

Gemini Stock Analysis Report

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

Step 1: Audit the Data

• Data Present:

- Price Action: 3-year daily price chart and recent price history.
- Moving Averages: EMA 20, 50, and 200.
- Momentum Indicators: RSI (14), MACD (12, 26, 9) with divergence analysis.
- Volatility: Bollinger Bands (20, 2) and ATR-based Volatility Squeeze analysis.
- Trend Indicators: Supertrend (14, 3) and EMA crossover status.
- Relative Strength: Analysis vs. ^CNXFMCG benchmark.
- Fundamentals: 4-year long-term and 6-quarter short-term summaries.

• Data Missing:

- Weekly Charts: Crucial for confirming "intermediate-term" positional trends to filter out daily noise.
- Volume Profile: While daily volume is present, "Volume at Price" or "Fixed Range Volume Profile" would help identify heavy supply zones.
- Institutional Ownership: Changes in FII/DII holdings (common for ITC).

• Confidence Level: High.

The report provides a multi-dimensional technical view with clear signals for trend, momentum, and volatility.

Step 2: Analyze the Setup

Price Structure & Trend: ITC.NS is currently in a **Strong Downtrend** (Page 6). The price is trading significantly below its EMA 200 (INR 414.54) and EMA 50 (INR 405.07). The 3-year chart shows the stock has retraced from its 2024 highs of ~INR 500 and is currently searching for a floor near the INR 395-INR 400 psychological support zone.

Momentum & Divergence: There is a silver lining in the momentum indicators. A **Bullish MACD Divergence** was detected on 2025-12-17 (Page 12), and RSI has shown multiple bullish divergences recently. This suggests that while price is making lower lows or sideways moves, selling pressure is exhausting.

Volatility & Relative Strength: The stock is in a **Volatility Squeeze** (Page 14), with the Bollinger Bands narrowing and ATR contracting. Squeezes often precede explosive moves. However, the **Relative Strength (RS) Score of 49.1** and "Weakening Leader" status indicate that ITC is currently an underperformer compared to the FMCG sector.

Conclusion on Setup: This is currently a "bottom-fishing" setup rather than a "trend-following" setup. For a positional trader, the risk of "time decay" (the stock moving sideways for months) is high until the price clears overhead resistance.

Step 3: Formulate the Recommendation

Recommendation: NO (Wait for confirmation)

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Reasoning: Entering now would be "anticipating" a bottom rather than "reacting" to a trend change. As a risk-averse positional trader, the primary rule is to avoid stocks in a "Strong Downtrend" (Price < EMA 20 < EMA 50 < EMA 200). The recent fundamental data showing a -73% QoQ drop in Net Income (Page 3) is a significant red flag that requires further investigation before committing capital.

Conditional Plan (The "Trigger" Setup):

If the stock stabilizes and begins to show trend reversal characteristics, the following plan applies:

- **Condition to Buy:** A daily close above the EMA 200 and the SuperTrend line to confirm a transition from downtrend to uptrend.
- **Entry Price:** INR 416.00 (Confirmation of breakout above EMA 200).
- **Stop Loss:** INR 394.00 (Below recent swing lows and the INR 395 support zone).
- **Take Profit:** INR 465.00 (Targeting the 1Y RS neutral zone and prior structural resistance, offering a ~12% upside).

Trader's Note: Keep a close eye on the Volatility Squeeze breakout. If the squeeze breaks to the downside (price below INR 395), the bullish divergence is invalidated, and the stock could see another leg down toward INR 370.

News & Analyst Targets

As a stock research analyst, I have synthesized the latest developments for **ITC Limited** for the current week (December 22-28, 2025). The stock is currently navigating a period of technical consolidation and regulatory transition.

1) Latest News for ITC (Week of December 22-28, 2025)

- **Cigarette Price Hike Rumors vs. Management Denial:** There were widespread reports this week from distributors and retailers in Western, Southern, and Eastern markets of a **INR 1 to INR 2 per stick price increase**. However, ITC management has officially **denied taking any price hikes**, clarifying that MRPs remain unchanged. Analysts believe distributors may be pushing prices up in anticipation of an excise duty hike in early 2026.
- **Surge in Derivatives Open Interest:** ITC saw a significant **10.09% increase in Open Interest (OI)** in the derivatives segment as of December 26. This surge, occurring while the stock trades near its 52-week low, suggests a major shift in market positioning and heightened institutional engagement ahead of the year-end.
- **Trading Window Closure:** ITC announced that its trading window for dealing in securities will be **closed from January 1, 2026**, until 48 hours after the announcement of the Q3 (October-December) financial results.
- **Subsidiary Liquidation Completed:** The company confirmed the formal completion of the voluntary liquidation of its wholly-owned subsidiary, **Prag Agro Farm Limited**, effective December 18. This was a strategic move to streamline the corporate structure and had negligible financial impact.
- **Technical Outlook:** The stock is currently consolidating between **INR 398 (Support)** and **INR 412 (Immediate Resistance)**. It has recently crossed its 20-day Exponential Moving Average (EMA), which some technical analysts view as a nascent sign of a recovery attempt.

2) Brokerage Upgrades and Downgrades

- **Macquarie (Maintained):** Reiterated an "**Outperform**" rating with a target of **INR 500**. They highlighted

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that any potential tax hikes from the new excise bill could be managed through high-single-digit price increases.

