

Stock Analysis Report

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Strategic Trading Analysis

Based on the detailed analysis of the attached 25-page report for **ASHOKLEY.NS** (Ashok Leyland), here is my assessment.

Note regarding timestamp: The report indicates a generation date of **2026-02-07**. I will treat the data in this report as "current" (T=0) for the purpose of this analysis.

Step 1: Audit the Data

- **Data Present:**
 - **Price Action:** Daily, Weekly, and 15-minute candlestick charts (Pages 2, 21, 23).
 - **Trend Indicators:** Moving Averages (EMA 20, 50, 200), Supertrend, MACD (Pages 6, 10, 12).
 - **Momentum/Oscillators:** RSI (14), Relative Strength (RS) vs. Index, Bollinger Bands (Pages 4, 8, 16).
 - **Volume:** Volume bars with Moving Averages, Buying/Selling Exhaustion signals (Pages 18-19).
 - **Fundamentals:** Revenue/EPS growth, Analyst Estimates, Valuation metrics (Pages 3, 24-25).
- **Data Missing:**
 - **Fibonacci Levels:** Specific retracement/extension levels are not plotted, though they can be inferred.
 - **Market Depth:** No Order Flow or Level 2 data (standard for PDF reports).
- **Confidence Level: High.** The technical and fundamental data provided is comprehensive enough to make a high-probability positional trading decision.

Step 2: Analyze the Setup

- **Trend Structure (Bullish):** The stock is in a confirmed, robust uptrend. Price (201.84) is stacked perfectly above the EMA 20 (192.26), EMA 50 (179.74), and EMA 200 (147.31). The "Golden Cross" occurred significantly in the past, and the trend has accelerated.
- **Momentum & Extension (Cautionary):**
 - **RSI:** Currently at **71.80** (Page 16), placing it in overbought territory.
 - **Divergences:** The report explicitly flags **Bearish Divergences** on both MACD (Page 12) and RSI-Volume (Page 16) as of 2026-02-06.
 - **Volume:** Page 18 identifies a "Buying Exhaustion" signal on the most recent candle.
- **Relative Strength:** The stock has a high RS Score (67.2) and is outperforming the Auto Sector (Page 4), indicating it is a market leader.
- **Fundamentals:** Strong tailwinds with 148% QoQ EPS growth (Page 3), although the valuation is flagged as "Overvalued" by the Trendlyne snapshot (Page 24).
- **Summary:** The primary trend is up, but the immediate signals (RSI Divergence + Buying Exhaustion) suggest the stock is overextended and due for a mean reversion pullback or sideways consolidation before the next leg up.

Step 3: Formulate the Recommendation

Recommendation: NO (Do not enter at current market price of 201.84)

Reasoning: Entering at an All-Time High (ATH) while technical indicators show **Bearish Divergence** and **Buying Exhaustion** significantly lowers the probability of immediate success. The stock is currently trading

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~5% above its mean (EMA 20). A "mean reversion" pullback is highly probable in the short term. We want to buy the dip, not the top.

Conditional Plan (Buy the Dip Strategy):

I recommend setting a limit order to catch the pullback to the short-term trendline (EMA 20).

- **Condition to Buy:** Price pulls back to test the 20-day EMA support zone. Look for a bullish reversal candle (e.g., Hammer or Doji) in the **190-193** zone.
- **Entry Price: INR 192.50** (Aligns with the current EMA 20 value of 192.26).
- **Stop Loss: INR 179.00** (Daily Closing Basis).
 - *Rationale:* This places the stop below the Supertrend support (181.72) and just below the 50-day EMA (179.74). If it breaks 179, the intermediate trend is broken.
- **Take Profit: INR 221.50**
 - *Rationale:* This targets a 15% upside from the entry price, assuming a breakout into "blue sky" territory after the pullback relieves the overbought RSI conditions.

Risk/Reward Ratio: ~2.15 (Risking ~INR 13.50 to make ~INR 29.00).

Candlestick Classification Analysis

Based on the **Candlestick Classification Analysis** found on **Pages 20 and 21** of the report, here is my assessment as a price action trader.

Current Market State: Indecision & Consolidation

- **Latest Classification: No Control (0)** (Grey Candle)
- **Recent Trend Score (10-day avg): 0.30** (Weakly **Bullish**/Neutral)
- **Price Context:** The stock recently rallied from ~180 to ~200+ and is now stalling.

