

Gemini Stock Analysis Report

Based on the detailed analysis of the **ITC.NS** report provided (Generated Date: 2026-01-10), here is the positional trading assessment.

Step 1: Audit the Data

• Data Present:

- **Price Structure:** Daily (3-year) and Weekly candlestick charts.
- **Trend Indicators:** Moving Averages (EMA 20, 50, 200), Supertrend, and MACD.
- **Momentum/Oscillators:** RSI (14), Relative Strength (RS) Comparative, and Bollinger Bands.
- **Fundamentals:** Long-term CAGR and Short-term QoQ comparisons.
- **Volume:** Daily volume data and Moving Averages.

• Data Missing:

- **Intraday Market Profile:** Detailed volume profile at specific price nodes is missing (useful for pinpointing support), though daily volume is sufficient for positional analysis.
- **Sector Breadth:** While RS against ^CNXFMCG is present, broader sector breadth details are not.

- **Confidence Level: High.** The report provides a comprehensive technical and fundamental picture, allowing for a decisive conclusion regarding the trend and risk profile.
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Step 2: Analyze the Setup

- **Price Structure & Trend:** The stock is in a **Catastrophic Downtrend**. It has crashed below all key Moving Averages (20, 50, 200) and is trading significantly below the 200 EMA (406.79). The visual charts (Page 2, 7, 19) show a "waterfall" decline or gap-down scenario, likely driven by the **-73.42% drop in Recent QoQ Net Income** noted on Page 3.

• Momentum:

- **MACD:** Deeply bearish with the histogram expanding negatively (-6.36), indicating selling pressure is still accelerating or at peak intensity.
- **Supertrend:** Confirmed Sell signal active since ~430 levels. Current resistance is at 364.24.

• Oscillators (The "Trap"):

- **RSI:** Currently at **11.99** (Page 16). This is an **extreme oversold condition**. While this often necessitates a "relief bounce" or "dead cat bounce," it confirms strong bearish momentum rather than a reversal. In positional trading, RSI < 20 is a danger zone, not a buy zone, until stabilization occurs.

- **Relative Strength:** The stock has an RS Score of 43.3/100 and is actively underperforming the FMCG sector.

- **Confluence:** There is **no bullish confluence** currently. Price is near the Lower Bollinger Band (326.84), but "band riding" to the downside is common in strong downtrends.
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Step 3: Formulate the Recommendation

Decision: NO.

Analysis: You should **not** enter this trade right now. Despite the stock appearing "cheap" and RSI being oversold, attempting to buy now is catching a falling knife. 1. **Fundamental Risk:** The 73% drop in quarterly Net Income suggests a structural issue that the market is re-pricing. 2. **Technical Damage:** The stock needs to repair the technical damage. A "V-shaped" recovery is statistically less likely than a period of consolidation. 3. **Trend Alignment:** As a positional trader targeting intermediate trends, you trade *with* the trend. The current trend is strongly down.

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Conditional Plan (Watchlist Strategy): You should only consider entering if the stock proves it has formed a bottom and momentum is shifting.

- **Condition to Buy:** The stock must close above the **Supertrend Resistance** level to confirm the immediate downtrend is broken.
- **Entry Price:** INR 365.00 (Requires a Daily Close above the Supertrend level of ~364.24).
- **Stop Loss:** INR 330.00 (Below the current lower Bollinger Band/Recent support floor).
- **Take Profit:** INR 405.00 (Confluence of the 200 EMA and filling the gap created by the drop).

Rationale for Condition: Waiting for a breach of 365 sacrifices the initial bounce from the bottom (337 to 365) but significantly increases the Probability of Success by ensuring the sellers are exhausted. If the stock cannot reclaim 365, it is liable to drift lower toward INR 300.

News & Analyst Targets

As a stock research analyst, I have compiled the latest critical updates, brokerage actions, and analyst targets for **ITC Limited** for the week of **January 4-10, 2026**.

1) Latest News for ITC This Week (Jan 4-10, 2026)

The dominant story this week is a massive negative reaction to a regulatory shock.

- **Sharp Excise Duty Hike:** The primary news driving the stock down is the government's notification of a steep hike in **cigarette excise duty**, effective **February 1, 2026**. The new rates range from INR 2,050 to INR 8,500 per 1,000 sticks depending on length.
- **Stock Crash to 3-Year Lows:** Following the announcement, ITC shares plummeted nearly **15-20%** this week, hitting fresh 52-week and 3-year lows (trading around the **INR 337-INR 345** levels).
- **Market Cap Erosion:** The crash wiped out over INR 50,000-INR 80,000 crore in market capitalization in just a few trading sessions.
- **High Volume Sell-Off:** Trading volumes have been exceptionally high, indicating strong institutional selling (distribution) rather than accumulation.
- **Price Hike Pressure:** To offset the increased tax burden (estimated at a 40-50% rise in tax incidence), analysts predict ITC will need to raise cigarette prices by **20-30%**, which raises fears of a severe drop in sales volume and a shift of consumers to the illicit (smuggled) market.

2) Upgrade or Downgrade from Brokerages

This week witnessed a "**barrage of downgrades**" as major domestic and foreign brokerages slashed ratings and targets immediately after the tax news.