- **Deven Choksey Research (Maintained):** Maintained a "Buy" rating with a target of **INR 486**, citing brand investments and cost efficiencies in the non-cigarette FMCG segment as long-term profitability drivers.
- **Consensus Sentiment:** According to latest data, the analyst community remains overwhelmingly bullish. Out of 36 analysts tracking the stock, **34 have a "Buy" or "Strong Buy" rating**, 1 suggests "Hold," and 1 suggests "Sell."

3) Direct and Indirect Impact News

- **Regulatory - Central Excise (Amendment) Bill 2025:** Parliament recently approved this bill, which will replace the GST compensation cess with a **centralized excise duty** (likely starting early 2026). While the Finance Minister stated this is a "tax-neutral" structural change, it grants the government more flexibility to adjust tobacco taxes in the future, which has kept the stock under pressure recently.
- **Economic - Transition to GST 2.0:** As the COVID-era compensation loans are nearly repaid, the GST Council is moving tobacco products toward a **40% demerit slab**. This transition is a major watch-point for ITC, as it could fundamentally alter the pricing dynamics of the cigarette portfolio.
- **Historical Context - First Negative Year in Five:** Analysts noted this week that ITC is set to close 2025 with a negative annual return (~ -11%) for the first time in five years, primarily due to the **Hotel Demerger** (completed Jan 2025) and uncertainty over the new tax regime.

4) Latest Analyst Targets and Brokerage Views

Brokerage / Analyst	Recommendation	Target Price (INR)	Status
Nomura	Buy	540	Maintained
Prabhudas Lilladhar	Buy	538	Maintained
ICICI Direct	Buy	505	Maintained
Macquarie	Outperform	500	Maintained
Motilal Oswal	Buy	500	Maintained
Goldman Sachs	Buy	490	Maintained
Deven Choksey	Buy	486	Maintained
Axis Direct	Buy	480	Maintained
Geojit BNP Paribas	Buy	462	Maintained
Tips2trades	Bullish	426	Short-term Target
Consensus Average	Strong Buy	494.60	Average (36 Analysts)

Analyst Summary: While the stock is currently plagued by "tax-overhang" and rumor-driven volatility in cigarette pricing, the long-term fundamentals remain intact. The core cigarette business remains a dominant cash cow (80% market share), and the FMCG-Others segment is showing resilience in margins despite inflationary pressures in raw materials like leaf tobacco.

