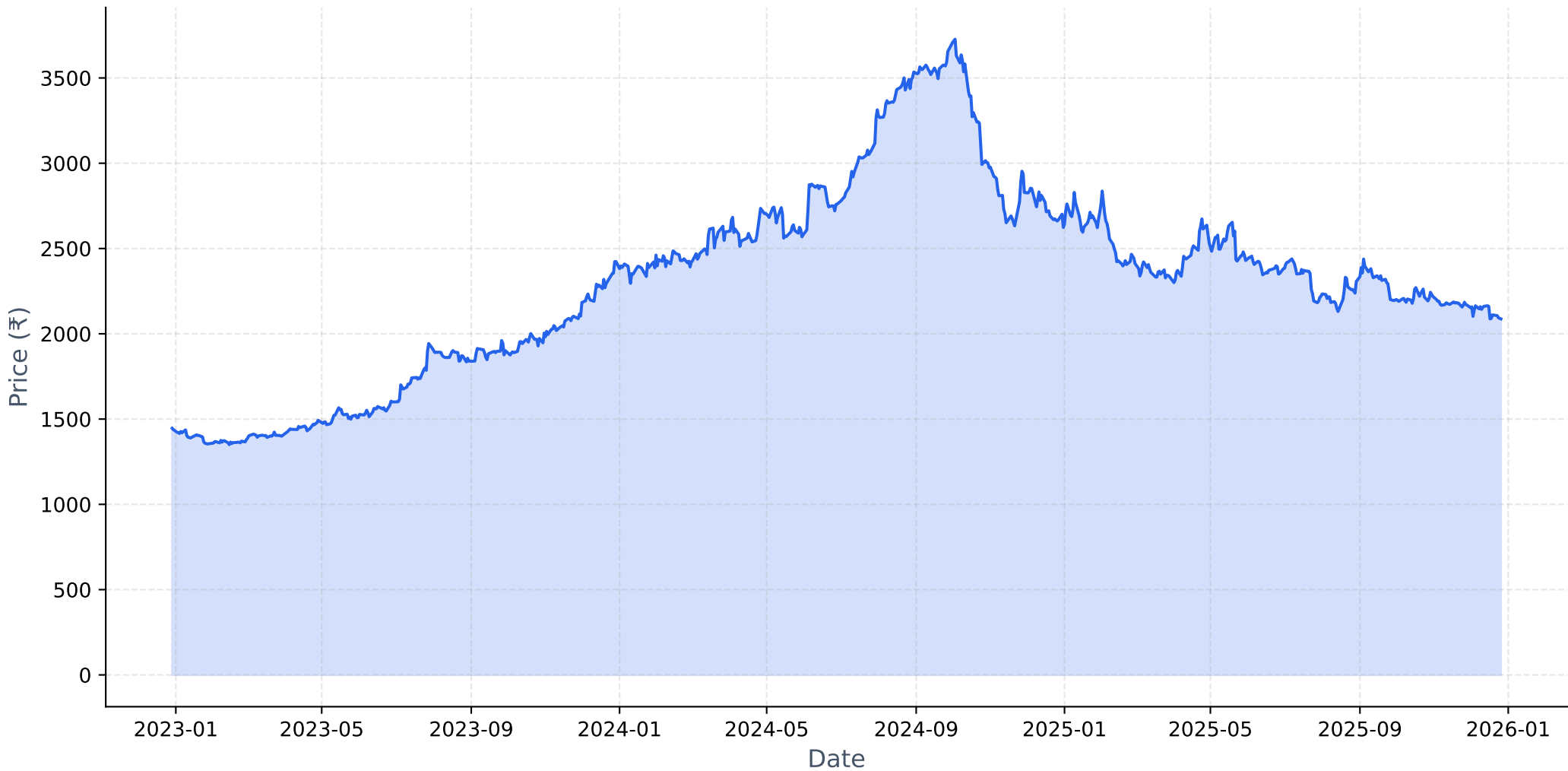
# Stock Detailed Analysis Report

**COLPAL.NS**

Current Price: ₹2087.40

Generated: 2025-12-28 10:29

# COLPAL.NS - 3 Year Daily Price Chart



# Long-term Fundamental Analysis (4 Years)

Metric	Is Growing?	Accelerating?	1Y Growth	3Y CAGR
Revenue	Yes	Yes	6.29%	5.79%
Net Income	Yes	No	8.55%	10.04%
ROE	Yes	Yes	22.24%	11.57%
EPS	Yes	No	8.55%	10.04%