- **Downgrades:** Almost every major brokerage has downgraded the stock from "Buy" to "Hold," "Neutral," or "Sell/Reduce."
- **Reasoning:** Analysts cite the "unprecedented" magnitude of the tax hike, which breaks a 5-year period of tax stability. They fear this will hurt volumes in FY27 and lead to a "de-rating" of the stock's valuation multiples.
- **Key Shifts:**
 - **Investec** downgraded to **Hold**.
 - **Citi** downgraded to **Sell**.
 - **Nomura** cut its rating to **Reduce**, citing a potential 15% volume decline.
 - **Motilal Oswal** moved to **Neutral**, calling the tax hike a "fiscal bombshell."

3) Other News Impacting ITC

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- **Sector Rotation:** While ITC crashed, other FMCG stocks like **Hindustan Unilever (HUL)**, **Dabur**, and **Marico** have remained relatively resilient or traded in the green. Investors appear to be rotating funds out of "sin stocks" (tobacco) and into pure-play FMCG staples.
- **Union Budget 2026 Uncertainty:** Although the excise duty was notified early, the upcoming Union Budget (scheduled for February 1) remains a source of anxiety. Investors are wary of any further negative surprises or changes to the GST compensation cess structure.
- **Technical Breakdown:** The stock has fallen below all major moving averages (20, 50, 100, 200-day), signaling a confirmed bearish trend. Technical analysts note the stock is now in "oversold" territory but warn against catching a falling knife until support is established around INR 310-INR 330.

4) Latest Targets from Analyst Community

The following table summarizes the revised targets and ratings issued by major brokerages in the first week of January 2026:

Brokerage Firm	Previous Rating	New Rating	New Price Target (INR)	Comment
Citi	Buy	Sell	320	Sees significant volume contraction risks.
Macquarie	Outperform	Neutral	330	Cut target due to earnings visibility clouding.
Nomura	Buy	Reduce	340	Drastic cut from previous target of INR 540.
PL Capital	Buy	Reduce	348	Reduced valuation multiple for cigarette business.
Emkay Global	Add	Reduce	350	Increased tax payout necessitates staggered price hikes.
Kotak Securities	Add	Reduce	350	Downgraded citing near-term headwinds.
JM Financial	Buy	Add	365	Remains relatively more optimistic than peers but cut target.
Investec	Buy	Hold	367	Estimates tax hike ranges from 30% to 70%.
Motilal Oswal	Buy	Neutral	400	Cites "unprecedented tax hike" disrupting stability.
Nuvama	Buy	Hold	415	Notes a break from the benign tax regime.

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Analyst Consensus: The sentiment has shifted dramatically from "Strong Buy" to "**Caution/Hold.**" The average near-term downside risk is seen extending toward the **INR 320-INR 330** zone, with recovery dependent on how consumers react to the inevitable cigarette price hikes.

