Gemini Stock Analysis Report

Based on the detailed analysis report for **TECHM.NS (Tech Mahindra)**, here is my professional assessment from the perspective of a positional equity trader.

Step 1: Audit the Data

- **Data Present:**
  - Comprehensive technical indicators: EMA (20, 50, 200), Bollinger Bands, Supertrend, MACD, and RSI-Volume Divergence.
  - Relative Strength (RS) analysis against the benchmark index (^CNXIT).
  - Fundamental snapshot (4-year and 6-quarter trends).
  - Volatility Squeeze/Breakout identification.
- **Data Missing:**
  - Weekly/Monthly charts for long-term structural context (though the 3-year daily chart provides a reasonable proxy).
  - Sector-wide health comparison (valuation multiples relative to peers like TCS/Infosys).
- **Confidence Level: High**. The report provides a multi-factor confluence (Technical + Momentum + Relative Strength + Fundamentals) which is essential for intermediate-term positional trading.

Step 2: Analyze the Setup

The stock is currently exhibiting a classic **"Turnaround Leading to Emerging Leadership"** profile.

1. **Price Structure & Trend:** The stock has transitioned into a "Strong **Uptrend**." A **Golden Cross** (EMA 50 crossing above EMA 200) was recently confirmed on 2025-12-23. Price is currently trading comfortably above all major moving averages (20, 50, 200).
2. **Relative Strength:** This is the most compelling part of the setup. The stock has a "Turnaround Status: !! DETECTED !!" and is classified as an **Emerging Leader**. Its 1-month and 3-month RS ratios are > 1.0, meaning it is beginning to outperform the IT sector index significantly.
3. **Momentum:** RSI is at 64.23 (**Bullish** zone, not yet overbought). While MACD momentum is noted as "weakening" on the summary, the histogram remains positive, and the price is in the "Upper Half" of the Bollinger Bands, suggesting a healthy consolidation after the initial thrust.
4. **Fundamentals:** While the 3-year CAGR for Net Income is negative, the recent 4-year trend shows **accelerating** growth in Net Income, ROE, and EPS. This fundamental "hook" supports the technical turnaround.

Step 3: Formulate the Recommendation

Decision: YES (Enter Position) The setup offers a high-probability entry as the stock has just confirmed its trend reversal through the Golden Cross and is showing sector outperformance. The current minor pullback from the recent high of ~INR 1650 to INR 1612 provides a favorable risk-to-reward entry.

- **Entry Price:** INR 1612.30 (Current Market Price)
- **Stop Loss:** INR 1520.00 (Placed just below the EMA 50 and the EMA 200/Golden Cross zone to protect against trend invalidation).
- **Take Profit:** INR 1820.00 (Representing an approx. 13% upside, targeting the resistance levels seen near the late 2024 peaks).

Trader's Note: Monitor the IT sector (^CNXIT) generally. Since TECHM is now an "Emerging Leader," it should drop less than the index on red days and gain more on green days. If the RS Score (currently 51) continues to climb toward 70+, consider trailing the stop loss to the Supertrend value (currently INR 1558) to

lock in gains.

News & Analyst Targets

As a stock research analyst, I have synthesized the latest news and information for **Tech Mahindra (TECHM)** for the current week of **December 22-28, 2024**.

1) Latest News for TECHM (Dec 22-28, 2024)

The following key developments occurred this week or very recently: * **Noida International Airport Partnership (Dec 23):** Tech Mahindra announced a strategic partnership with Noida International Airport (NIA) to establish and operate an integrated **Network and Security Operations Centre (NOC-SOC)**. This centre will provide 24x7 monitoring and management of the airport's critical IT infrastructure, including cybersecurity, applications, and servers. * **Everest Group Recognition (Dec 19):** TechM was recognized as a **"Leader and Star Performer"** in Everest Group's Data and Analytics (D&A) Services PEAK Matrix® Assessment 2025. This highlights the company's strong market performance and rapid advancement in the D&A landscape, particularly through its AI-led innovation framework, *AIDEN*. * **AI Transformation with Gemini (Dec 18):** Tech Mahindra recently announced plans to accelerate enterprise AI adoption by leveraging **Google's Gemini 2.5 multimodal models**. This collaboration focuses on building "Agentic AI" solutions, allowing enterprises to design and scale next-generation AI agents.

2) Upgrades and Downgrades

While there were no major rating changes specifically in the last 72 hours, the current analyst sentiment remains cautious but selective: * **Consensus View:** The majority of analysts maintain a **"Neutral" to "Hold"** stance. Out of ~42 tracking analysts, approximately 22 have a "Buy" rating, while 11 recommend "Sell" and 9 suggest "Hold." * **Recent Momentum:** There has been a slight shift toward **selective upgrades** earlier this month from domestic brokerages like **Motilal Oswal**, who upgraded the stock to **"Buy"** citing its potential in the AI-led recovery cycle. Conversely, **Morgan Stanley** and **Goldman Sachs** maintain an underweight/sell stance due to concerns over valuation and the pace of recovery in the communications vertical.