# Short-term Fundamental Analysis (6 Quarters)

Metric	Is Growing?	Recent QoQ	Avg QoQ
Revenue	No	-2.16%	-0.91%
Net Income	No	-9.68%	-2.37%
ROE	No	-10.77%	-10.77%
EPS	No	-18.25%	-4.87%

# COLPAL.NS - Relative Strength Analysis

## == OVERVIEW ==:

**Benchmark Index:** ^CNXFMCG  
**Sector:** FMCG  
**Classification:** **Neutral**  
**RS Score:** 45.0/100

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## == RS RATIOS ==:

**1M RS:** **0.961 [Neutral]**  
**3M RS:** **0.922 [Neutral]**  
**6M RS:** **0.873 [Neutral]**  
**1Y RS:** **0.784 [Lagging]**

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## == TURNAROUND ANALYSIS ==:

**Turnaround Status:** **!! DETECTED !!**

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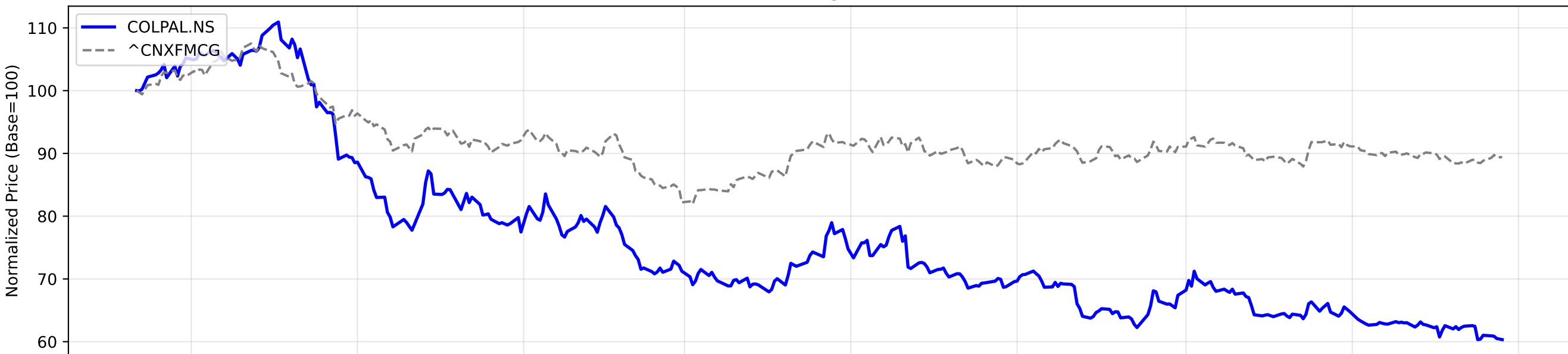
## SIGNAL CRITERIA::

✓ **Emerging RS:** 1M (0.961) > 3M (0.922)  
✓ **Medium-term Lagging:** 6M=0.873, 1Y=0.784 ( $\leq 1.0$ )  
✓ **Performance Improving:** 3M (-8.2%) > 6M (-12.1%)