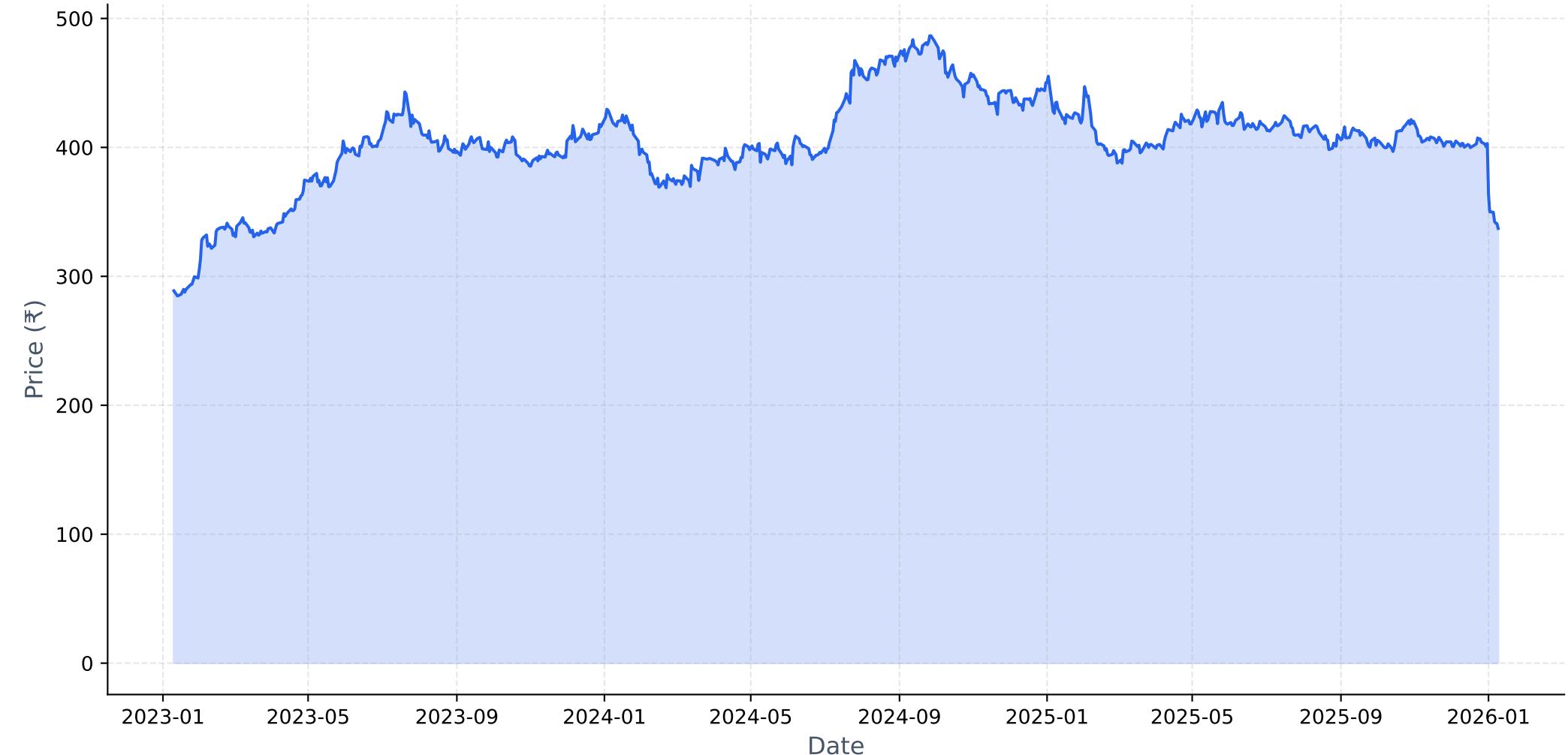
Stock Detailed Analysis Report

ITC.NS

Current Price: ₹337.15

Generated: 2026-01-10 10:13

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: Neutral

RS Score: 43.3/100

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== RS RATIOS ==:

1M RS: 0.870 [Neutral]

3M RS: 0.877 [Neutral]

6M RS: 0.856 [Neutral]

1Y RS: 0.853 [Neutral]

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== TURNAROUND ANALYSIS ==:

Turnaround Status: Not Detected

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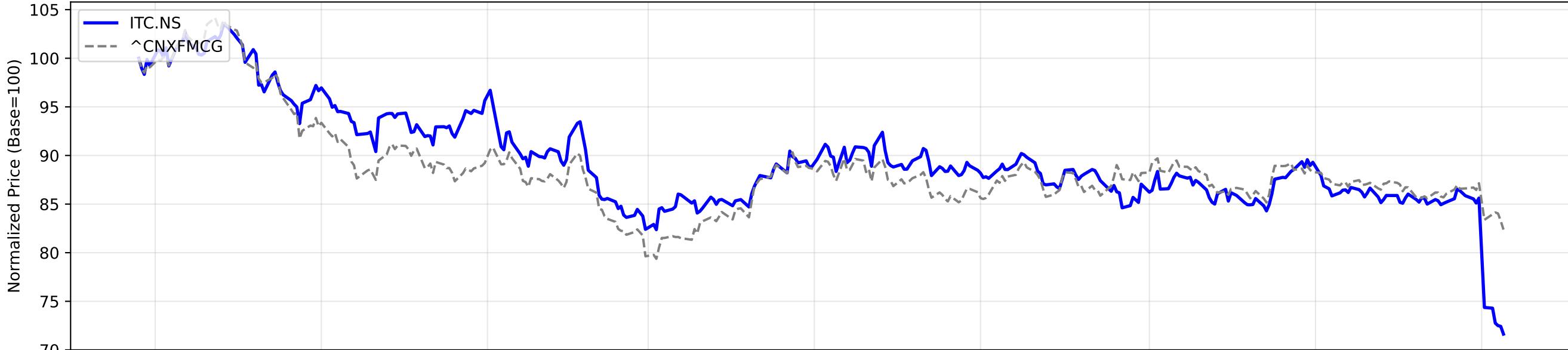
SIGNAL CRITERIA::

X Emerging RS: Not accelerating

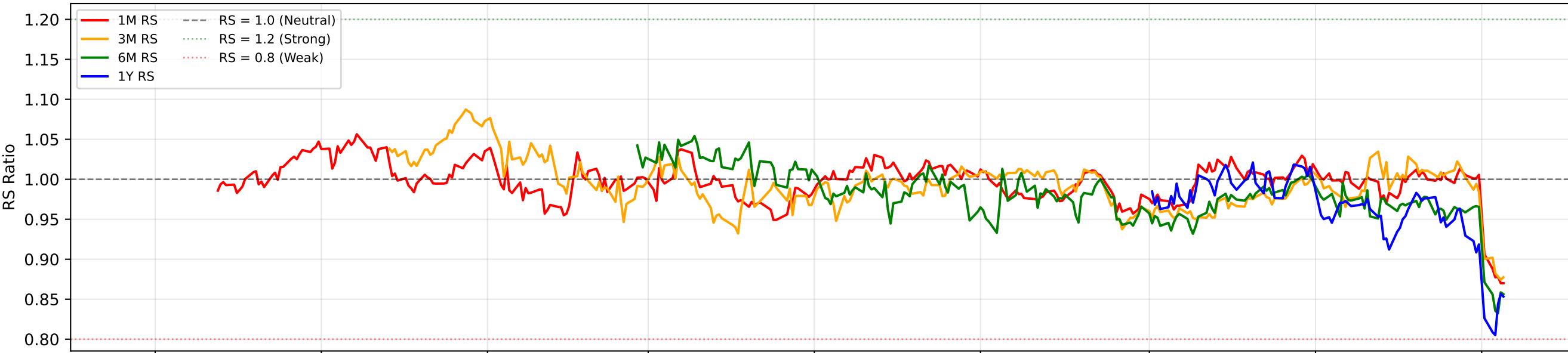
✓ Medium-term Lagging: 6M=0.856, 1Y=0.853 (≤ 1.0)