Detailed Interpretation of the Logic

1. The "No Control" Signal (Grey Candle) According to the classification algorithm, the latest price action has resulted in a "No Control" signal. This implies: * **Body Strength (Step 1):** The candle body is likely small (<0.5 ATR). This indicates a compression of volatility. The aggressive buying that drove the price up in January has paused. * **Wicks (Step 3):** There is likely activity on both sides (upper and lower wicks), signifying that intraday attempts to push higher were sold into, and attempts to push lower were bought up. * **Psychology:** The market is currently in equilibrium. The bulls are resting after the rally, but significantly, the bears have **not** taken control. There is no "Seller Strong Control" signal at the top, which would be a major warning sign of a reversal.

2. The Trend Score (0.30) The 10-day average score is positive (+0.30) but low. * A score closer to **+1 or +2** would indicate strong ongoing momentum. * A score dropping toward **0** indicates momentum is fading. * *However*, the score is not negative. This tells us the pullback is corrective (drift), not impulsive (crash).

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3. Volume Validation (Step 4) Looking at the chart on **Page 21**, the volume during the recent "No Control" (grey) candles appears lower than the volume during the "Buyer Control" (green) surge in late January.*
Logic: Price consolidation on lower volume is a classic bullish continuation setup (Bull Flag or Pennant). It suggests institutional holders are not liquidating positions; they are simply waiting.

Prediction: Which side will the price move?

Primary Prediction: Bullish Continuation (Wait for Breakout) The setup indicates a **Bullish Consolidation**. The market is "digesting" the recent move to INR 200. The absence of "Seller Control" (-1 or -2) candles at this resistance level is a bullish sign.

- **The Trigger:** Watch for a switch from "No Control" (0) to **Buyer Control (+1)**.
 - **Price Level:** A daily close above **INR 204-205**.
 - **Confirmation:** This needs to be accompanied by Volume > 1.3x average (Step 4 of your logic) to confirm the "No Control" period is over.

Secondary Scenario: Deep Retracement If the "No Control" phase persists too long and the 10-day score flips to negative (e.g., -0.10), it indicates buyers are losing interest completely.* **The Risk:** If we see a **Seller Control (-1)** candle (moderate bearish body closing near lows), the price will likely dip to test the 20 EMA (around INR 192, seen on Page 6) to find fresh liquidity.

Verdict: The price action suggests the stock is taking a breather, not reversing. Expect sideways movement (choppiness) for a few more sessions (Grey candles), followed by a likely **upward breakout** as long as the support near INR 195 holds.

News & Analyst Targets

Here is the latest stock research and information for **Ashok Leyland (ASHOKLEY)** as of the week ending February 7, 2026.

1) Latest News for ASHOKLEY This Week

- **Strong January 2026 Sales Growth:** On February 1, 2026, Ashok Leyland reported a robust **27% year-on-year increase** in total vehicle sales for January 2026, reaching **21,920 units**. Domestic sales surged **31%** to 20,079 units, driven significantly by a **45% growth** in the Medium & Heavy Commercial Vehicle (M&HCV) truck segment and a **33% rise** in Light Commercial Vehicles (LCV).
- **Strategic Partnership with Indonesia:** On February 4, 2026, the company signed a landmark Memorandum of Understanding (MoU) with **PT Pindad**, Indonesia's state-owned defense manufacturer. The deal focuses on co-developing electric buses and defense vehicles for the Indonesian market, marking a significant step in its international expansion strategy.
- **Upcoming Q3 Results:** The company has scheduled its Board Meeting for **Wednesday, February 11, 2026**, to approve and announce the unaudited financial results for the quarter ended December 31, 2025 (Q3 FY26). A conference call with management will follow the announcement.
- **Stock Performance:** Reacting to the positive sales data and the Indonesia deal, the stock hit a new **52-week high of INR 205.20** earlier this week.

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2) Upgrade or Downgrade from Brokerages

- **Recent Activity:** Most major brokerages have maintained their ratings following the January sales data, with a general "Buy" or "Hold" consensus.
- **Nomura/Instinet** has maintained a **Buy** rating with a target of **INR 216**, citing strong cyclical recovery in the commercial vehicle segment.
- **Investec** has maintained a **Buy** rating with a target of **INR 185**.
- **HSBC** has maintained a **Hold** rating with a target of **INR 183**, largely due to valuation concerns despite the good operational performance.
- **Consensus View:** The overall analyst community remains positive on the stock due to the strong upcycle in the Indian commercial vehicle industry, though some caution exists regarding the stock's recent sharp run-up in price.