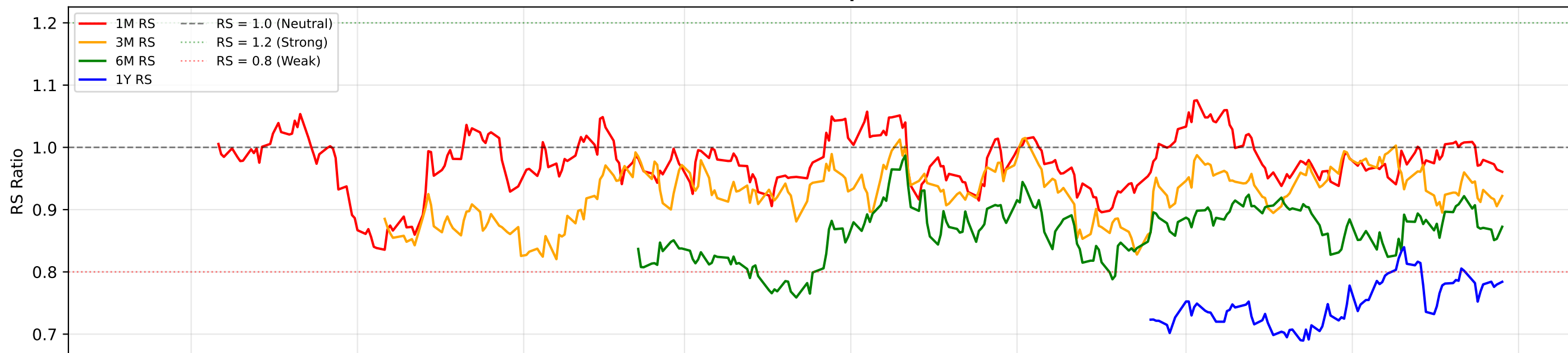
# Relative Strength Analysis: COLPAL.NS vs ^CNXFMCG

## Classification: Neutral

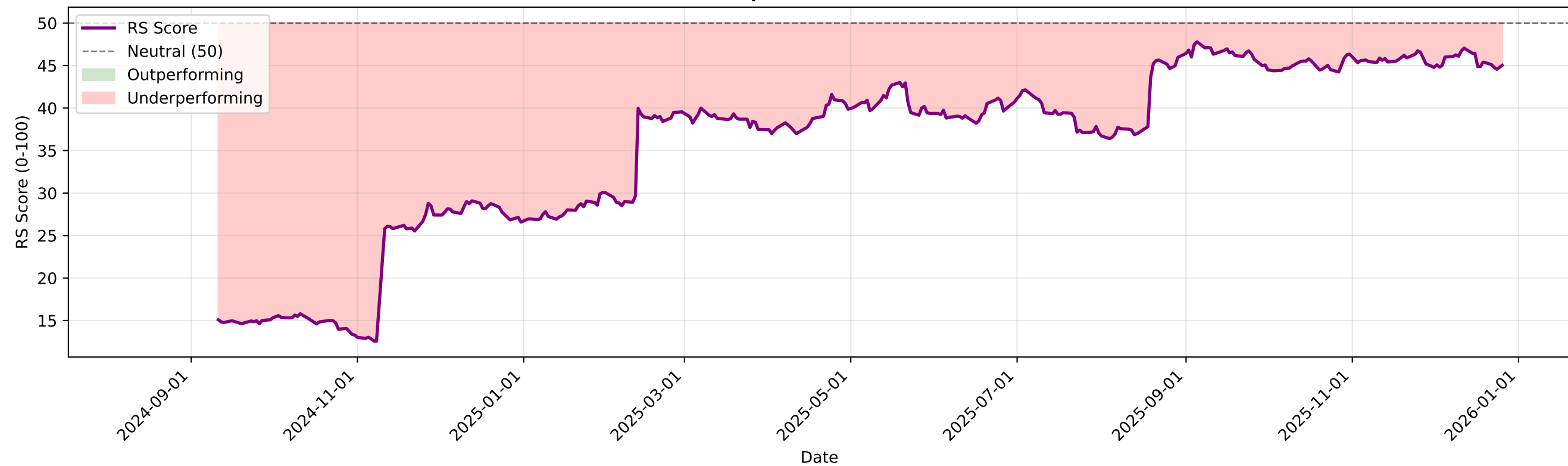
### Price Performance Comparison (Normalized)



### RS Ratio Trends (Multiple Timeframes)



### RS Composite Score Timeline





## COLPAL.NS - EMA Crossover Summary

EMA 20:	2129.95
EMA 50:	2171.85
EMA 200:	2356.78
Trend Status:	<b>Strong Downtrend</b>