✓ Performance Improving: 3M (-15.7%) > 6M (-19.6%)

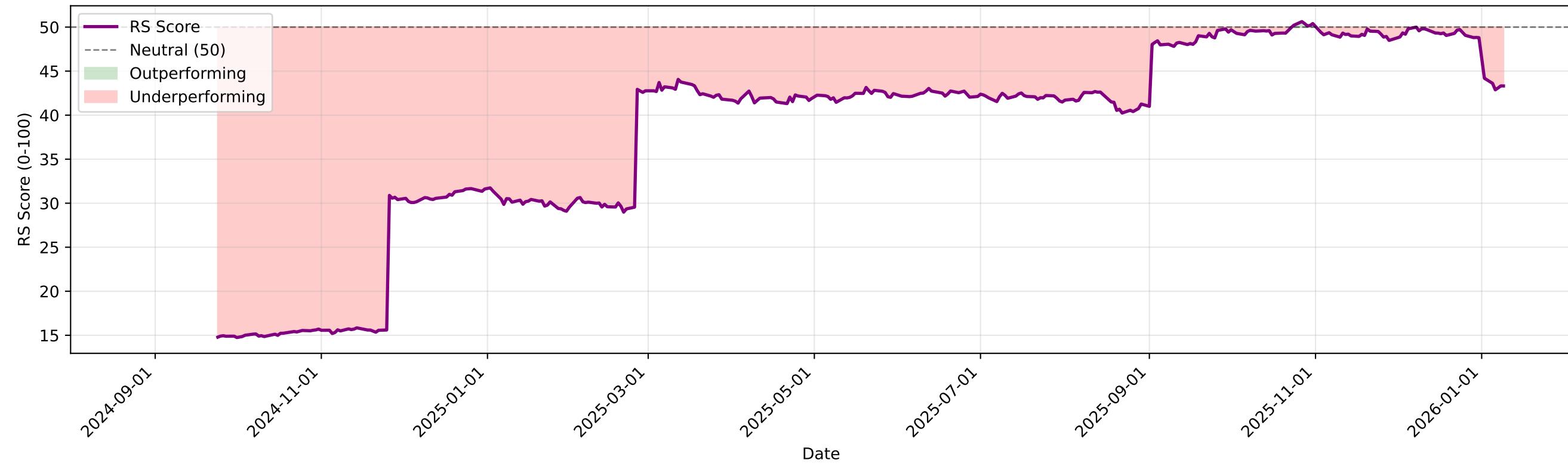
Relative Strength Analysis: ITC.NS vs ^CNXFMCG
Classification: Neutral
Price Performance Comparison (Normalized)



RS Ratio Trends (Multiple Timeframes)