3) Other News Impacting TECHM (Direct/Indirect)

- **US Fed Rate Optimism:** Indian IT stocks, including TechM, rallied this week following signals from the US Federal Reserve regarding potential interest rate cuts in 2024-25. Lower interest rates typically lead to an increase in discretionary spending by US clients, who are major revenue contributors for TechM.
- **Sector-wide Recovery:** India Inc. recorded its first aggregate earnings upgrade in five quarters (Dec 24), signaling a potential turnaround in the corporate profit cycle that could favor large-cap IT service providers.
- **Institutional Activity:** Mutual fund holding in Tech Mahindra grew in December 2024, with the number of schemes holding the stock increasing from 341 to 362, showing rising domestic institutional confidence.

4) Latest Analyst Targets and Brokerage Views

The following table summarizes the most recent target prices and ratings from leading brokerages as of late

Gemini Stock Analysis Report

December 2024:

Brokerage / Analyst	Rating	Target Price (INR)	Outlook / Key Driver
Motilal Oswal	Buy	1,900	AI-led growth & strong large-cap preference.
Nomura	Buy	1,670	Progress in "Project Fortius" (margin expansion plan).
CLSA	Outperform	1,695	Improving earnings visibility and EBIT margin beats.
Morgan Stanley	Underweight	1,575	Valuation concerns relative to peers like HCL Tech.
Goldman Sachs	Sell	1,410	Muted industry-wide recovery in discretionary spend.
Nuvama	Reduce	1,350	Challenges in sustaining margin expansion in low-growth environment.
Jefferies	Underperform	1,270	Doubts over full-fledged recovery in FY27.
Current Market Price	-	~1,612	(As of Dec 26 close)

Summary Recommendation: Tech Mahindra is currently in a "turnaround phase" under new leadership. While the **Noida Airport win** and **AI partnerships** are positive for sentiment, the stock faces resistance at higher levels due to its high concentration in the communications sector, which has been slow to recover. Monitor the upcoming **Q3 FY25 earnings** (expected in January) for updates on the 15% margin target.
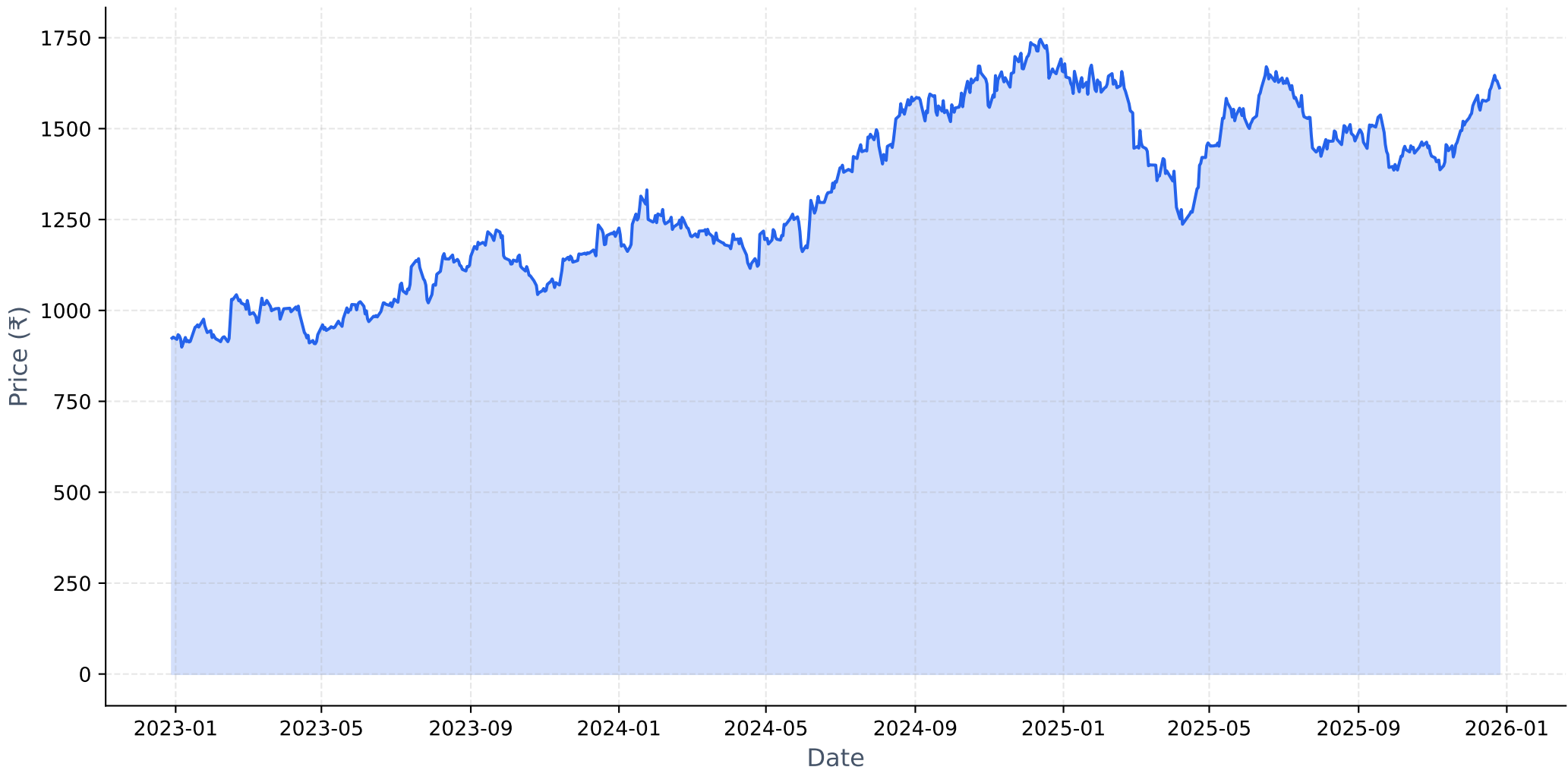
Stock Detailed Analysis Report