3) Other News Impacting ASHOKLEY

- **Union Budget 2026 Impact:** The recently announced Union Budget has placed a continued strong emphasis on **infrastructure spending** (roads, highways, and construction). This is a direct positive for Ashok Leyland, as infrastructure development is the primary driver for M&HCV truck demand (tippers and haulage trucks).
- **Raw Material Costs:** Steel and other input costs have remained relatively stable, which is expected to support operating margins in the upcoming Q3 results.
- **EV Expansion:** The deal with PT Pindad also highlights the company's aggressive push into the global Electric Vehicle (EV) space via its subsidiary Switch Mobility, which is seen as a long-term value creator.

4) Latest Analyst Targets

The following table summarizes the most recent price targets and ratings from major brokerage firms and financial institutions.

Brokerage / Firm	Rating	Target Price (INR)	Date / Status
Nomura	Buy	216	Jan 2026 (Maintained)
Investec	Buy	185	Jan 2026 (Maintained)
HSBC	Hold	183	Jan 2026 (Maintained)
JPMorgan	Hold	155	Late 2025 (Maintained)
ICICI Direct	Buy	220 - 225*	Feb 2026 (Est. Range)
Consensus Mean	Buy	180	Aggregated Analyst View

**Note: Some targets are estimates based on technical setups and recent upgrades post-budget.*

Analyst Summary: The stock is currently trading near or above the consensus average target, which often leads to a "consolidation" phase. However, the strong "Buy" ratings from firms like Nomura suggest potential upside to the INR 215-220 levels if earnings delivery remains strong next week.