RS Composite Score Timeline



ITC.NS - EMA Crossover Summary

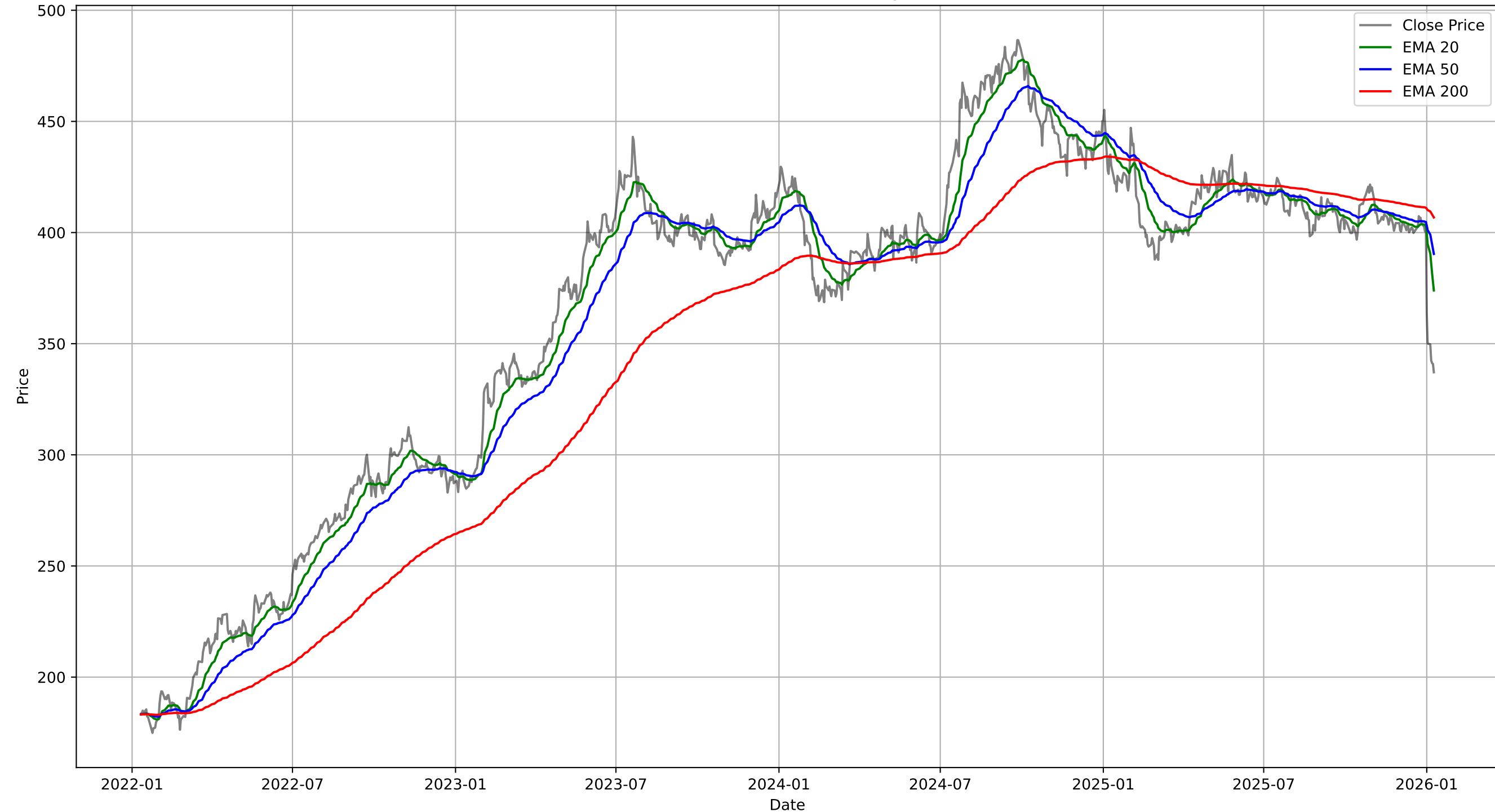
EMA 20: 373.94

EMA 50: 390.38

EMA 200: 406.79

Trend Status: **Strong Downtrend**

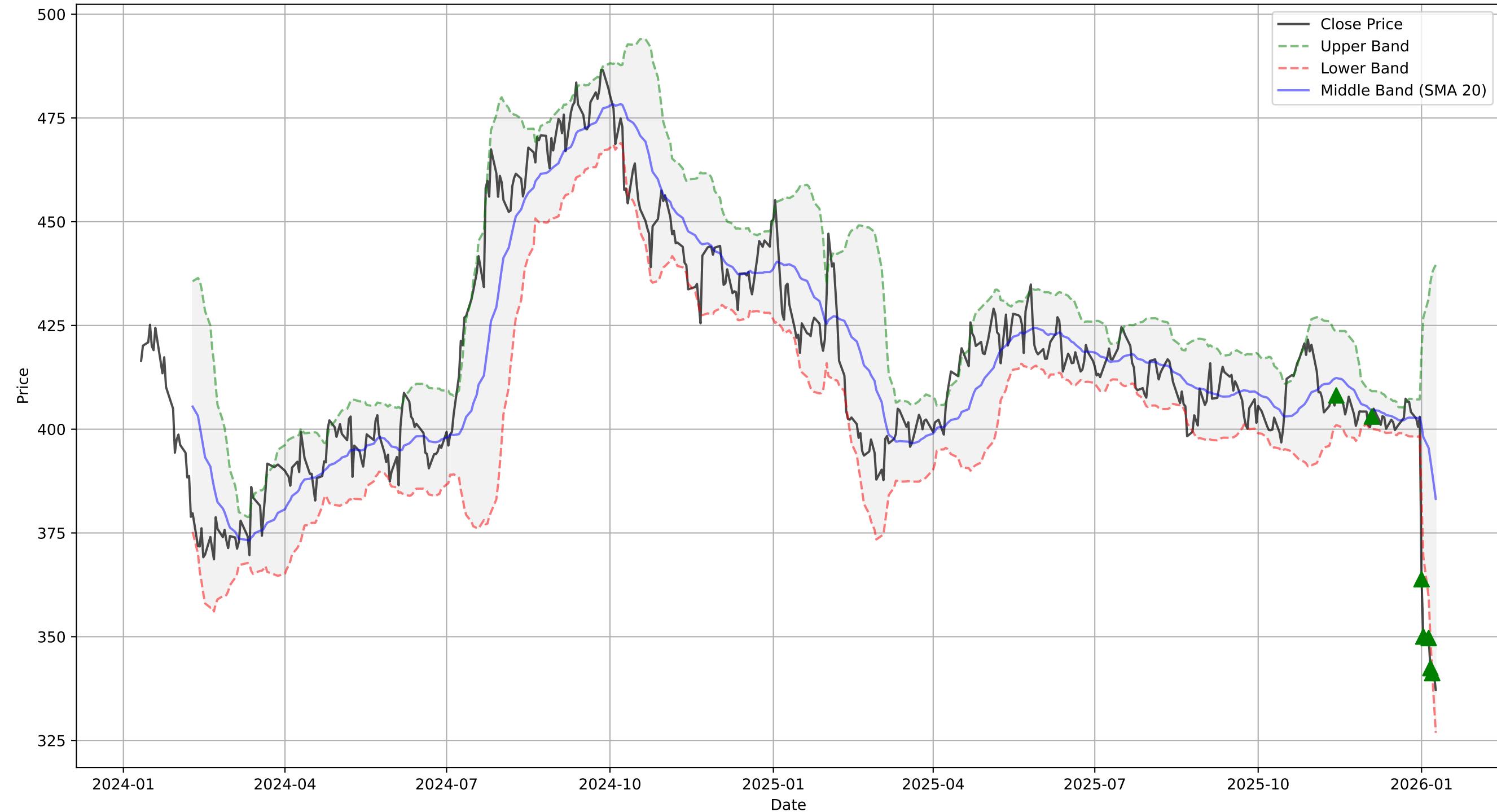
ITC.NS EMA Crossover Analysis



ITC.NS - Bollinger Bands Summary

Current Price:	337.15
Upper Band:	439.58
Middle Band (SMA 20):	383.21
Lower Band:	326.84
%B:	0.0914
Band Width:	0.2942
Status:	Lower Half
Signal:	None
Recent Signal 1:	Buy Signal at 2026-01-05 00:00:00+05:30
Recent Signal 2:	Buy Signal at 2026-01-06 00:00:00+05:30
Recent Signal 3:	Buy Signal at 2026-01-07 00:00:00+05:30