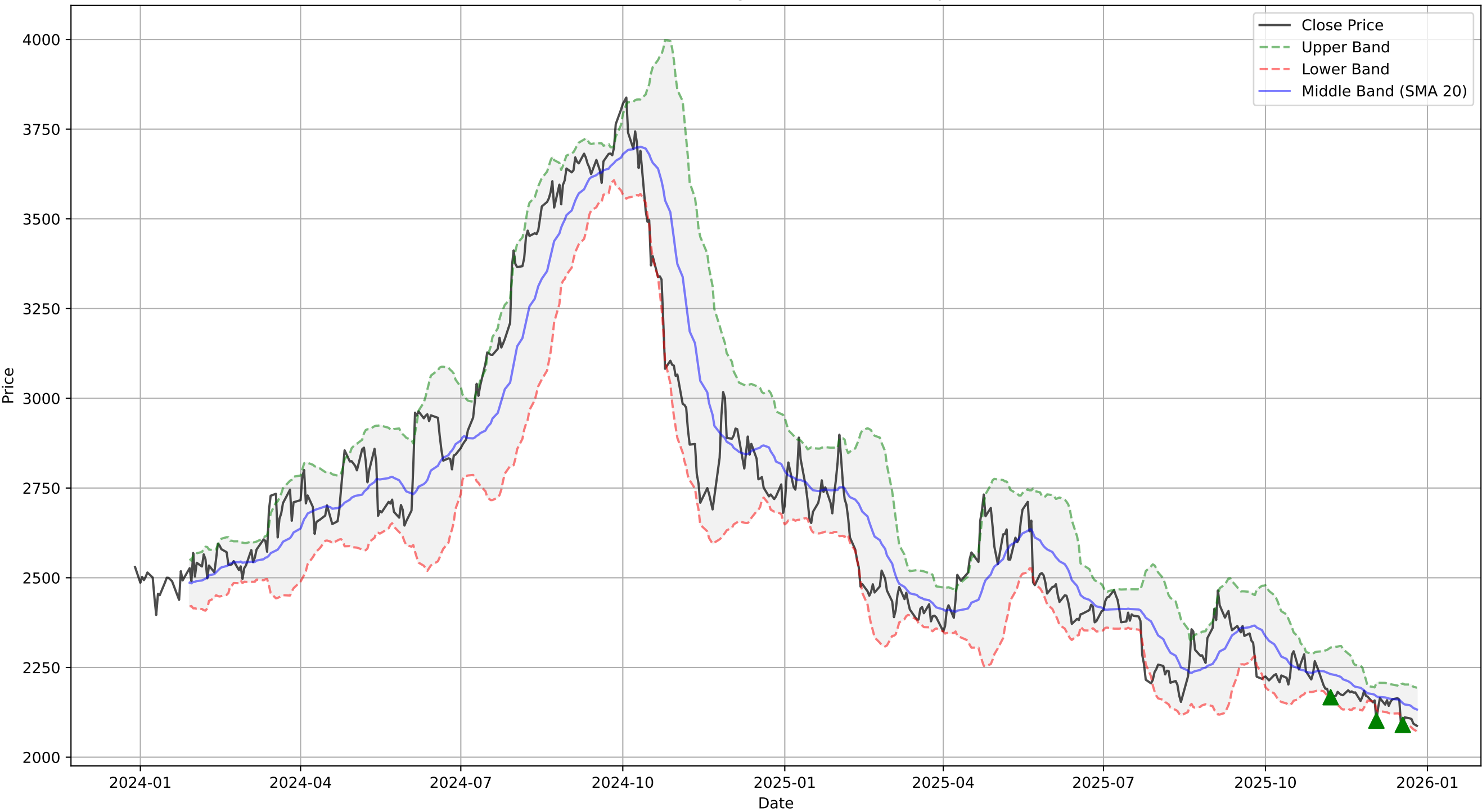
COLPAL.NS EMA Crossover Analysis



## COLPAL.NS - Bollinger Bands Summary

<b>Current Price:</b>	2087.40
<b>Upper Band:</b>	2193.69
<b>Middle Band (SMA 20):</b>	2132.81
<b>Lower Band:</b>	2071.93
<b>%B:</b>	0.1271
<b>Band Width:</b>	0.0571
<b>Status:</b>	Lower Half