TECHM.NS

Current Price: ₹1612.30

Generated: 2025-12-28 10:30

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:	**Emerging Leader**
RS Score:	51.0/100

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══ RS RATIOS ══:

1M RS:	**1.027 [Leader]**
3M RS:	**1.013 [Leader]**
6M RS:	**0.966 [Neutral]**
1Y RS:	**1.111 [Leader]**

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══ TURNAROUND ANALYSIS ══:

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

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SIGNAL CRITERIA::

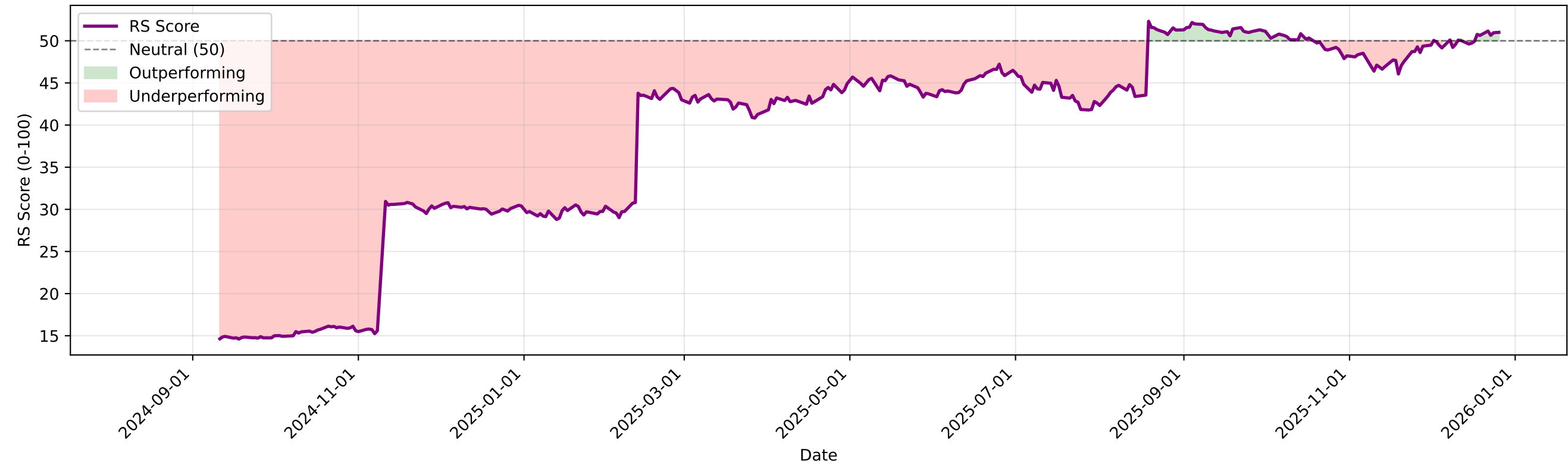|	
✓ **Emerging RS:**	1M (1.027) > 3M (1.013)
✓ **Medium-term Lagging:**	6M=0.966 (≤1.0)
✓ **Performance Improving:**	3M (+11.6%) > 6M (-4.6%)