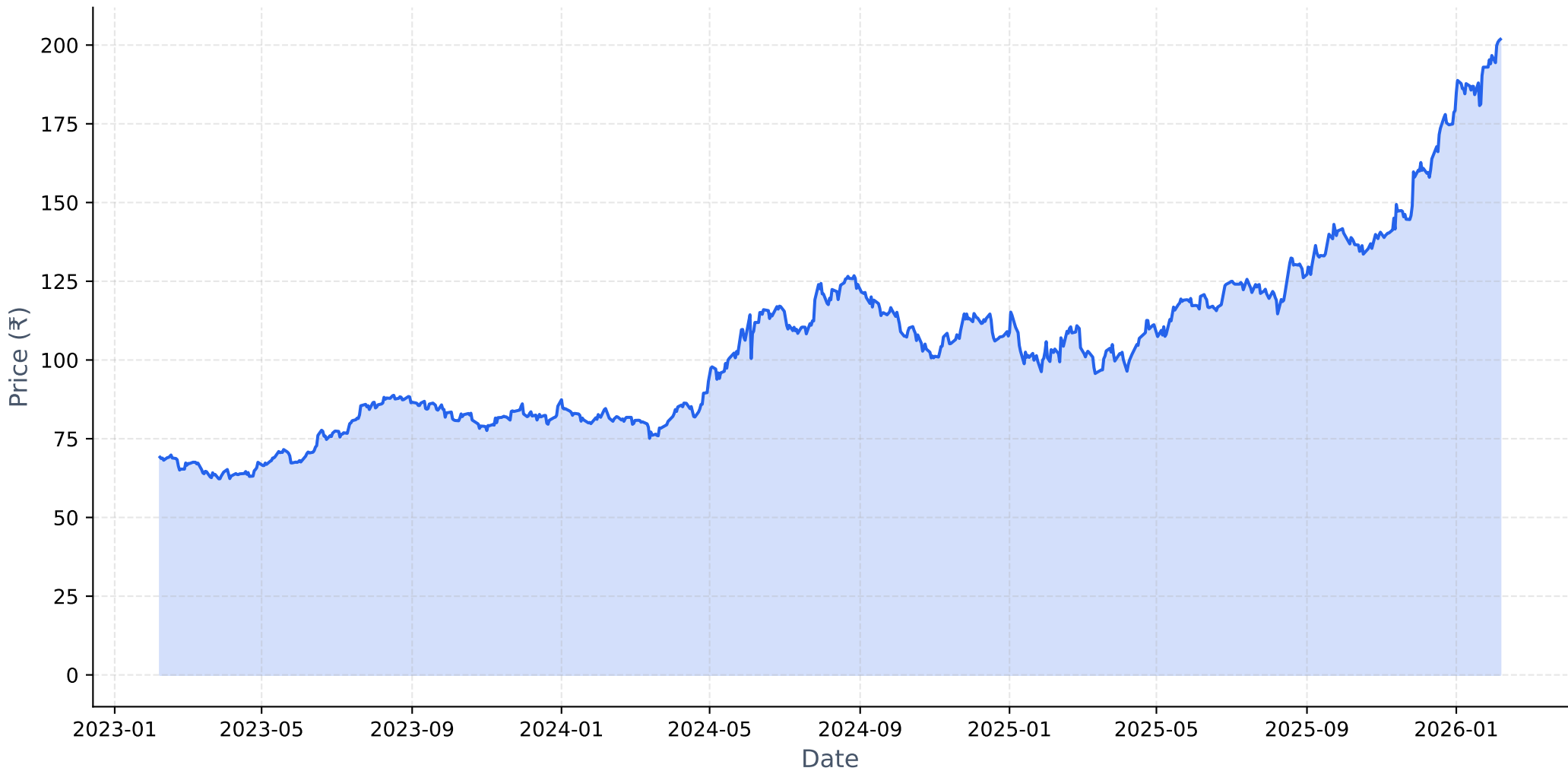
Stock Detailed Analysis Report

ASHOKLEY.NS

Current Price: ₹201.84

Generated: 2026-02-07 10:35

ASHOKLEY.NS - 3 Year Daily Price Chart



Long-term Fundamental Analysis (4 Years)

Metric	Is Growing?	Accelerating?	1Y Growth	3Y CAGR
Revenue	Yes	No	6.21%	22.79%

Short-term Fundamental Analysis (6 Quarters)

Metric	Is Growing?	Recent QoQ	Avg QoQ
Revenue	Yes	7.39%	4.28%
Net Income	Yes	23.68%	8.51%
ROE	Yes	-34.99%	0.01%
EPS	Yes	148.08%	110.62%

ASHOKLEY.NS - Relative Strength Analysis

== OVERVIEW ==:

Benchmark Index:	^CNXAUTO
Sector:	Auto
Classification:	Weakening Leader
RS Score:	67.2/100
:	

== RS RATIOS ==:

1M RS:	1.140 [Leader]
3M RS:	1.391 [Strong]
6M RS:	1.417 [Strong]
1Y RS:	1.543 [Strong]
:	

== TURNAROUND ANALYSIS ==:

Turnaround Status:	Not Detected
:	

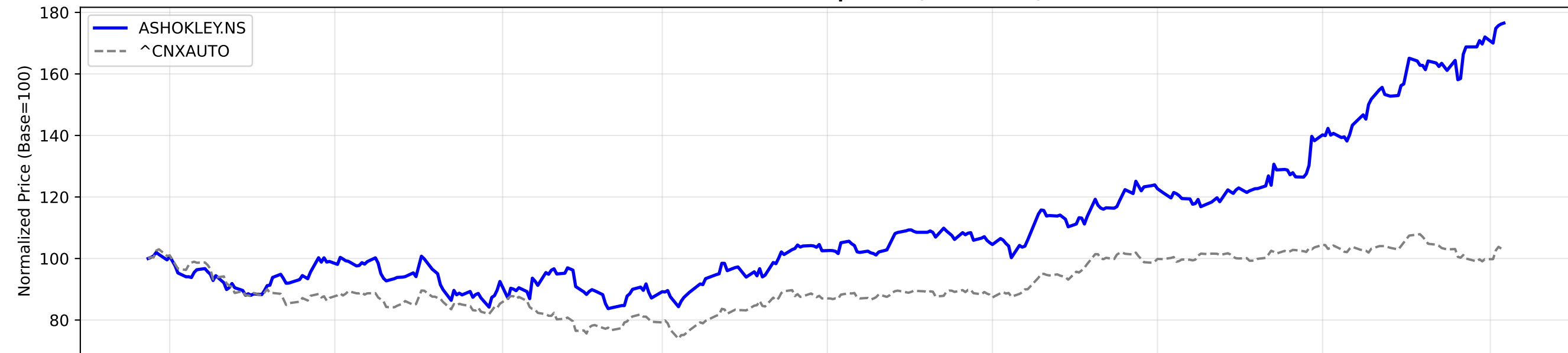
SIGNAL CRITERIA::