<b>Signal:</b>	None
<b>Recent Signal 1:</b>	<b>Buy Signal at 2025-11-07 00:00:00</b>
<b>Recent Signal 2:</b>	<b>Buy Signal at 2025-12-03 00:00:00</b>
<b>Recent Signal 3:</b>	<b>Buy Signal at 2025-12-18 00:00:00</b>

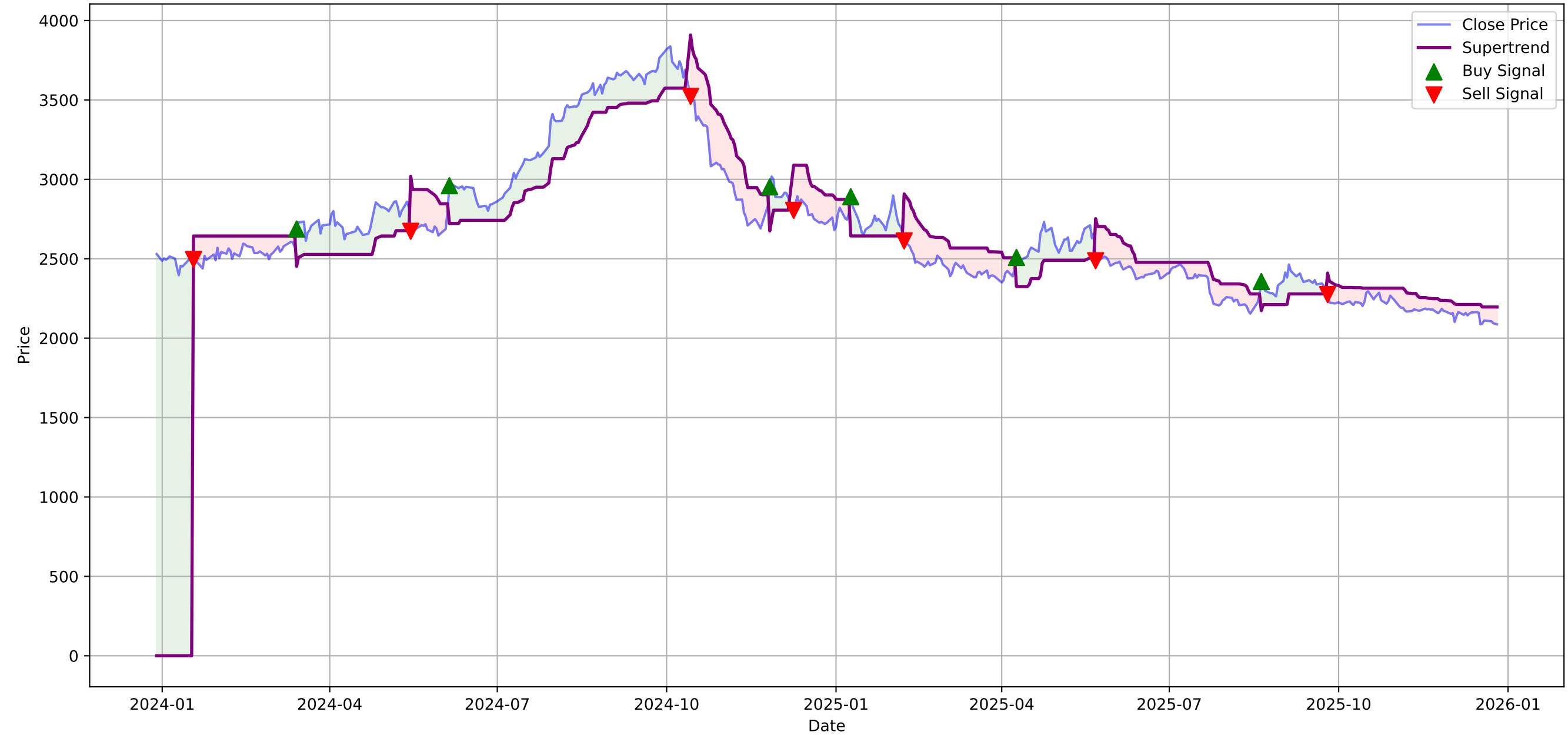
COLPAL.NS Bollinger Bands (20, 2) Analysis