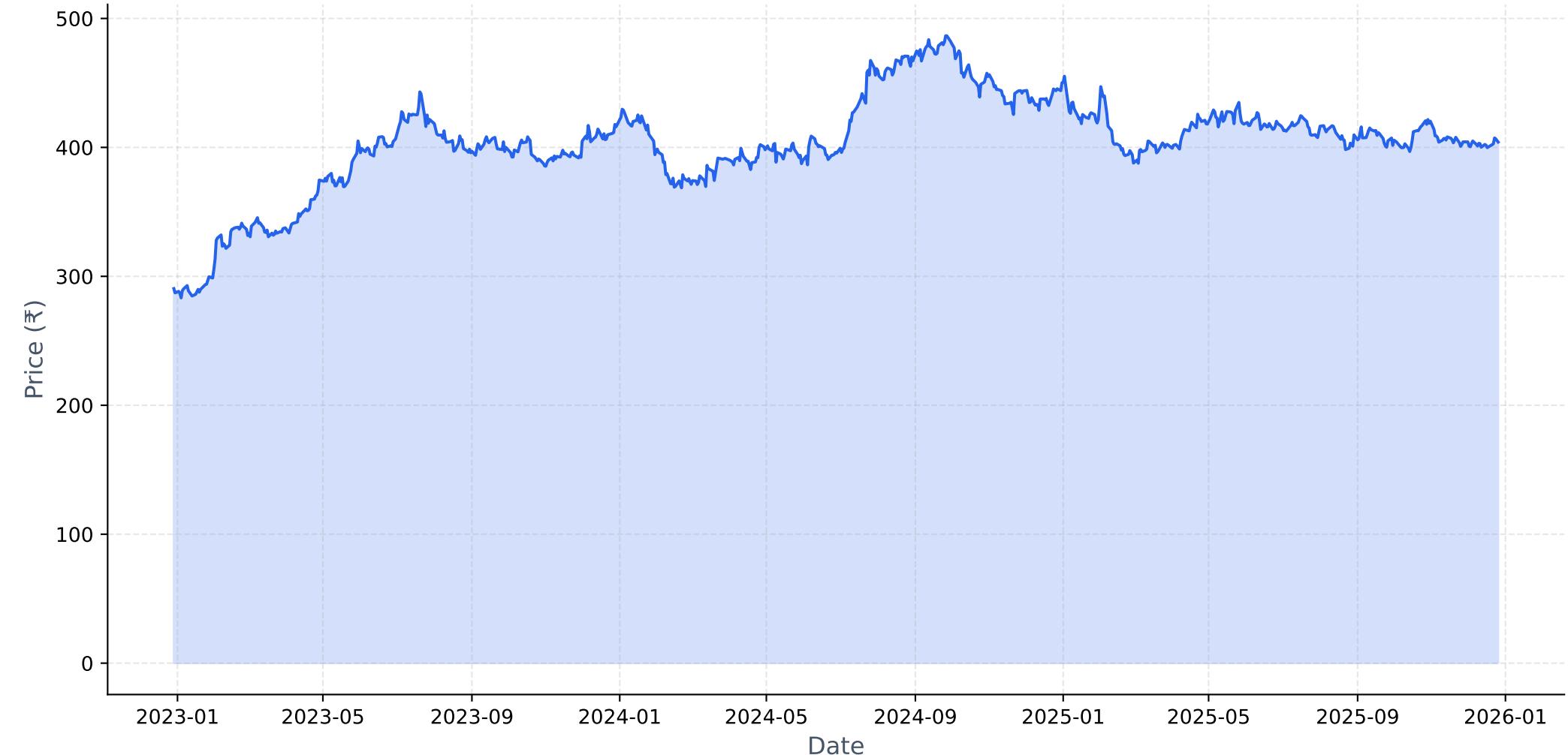
Stock Detailed Analysis Report

ITC.NS

Current Price: ₹404.15

Generated: 2025-12-28 10:28

ITC.NS - 3 Year Daily Price Chart



Long-term Fundamental Analysis (4 Years)

Metric	Is Growing?	Accelerating?	1Y Growth	3Y CAGR
Revenue	Yes	Yes	10.78%	7.51%
Net Income	Yes	Yes	69.84%	31.61%
ROE	Yes	Yes	80.69%	26.68%
EPS	Yes	Yes	69.24%	30.97%

Short-term Fundamental Analysis (6 Quarters)

Metric	Is Growing?	Recent QoQ	Avg QoQ
Revenue	Yes	15.12%	5.25%
Net Income	Yes	-73.42%	55.81%
ROE	Yes	324.65%	324.65%
EPS	No	-1.00%	-1.60%

ITC.NS - Relative Strength Analysis

== OVERVIEW ==:

Benchmark Index:	^CNXFMCG
Sector:	FMCG
Classification:	Weakening Leader
RS Score:	49.1/100
:	

== RS RATIOS ==:

1M RS:	1.010 [Leader]
3M RS:	1.015 [Leader]
6M RS:	0.955 [Neutral]
1Y RS:	0.906 [Neutral]
:	

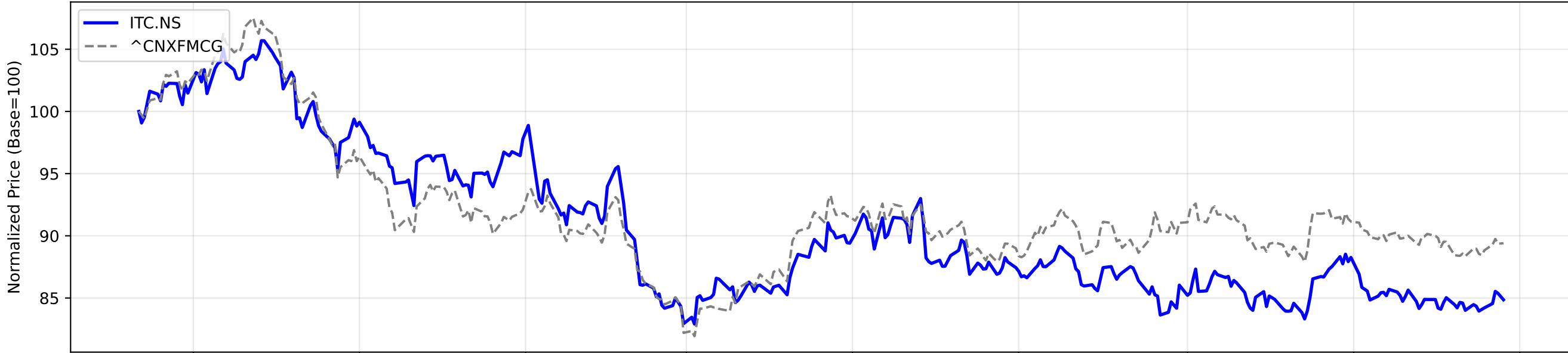
== TURNAROUND ANALYSIS ==:

Turnaround Status:	Not Detected
:	

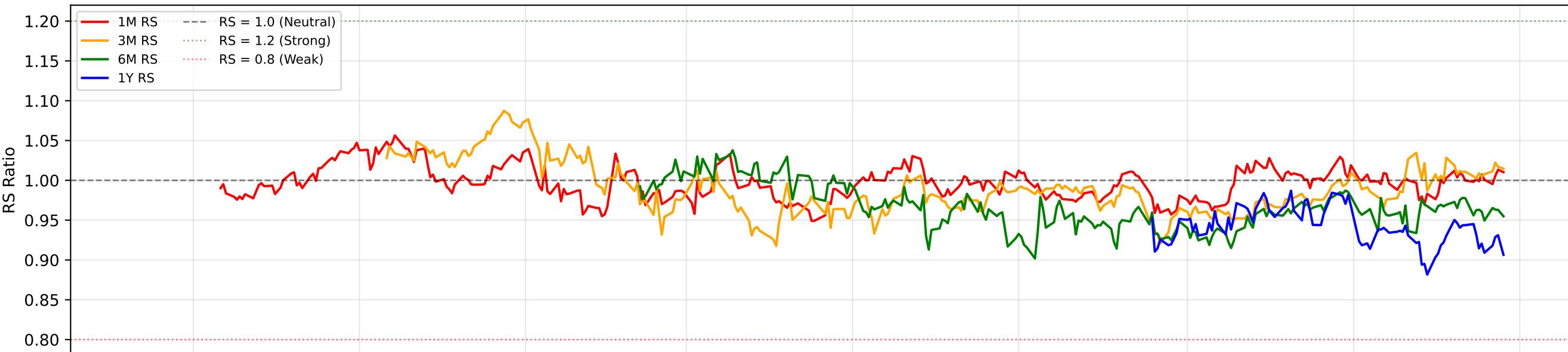
SIGNAL CRITERIA::