ITC.NS Bollinger Bands (20, 2) Analysis



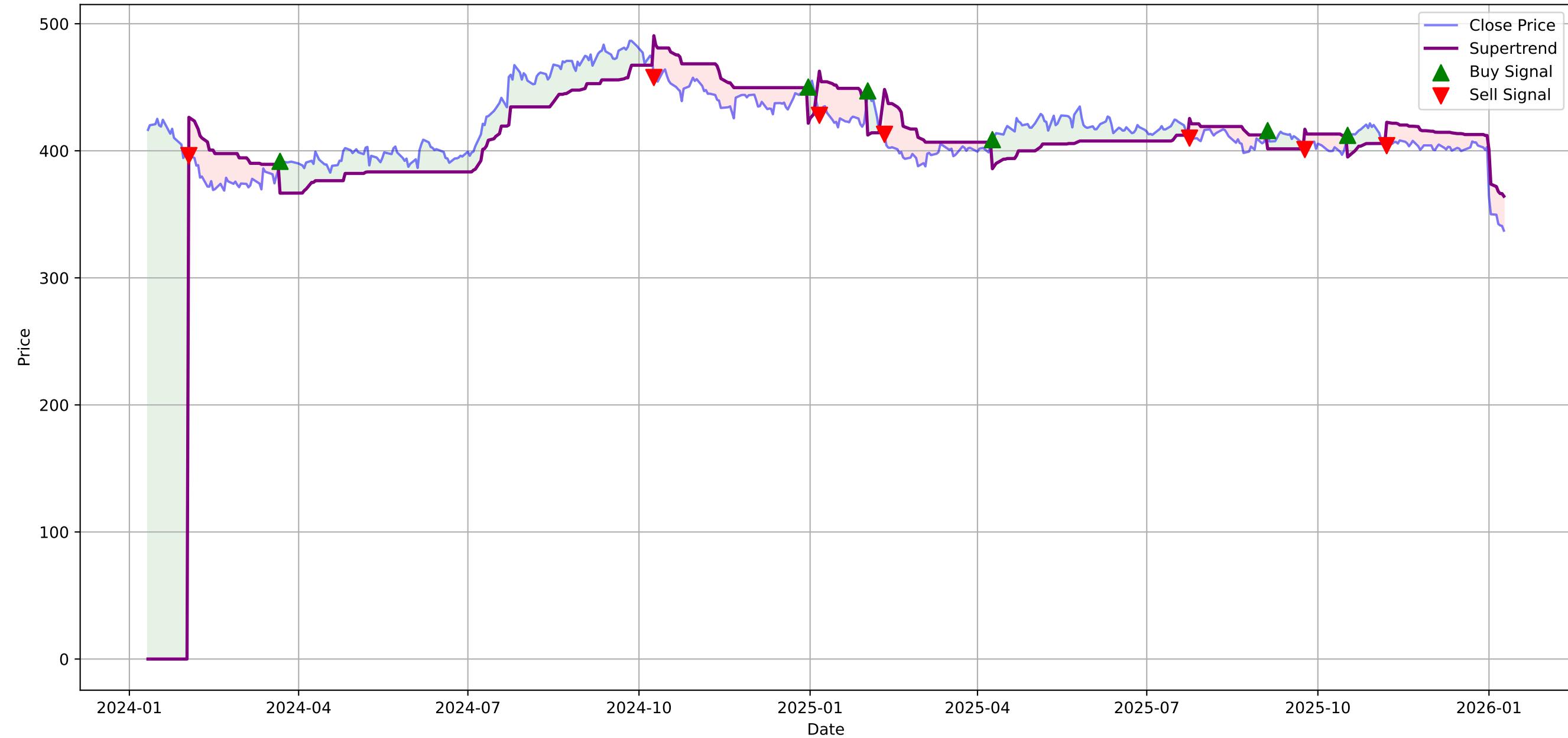
ITC.NS - Supertrend Summary

Status: DOWNTREND (Sell)