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

Price Performance Comparison (Normalized)
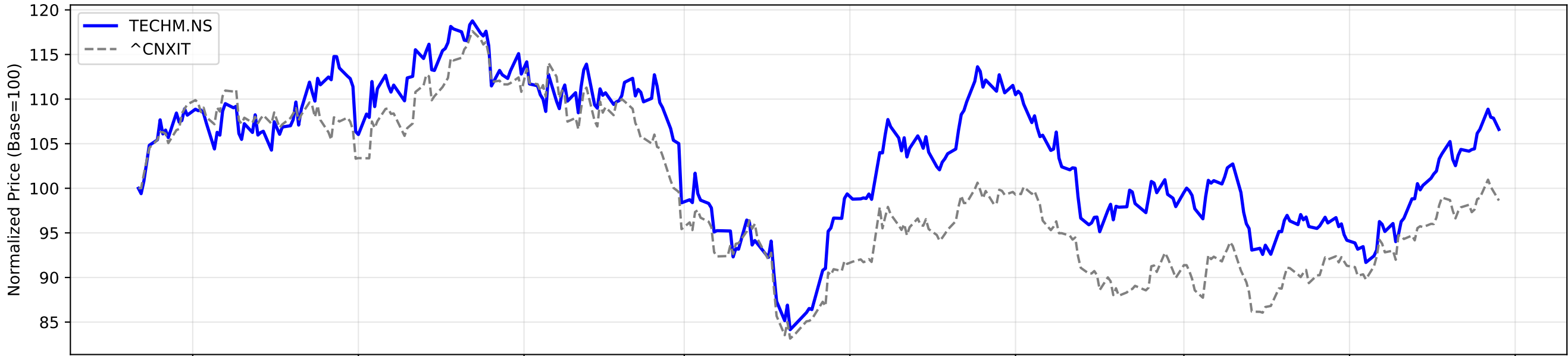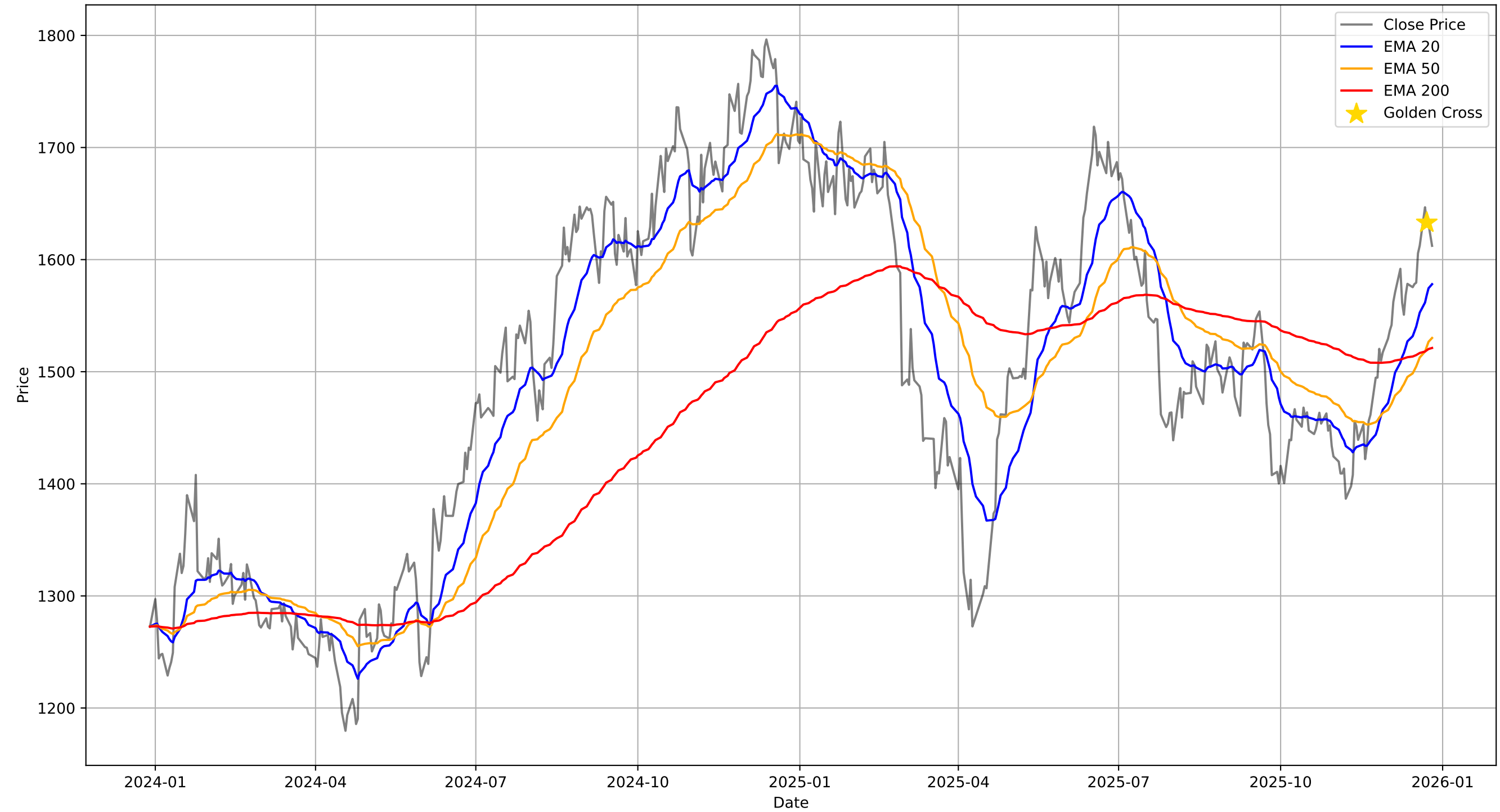
RS Ratio Trends (Multiple Timeframes)
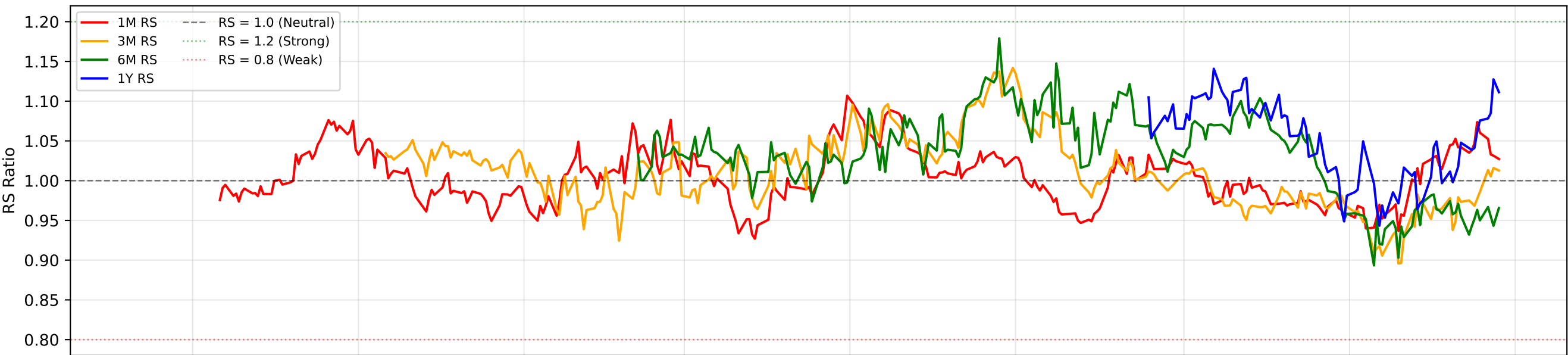
RS Composite Score Timeline