✗ Emerging RS:	Not accelerating
✓ Medium-term Lagging:	6M=0.955, 1Y=0.906 (≤ 1.0)
✓ Performance Improving:	3M (+1.0%) > 6M (-3.8%)

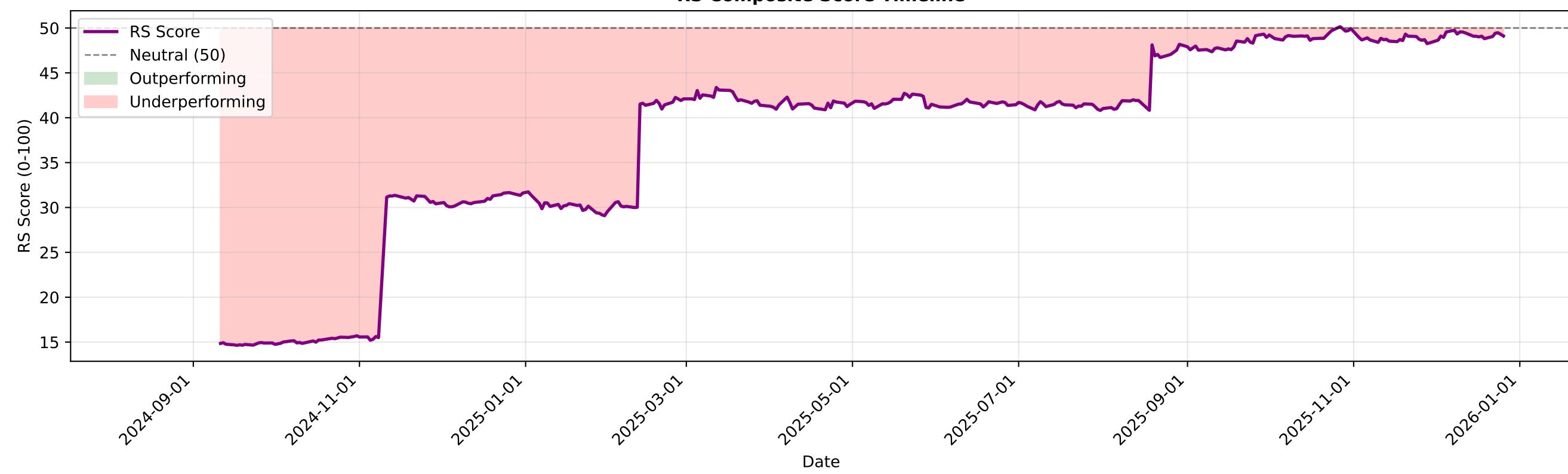
Relative Strength Analysis: ITC.NS vs ^CNXFMCG
Classification: Weakening Leader
Price Performance Comparison (Normalized)



RS Ratio Trends (Multiple Timeframes)