Supertrend Value: 364.24

Signal Identified On: 2025-11-07

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



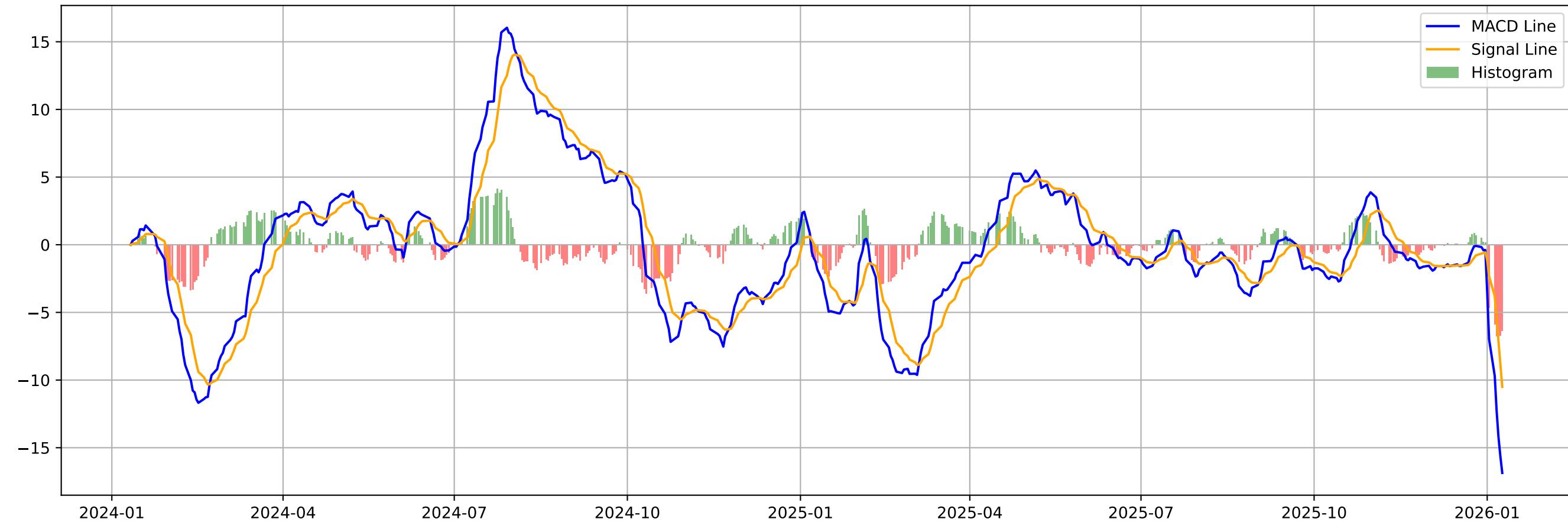
ITC.NS - MACD Summary

MACD Line:	-16.86
Signal Line:	-10.50
Histogram:	-6.36
Trend:	Bearish
Momentum:	Weakening
Signal:	None

ITC.NS Price



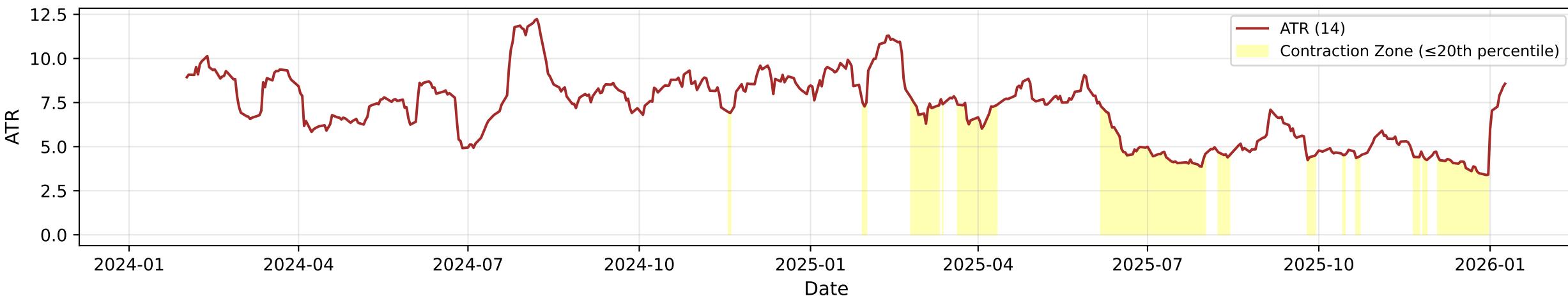
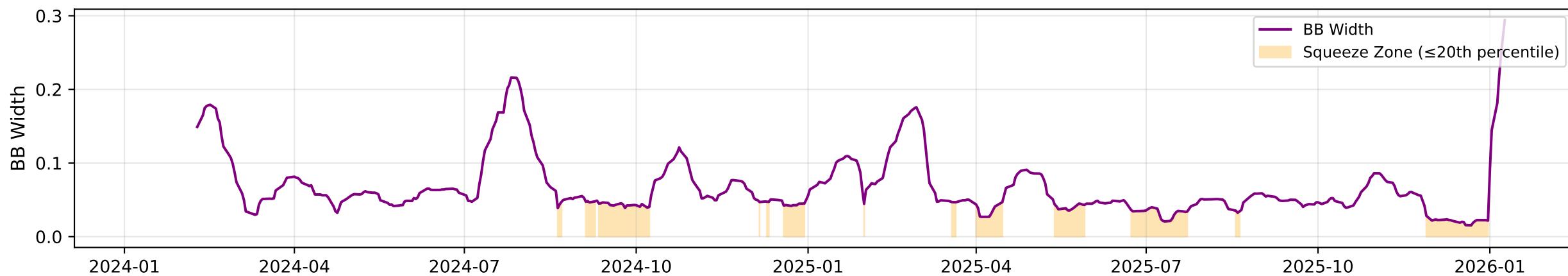
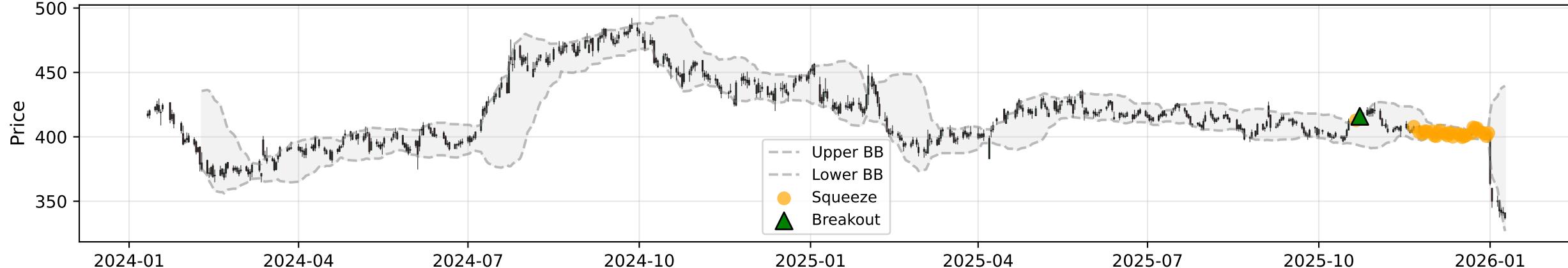
ITC.NS MACD (12, 26, 9)