## COLPAL.NS - Supertrend Summary

Status:	<b>DOWNTREND (Sell)</b>
Supertrend Value:	2196.08
Signal Identified On:	2025-09-25

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



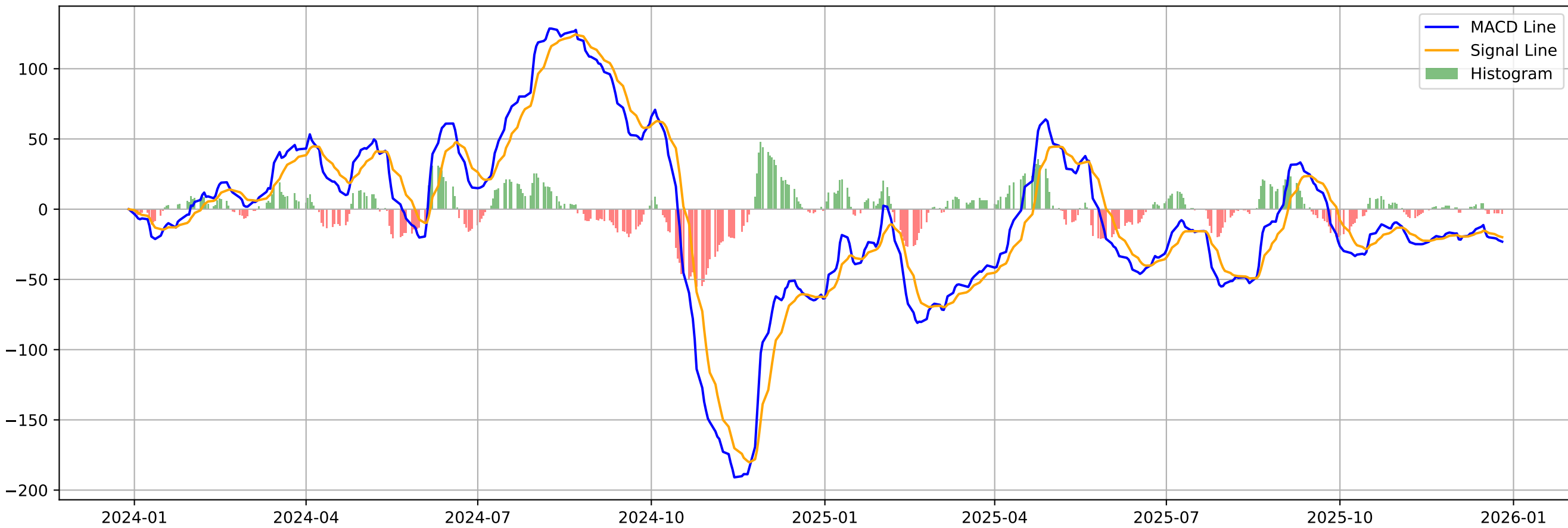
# COLPAL.NS - MACD Summary

MACD Line:	-23.12
Signal Line:	-19.92
Histogram:	-3.20
Trend:	<b>Bearish</b>
Momentum:	<b>Strengthening</b>
Signal:	None

COLPAL.NS Price



COLPAL.NS MACD (12, 26, 9)