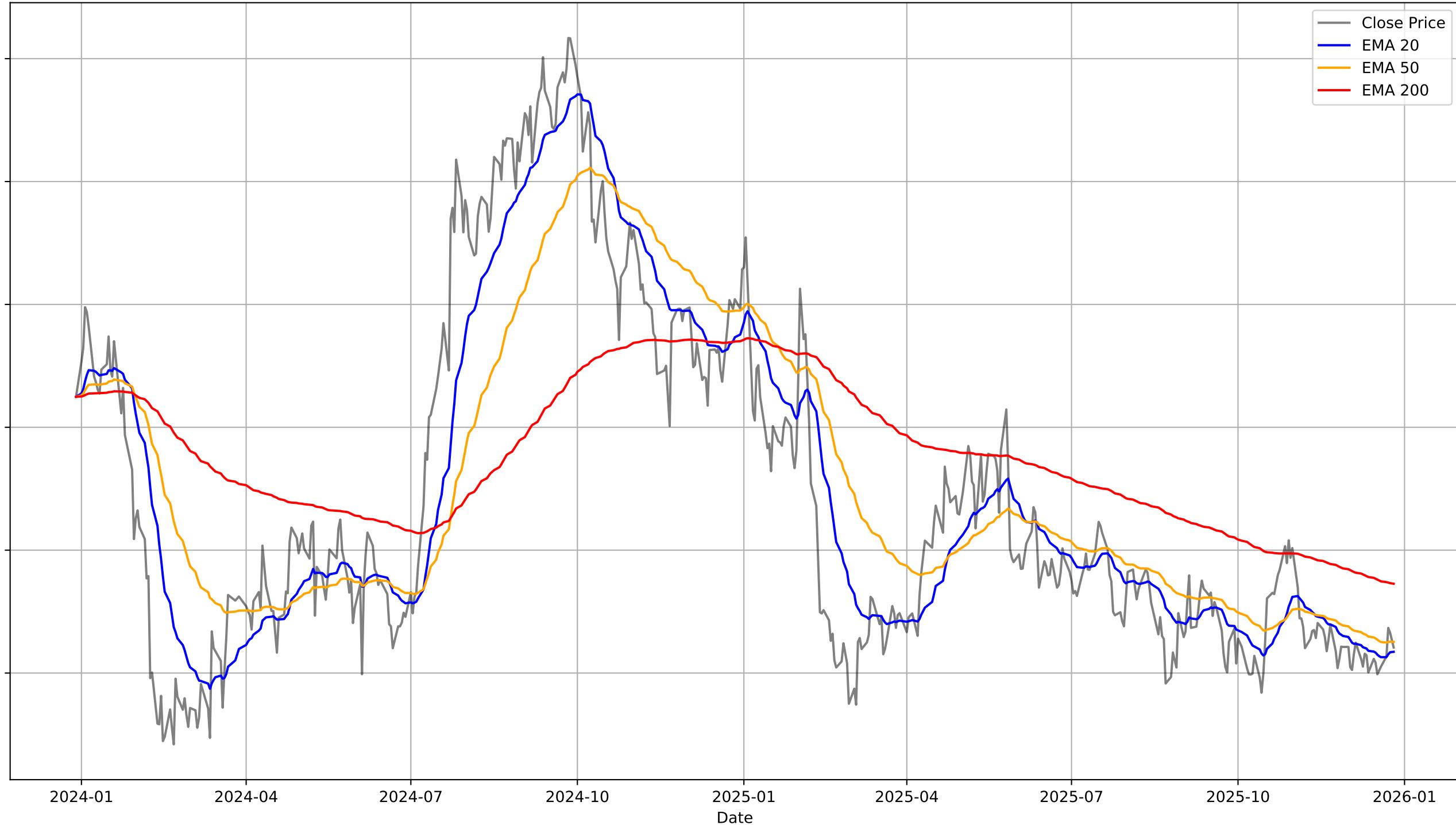
RS Composite Score Timeline



ITC.NS - EMA Crossover Summary

EMA 20:	403.46
EMA 50:	405.07
EMA 200:	414.54
Trend Status:	Strong Downtrend

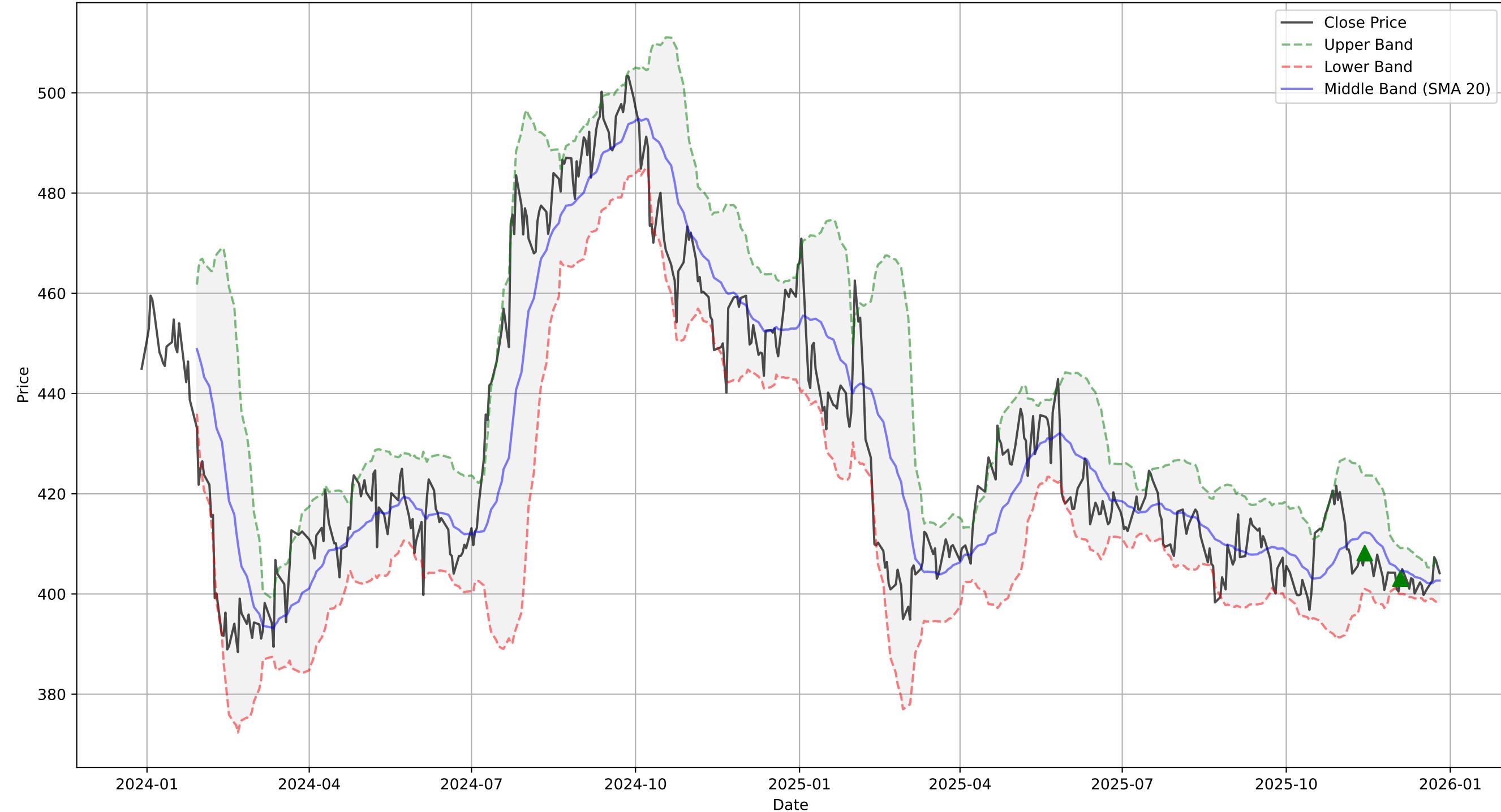
ITC.NS EMA Crossover Analysis



ITC.NS - Bollinger Bands Summary

Current Price:	404.15
Upper Band:	406.89
Middle Band (SMA 20):	402.67
Lower Band:	398.46
%B:	0.6751
Band Width:	0.0209
Status:	Upper Half
Signal:	None
Recent Signal 1:	Buy Signal at 2025-11-14 00:00:00
Recent Signal 2:	Buy Signal at 2025-12-04 00:00:00