TECHM.NS - EMA Crossover Summary

EMA 20:	1578.08
EMA 50:	1530.09
EMA 200:	1521.18
Trend Status:	**Strong Uptrend**
Golden Cross Date:	2025-12-23 00:00:00
Golden Cross Price:	1633.00

TECHM.NS EMA Crossover Analysis

TECHM.NS - Bollinger Bands Summary

Current Price:	1612.30
Upper Band:	1650.81
Middle Band (SMA 20):	1579.19
Lower Band:	1507.56
%B:	0.7312
Band Width:	0.0907
Status:	Upper Half
Signal:	None
Recent Signal 1:	**Buy Signal at 2025-11-04 00:00:00**
Recent Signal 2:	**Buy Signal at 2025-11-07 00:00:00**

TECHM.NS Bollinger Bands (20, 2) Analysis
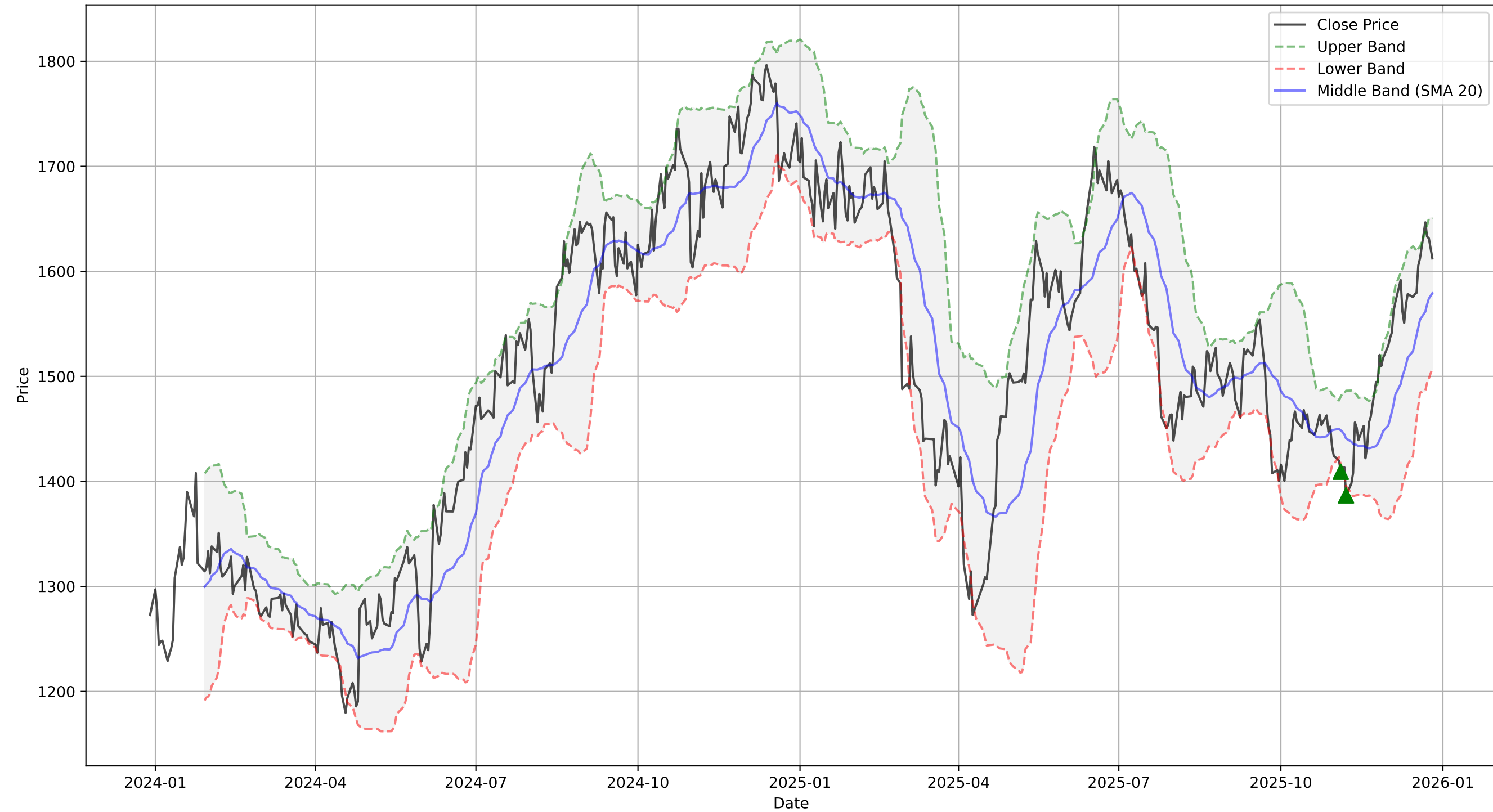
TECHM.NS - Supertrend Summary