X Emerging RS:	Not accelerating
X Medium-term Lagging:	Not lagging
X Performance Improving:	Not improving

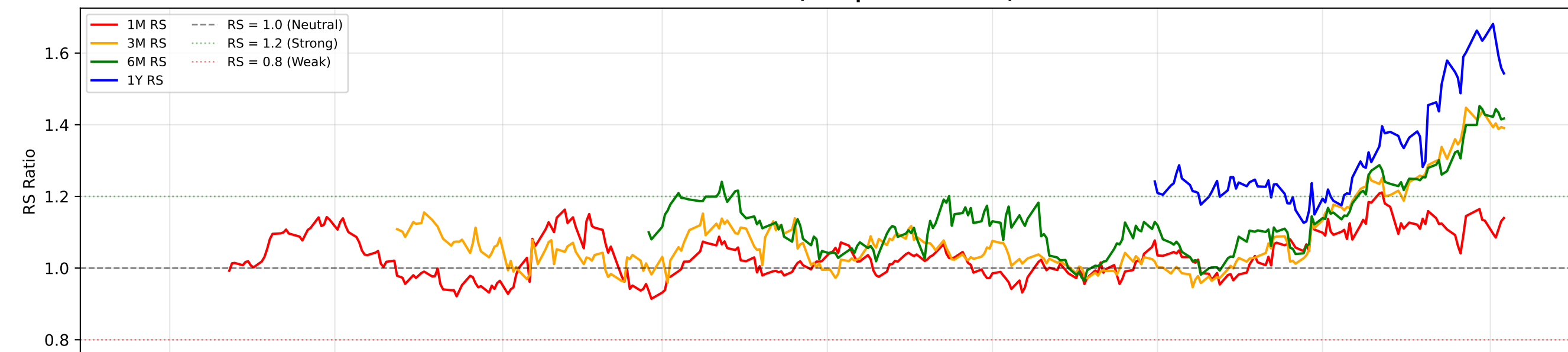
Relative Strength Analysis: ASHOKLEY.NS vs ^CNXAUTO

Classification: Weakening Leader

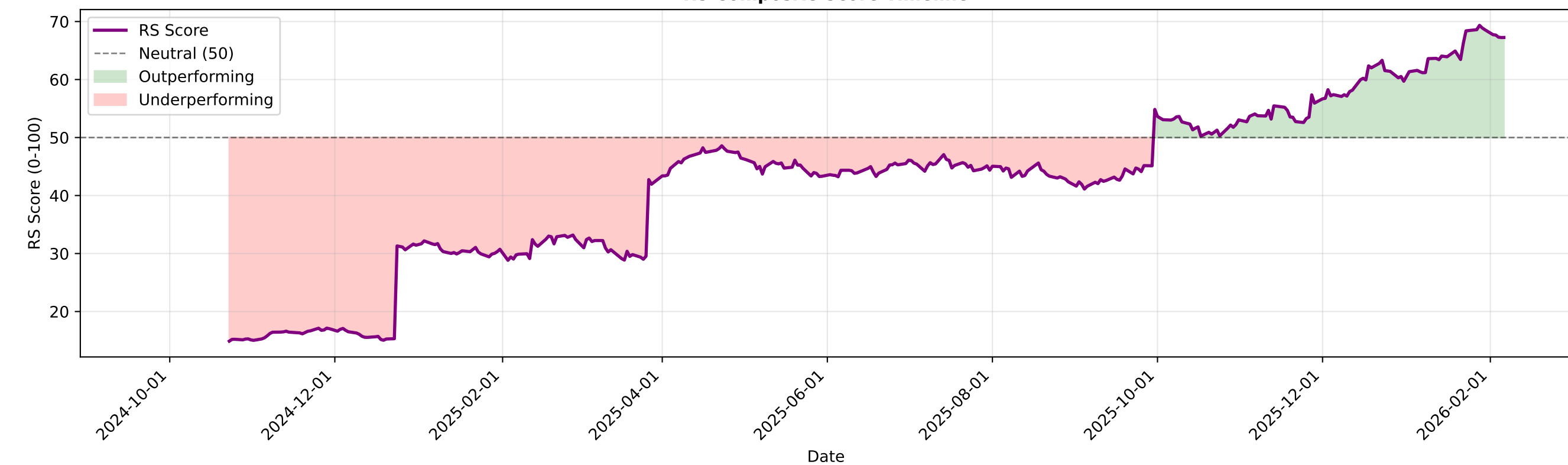
Price Performance Comparison (Normalized)