ITC.NS Bollinger Bands (20, 2) Analysis



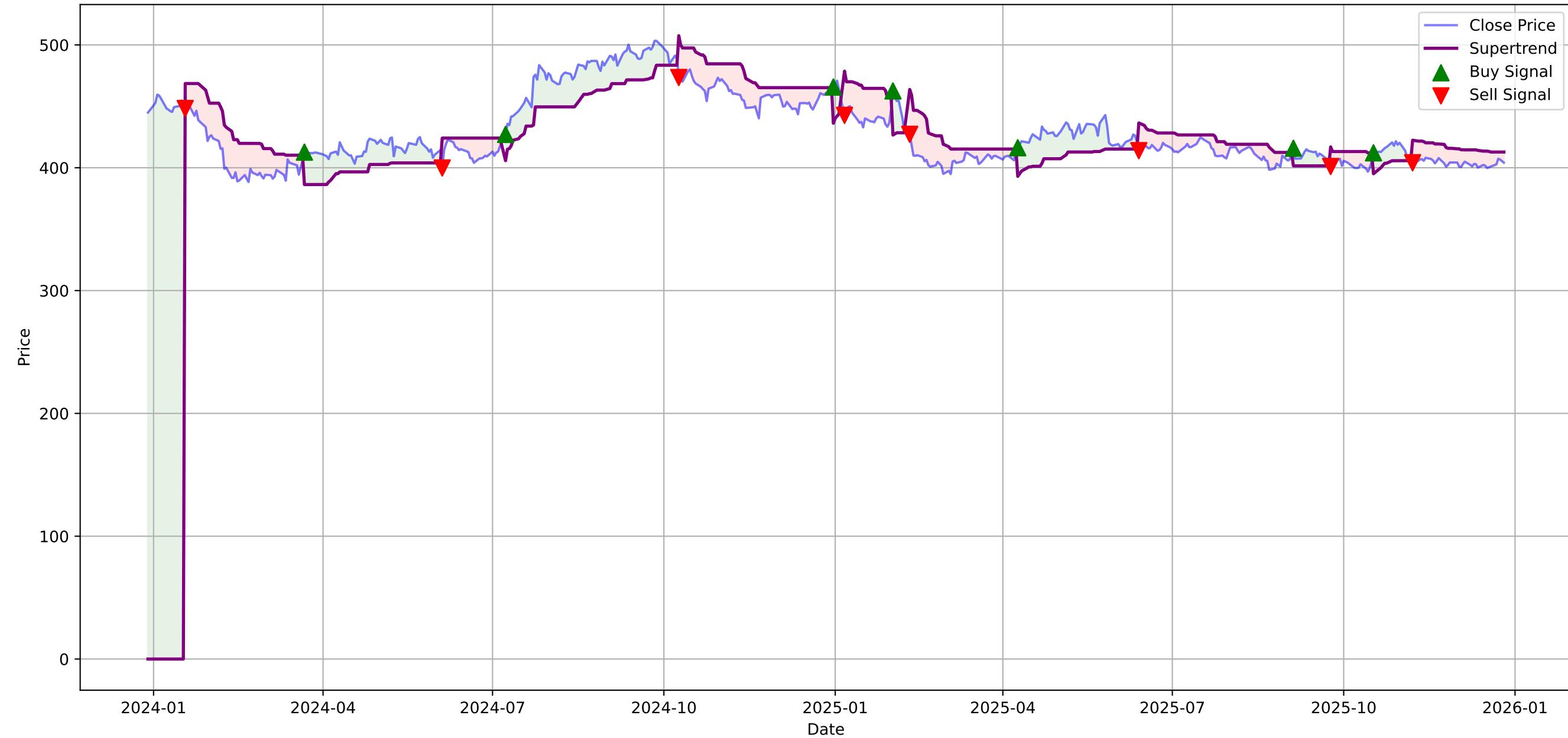
ITC.NS - Supertrend Summary

Status: DOWNTREND (Sell)