Status:	**UPTREND (Buy)**
Supertrend Value:	1558.51
Signal Identified On:	2025-11-12

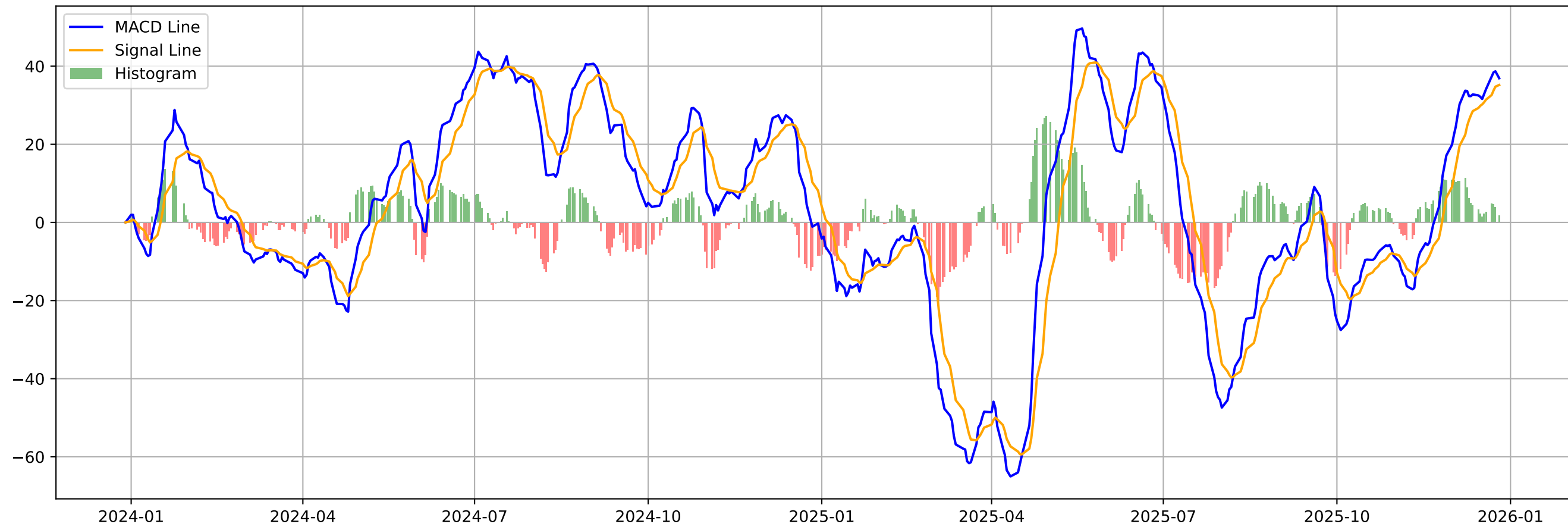Supertrend Analysis for TECHM.NS (Period: 14, Multiplier: 3.0, Interval: 1d)
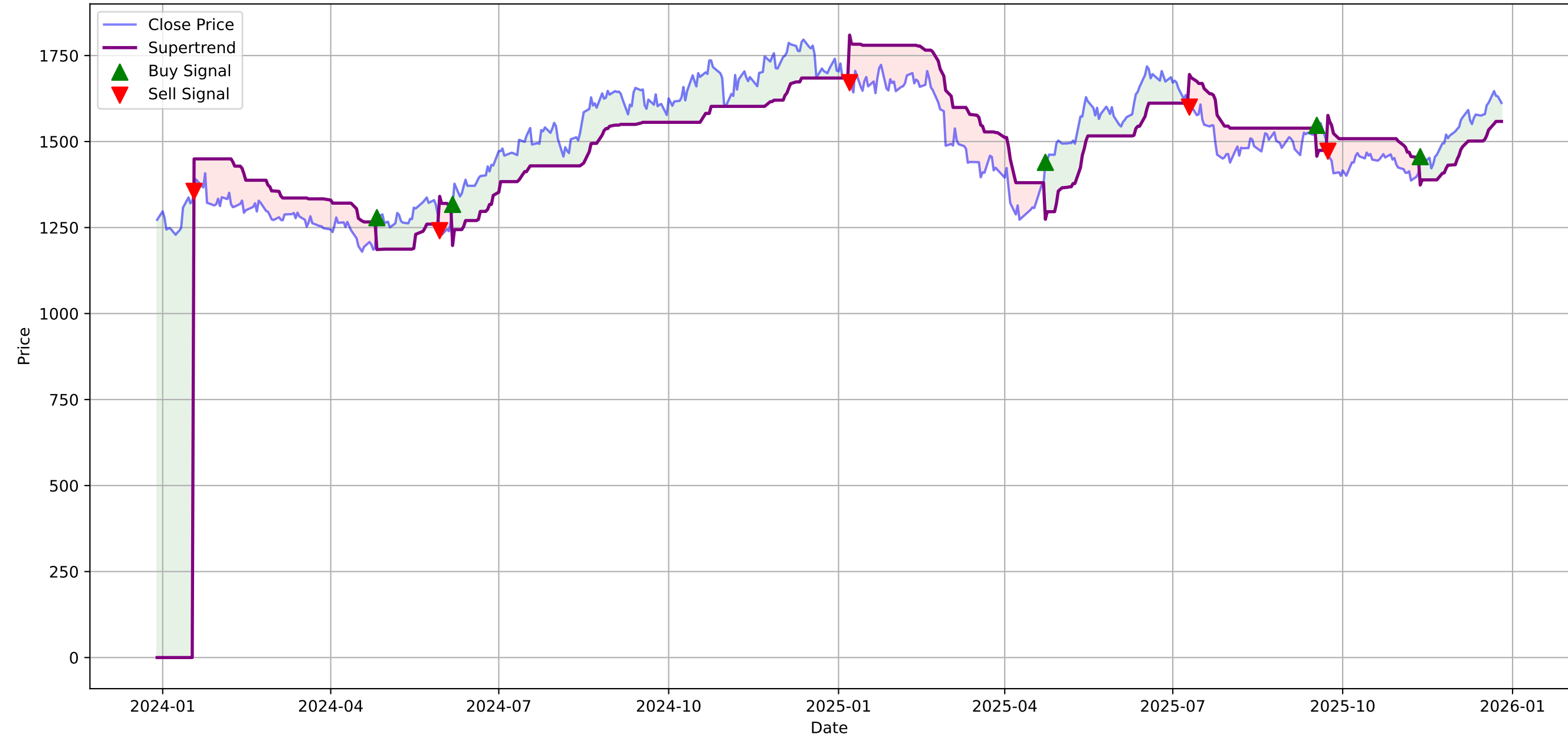
TECHM.NS - MACD Summary