ITC.NS - Volatility Squeeze Summary

BB Width:	0.2942
ATR:	8.5643
Total Signals:	30
Signal 1:	BB Squeeze + ATR Contraction at 2025-12-25 00:00:00+05:30 (Pr)
Signal 2:	BB Squeeze + ATR Contraction at 2025-12-26 00:00:00+05:30 (Pr)
Signal 3:	BB Squeeze + ATR Contraction at 2025-12-29 00:00:00+05:30 (Pr)
Signal 4:	BB Squeeze + ATR Contraction at 2025-12-30 00:00:00+05:30 (Pr)
Signal 5:	BB Squeeze + ATR Contraction at 2025-12-31 00:00:00+05:30 (Pr)

ITC.NS - Volatility Squeeze Analysis



ITC.NS - RSI-Volume Summary

Current RSI:	11.99
Current Volume:	35193201
Volume MA 20:	36228261
Bullish Divergences:	2
Bearish Divergences:	4
Bullish Div 1:	Date: 2025-10-14 00:00:00+05:30, Price: 396.80
Bullish Div 2:	Date: 2025-12-17 00:00:00+05:30, Price: 399.80
Bearish Div 1:	Date: 2024-09-26 00:00:00+05:30, Price: 486.58
Bearish Div 2:	Date: 2025-05-05 00:00:00+05:30, Price: 429.04

ITC.NS RSI-Volume Divergence Analysis



Multi-Timeframe Supertrend Analysis

Timeframe	Status	Value	Last Price	Signal Date
1 Week	DOWNTREND (Sell)	377.57	337.15	2024-10-07
1 Day	DOWNTREND (Sell)	364.24	337.15	2025-11-07
15 Min	DOWNTREND (Sell)	339.32	338.25	2026-01-08

Multi-Timeframe MACD Analysis

Timeframe	Trend	Momentum	Signal
1 Week	Bearish	Strengthening	No Signal
1 Day	Bearish	Weakening	No Signal
15 Min	Bullish	Strengthening	No Signal

ITC.NS - 1 Week (Candlestick + EMAs)



ITC.NS - 1 Day (Candlestick + EMAs)



ITC.NS - 15 Min (Candlestick + EMAs)



Trendlyne Snapshot - ITC_main

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ITC Ltd. [ⓘ](#)
NSE: ITC | BSE: 500875
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ABOUT Established in 1910, ITC is one of India's leading private sector companies and a diversified conglomerate with businesses spanning Fast-Moving Consumer Goods (Cigarettes & Cigars, Foods, Personal Care Products, Education & Stationery Products, Safety... [Read More](#)

337.15 **-3.75 (-1.10%)**
[↓ New 52W Low today](#)

37.9M NSE+BSE Volume
NSE 09 Jan, 2026 3:31 PM (IST)

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Durability score ⓘ 75.0 /100	Valuation Score ⓘ 47.7 /100	Momentum Score ⓘ 33.6 /100	Analyst Price Target ⓘ 415 1Yr Price target upside is 23%
High Financial Strength	Mid Valuation	Technically Bearish	DVM

Falling Comet These stocks have good quality scores. However, their weak technicals make them more bearish [View Similar](#) [Embed DVM](#)

Check Before You Buy [VIEW FULL CHECKLIST](#)
High rank **11** Positive * **11** Negative **50.0% Pass in checklist**

PE Valuation Check
Right Now [ⓘ](#) **Undervalued 100.8%** [1 Year Forward](#) [ⓘ](#) **Undervalued 18%**

INSIGHT High 5Yr PE Avg of 24.2 may distort upside values.

[SWOT Analysis](#)

ITC Key Metrics

ROE Ann. % > Market Leader	Broker Average Target > 35.81% upside 49.6	Market Capitalization > Market Leader 457.88	Price to Book > Above Industry Median 422,413.9
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NSE: ITC | BSE: 500875
Falling Comet ⓘ In 8 Starfolio Baskets

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ITC has a share price target of Rs 415, revenue growth forecast of 9.7%, and profit growth estimate of -41.6% for FY26, based on top 36 analyst calls.

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