Supertrend Value: 412.80

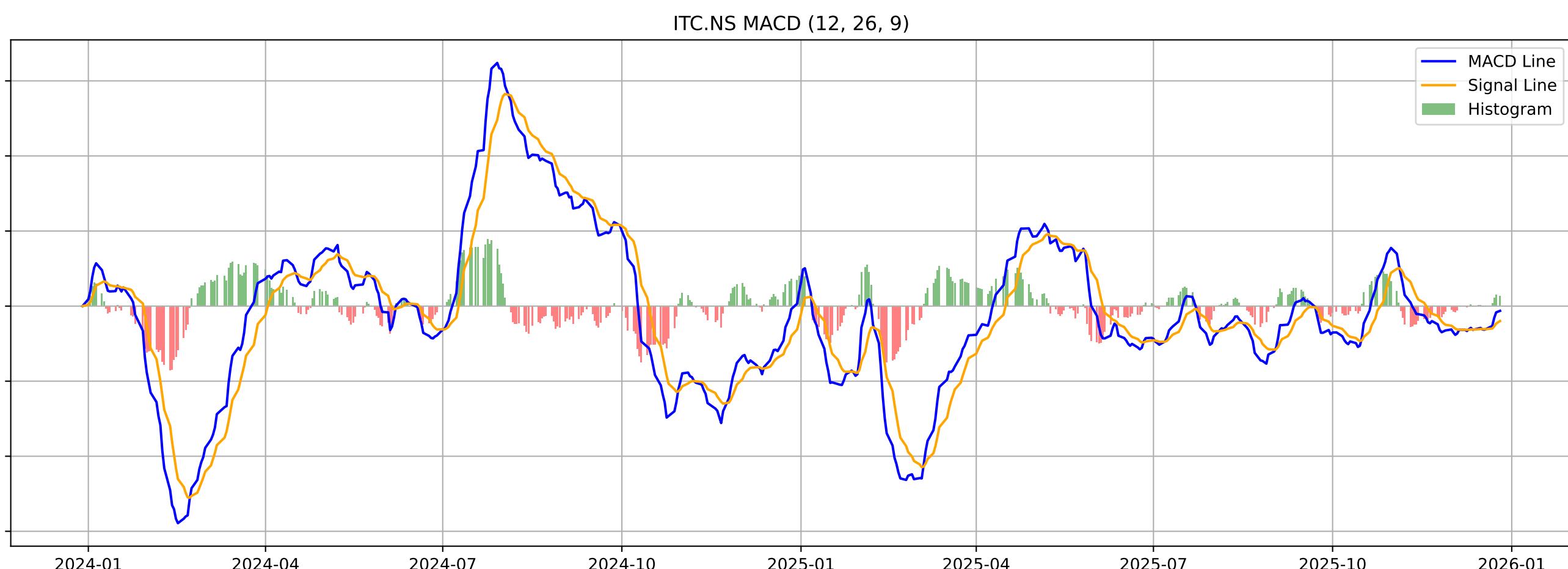
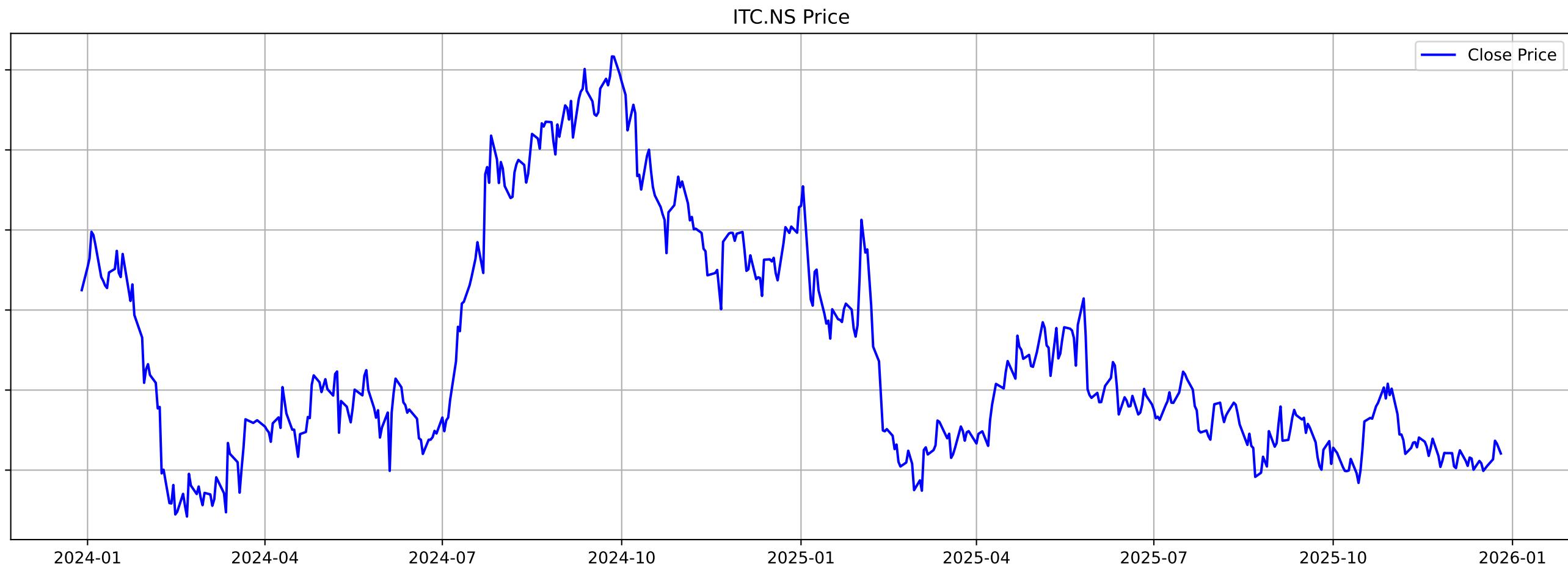
Signal Identified On: 2025-11-07