MACD Line:	36.91
Signal Line:	35.19
Histogram:	1.73
Trend:	**Bullish**
Momentum:	**Weakening**
Signal:	None

TECHM.NS Price
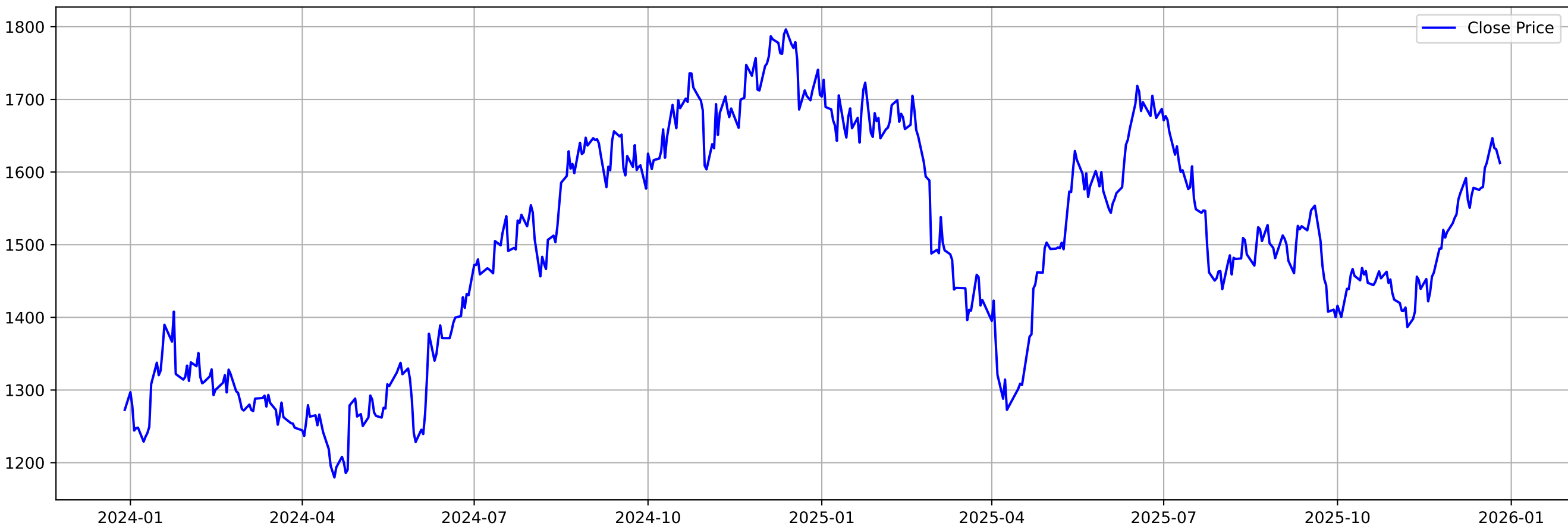
TECHM.NS MACD (12, 26, 9)

TECHM.NS - Volatility Squeeze Summary

BB Width: 0.0907

ATR: 25.2214

Total Signals: 37

Signal 1:   ATR Contraction at 2025-12-17 00:00:00 (Price: 1579.40)

Signal 2:   ATR Contraction at 2025-12-18 00:00:00 (Price: 1605.60)