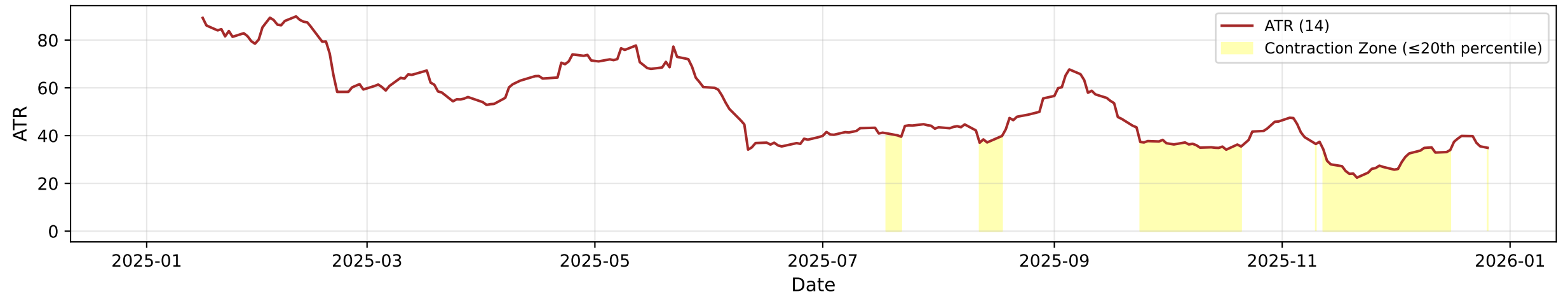
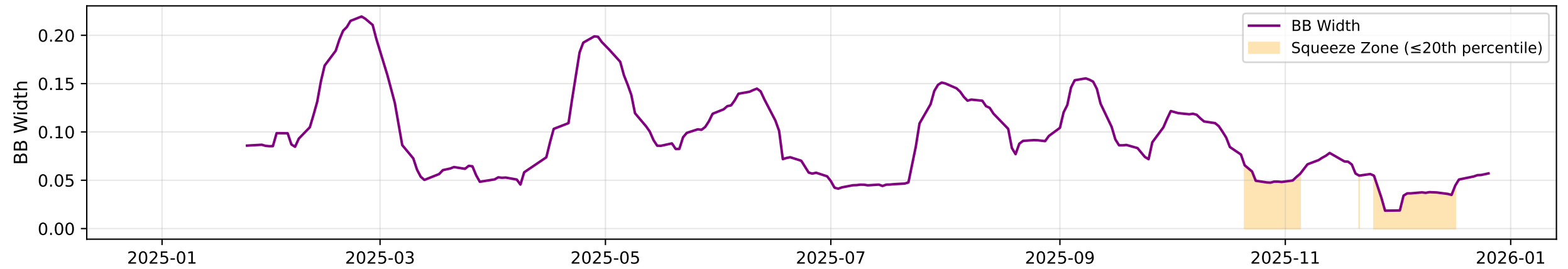




## COLPAL.NS - Volatility Squeeze Summary

<b>BB Width:</b>	0.0571
<b>ATR:</b>	34.8928
<b>Total Signals:</b>	52
<b>Signal 1:</b>	BB Squeeze + ATR Contraction at 2025-12-12 00:00:00 (Price: 2100.00)
<b>Signal 2:</b>	BB Squeeze + ATR Contraction at 2025-12-15 00:00:00 (Price: 2100.00)
<b>Signal 3:</b>	BB Squeeze + ATR Contraction at 2025-12-16 00:00:00 (Price: 2100.00)
<b>Signal 4:</b>	BB Squeeze at 2025-12-17 00:00:00 (Price: 2087.40)
<b>Signal 5:</b>	ATR Contraction at 2025-12-26 00:00:00 (Price: 2087.40)

# COLPAL.NS - Volatility Squeeze Analysis



## COLPAL.NS - RSI-Volume Summary

<b>Current RSI:</b>	36.03
<b>Current Volume:</b>	186844
<b>Volume MA 20:</b>	294767
<b>Bullish Divergences:</b>	6
<b>Bearish Divergences:</b>	1
<b>Bullish Div 1:</b>	Date: 2025-11-07 00:00:00, Price: 2167.20
<b>Bullish Div 2:</b>	Date: 2025-12-17 00:00:00, Price: 2087.40
<b>Bearish Div 1:</b>	Date: 2024-02-14 00:00:00, Price: 2594.80

COLPAL.NS RSI-Volume Divergence Analysis