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



ITC.NS - MACD Summary

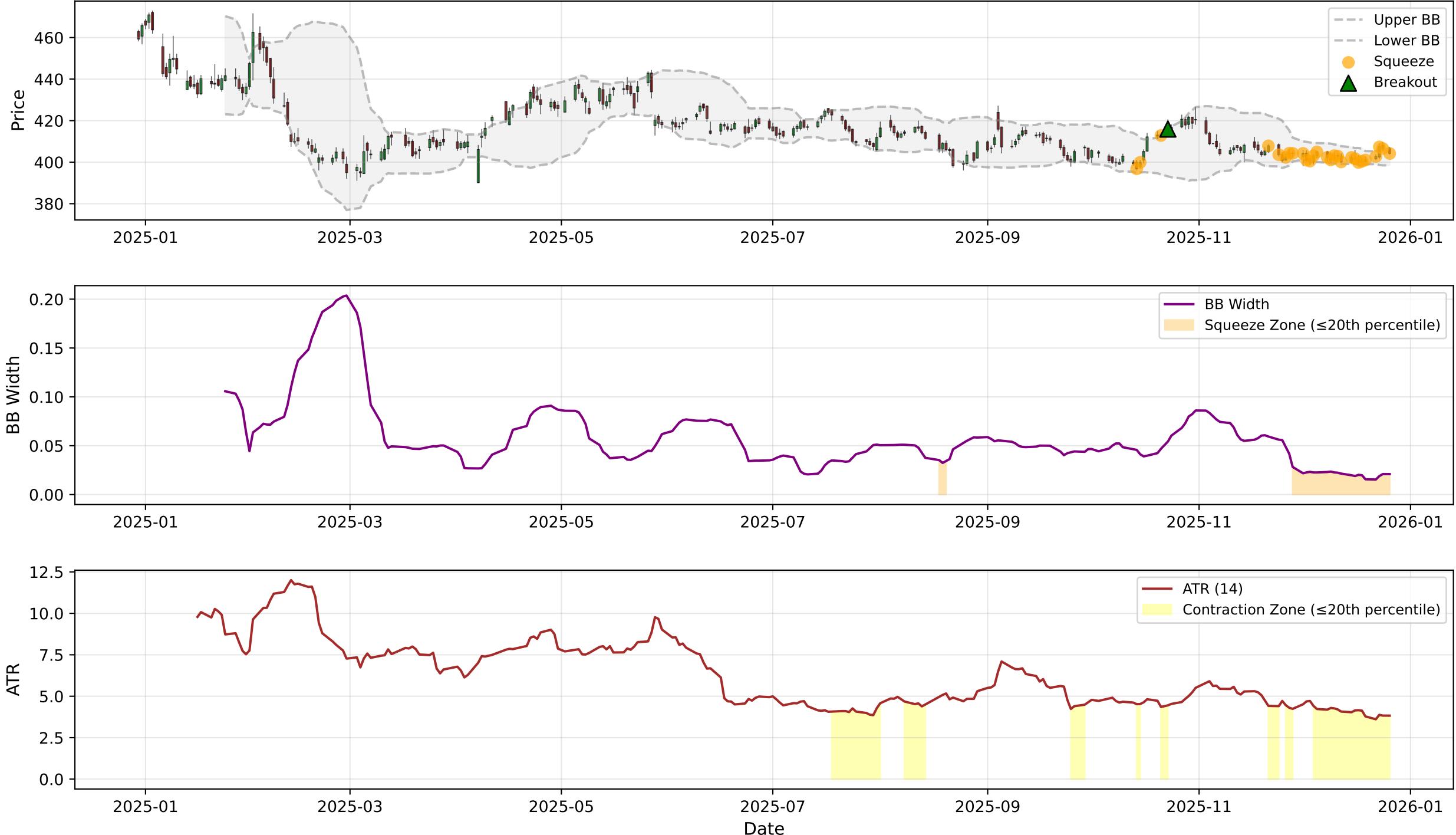
MACD Line:	-0.32
Signal Line:	-1.00
Histogram:	0.68
Trend:	Bullish
Momentum:	Weakening
Signal:	None
Divergences Detected:	1
└ Bullish Divergence:	Date: 2025-12-17 00:00:00, Price: 399.80



ITC.NS - Volatility Squeeze Summary

BB Width:	0.0209
ATR:	3.8286
Total Signals:	28
Signal 1:	BB Squeeze + ATR Contraction at 2025-12-19 00:00:00 (Price: 40)
Signal 2:	BB Squeeze + ATR Contraction at 2025-12-22 00:00:00 (Price: 40)
Signal 3:	BB Squeeze + ATR Contraction at 2025-12-23 00:00:00 (Price: 40)
Signal 4:	BB Squeeze + ATR Contraction at 2025-12-24 00:00:00 (Price: 40)
Signal 5:	BB Squeeze + ATR Contraction at 2025-12-26 00:00:00 (Price: 40)

ITC.NS - Volatility Squeeze Analysis



ITC.NS - RSI-Volume Summary

Current RSI:	50.74
Current Volume:	3152453
Volume MA 20:	8272199
Bullish Divergences:	2
Bearish Divergences:	4
Bullish Div 1:	Date: 2025-10-14 00:00:00, Price: 396.80
Bullish Div 2:	Date: 2025-12-17 00:00:00, Price: 399.80
Bearish Div 1:	Date: 2024-09-26 00:00:00, Price: 503.36
Bearish Div 2:	Date: 2025-05-05 00:00:00, Price: 436.95

ITC.NS RSI-Volume Divergence Analysis