Signal 3:   ATR Contraction at 2025-12-19 00:00:00 (Price: 1612.50)

Signal 4:   ATR Contraction at 2025-12-24 00:00:00 (Price: 1631.50)

Signal 5:   ATR Contraction at 2025-12-26 00:00:00 (Price: 1612.30)

TECHM.NS - Volatility Squeeze Analysis
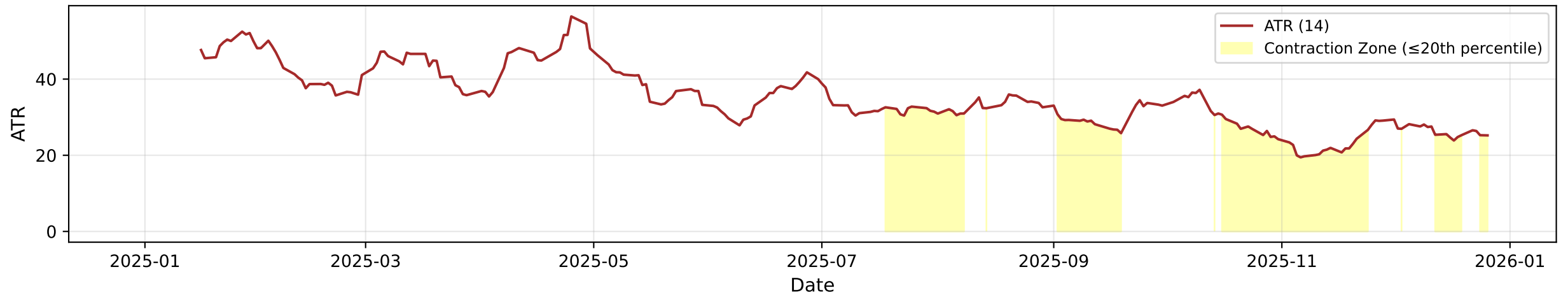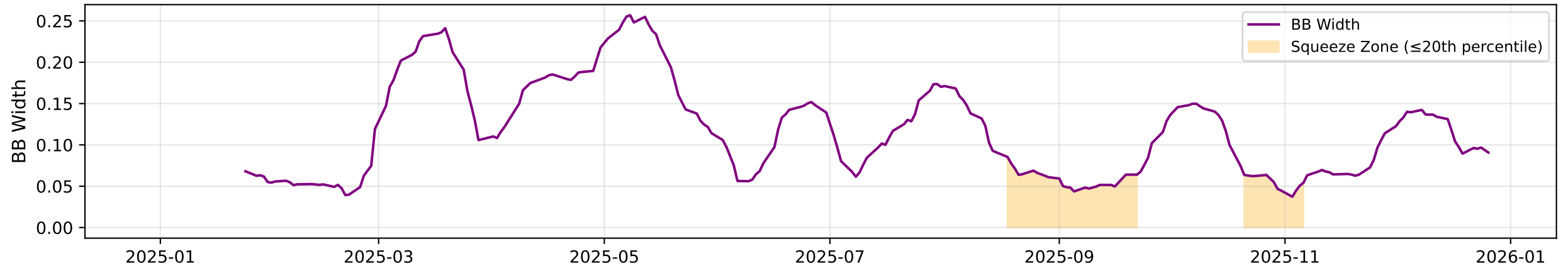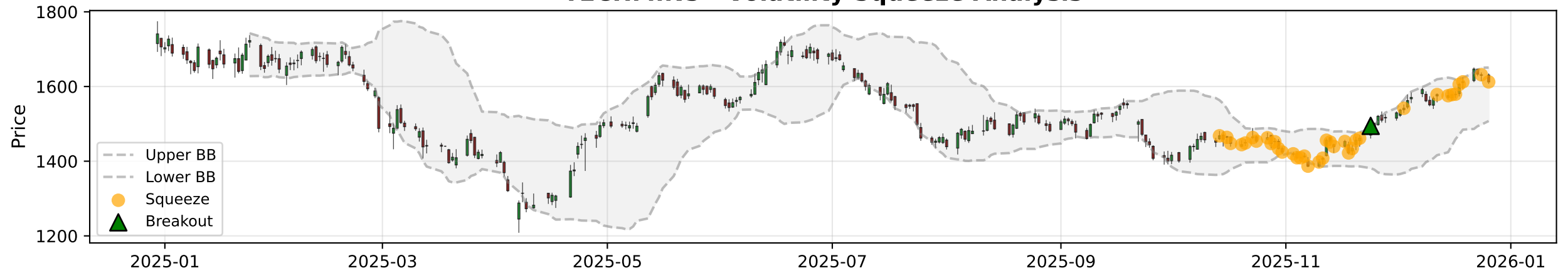
TECHM.NS - RSI-Volume Summary

Current RSI:	64.23
Current Volume:	461192
Volume MA 20:	1419284
Bullish Divergences:	1
Bearish Divergences:	3
Bullish Div 1:	Date: 2025-04-09 00:00:00, Price: 1272.75
Bearish Div 1:	Date: 2024-08-29 00:00:00, Price: 1647.35
Bearish Div 2:	Date: 2024-09-13 00:00:00, Price: 1656.05

TECHM.NS RSI-Volume Divergence Analysis