RS Ratio Trends (Multiple Timeframes)



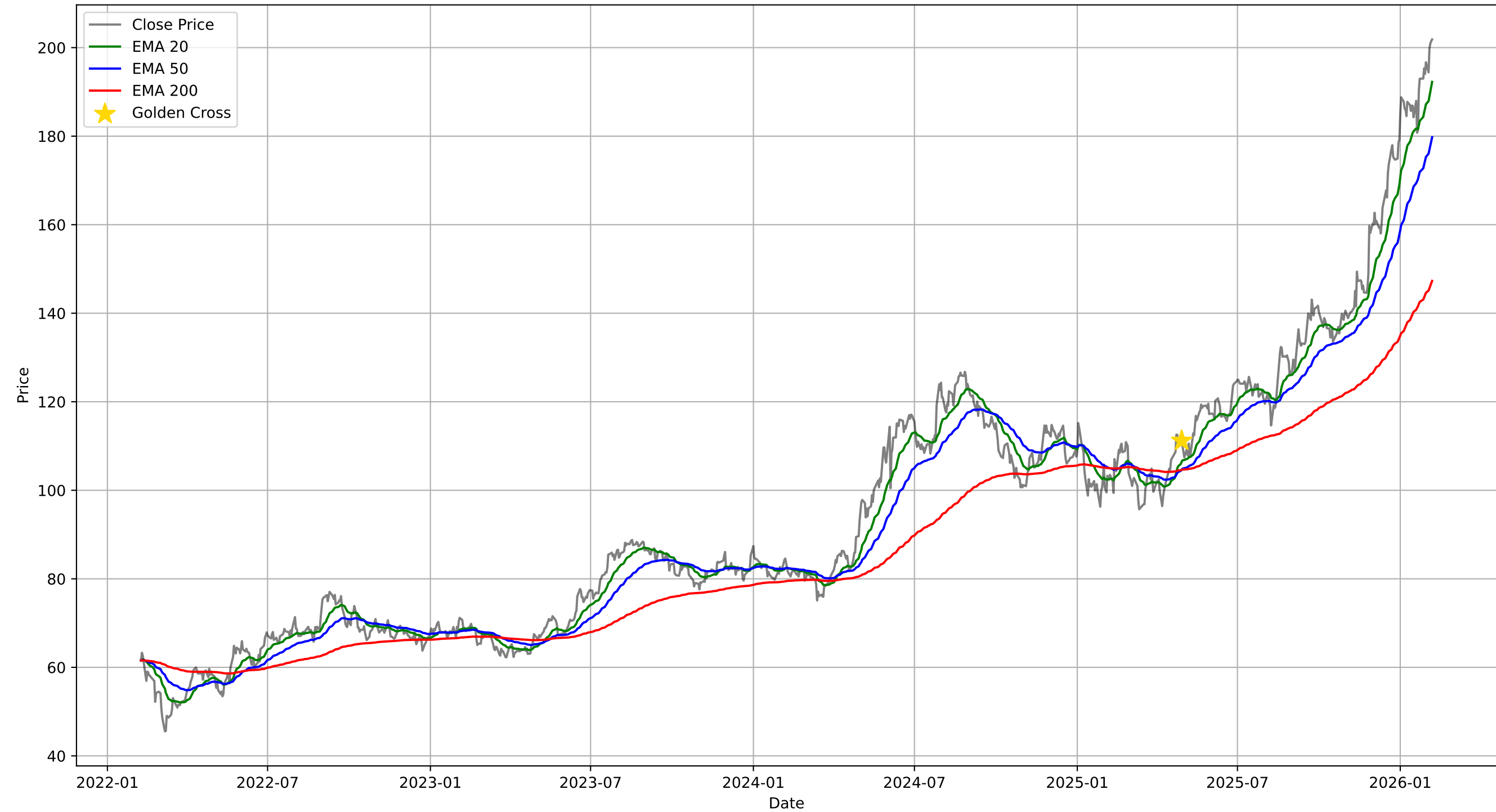
RS Composite Score Timeline



ASHOKLEY.NS - EMA Crossover Summary

EMA 20:	192.26
EMA 50:	179.74
EMA 200:	147.31
Trend Status:	Strong Uptrend
Golden Cross Date:	2025-04-29 00:00:00+05:30
Golden Cross Price:	111.20

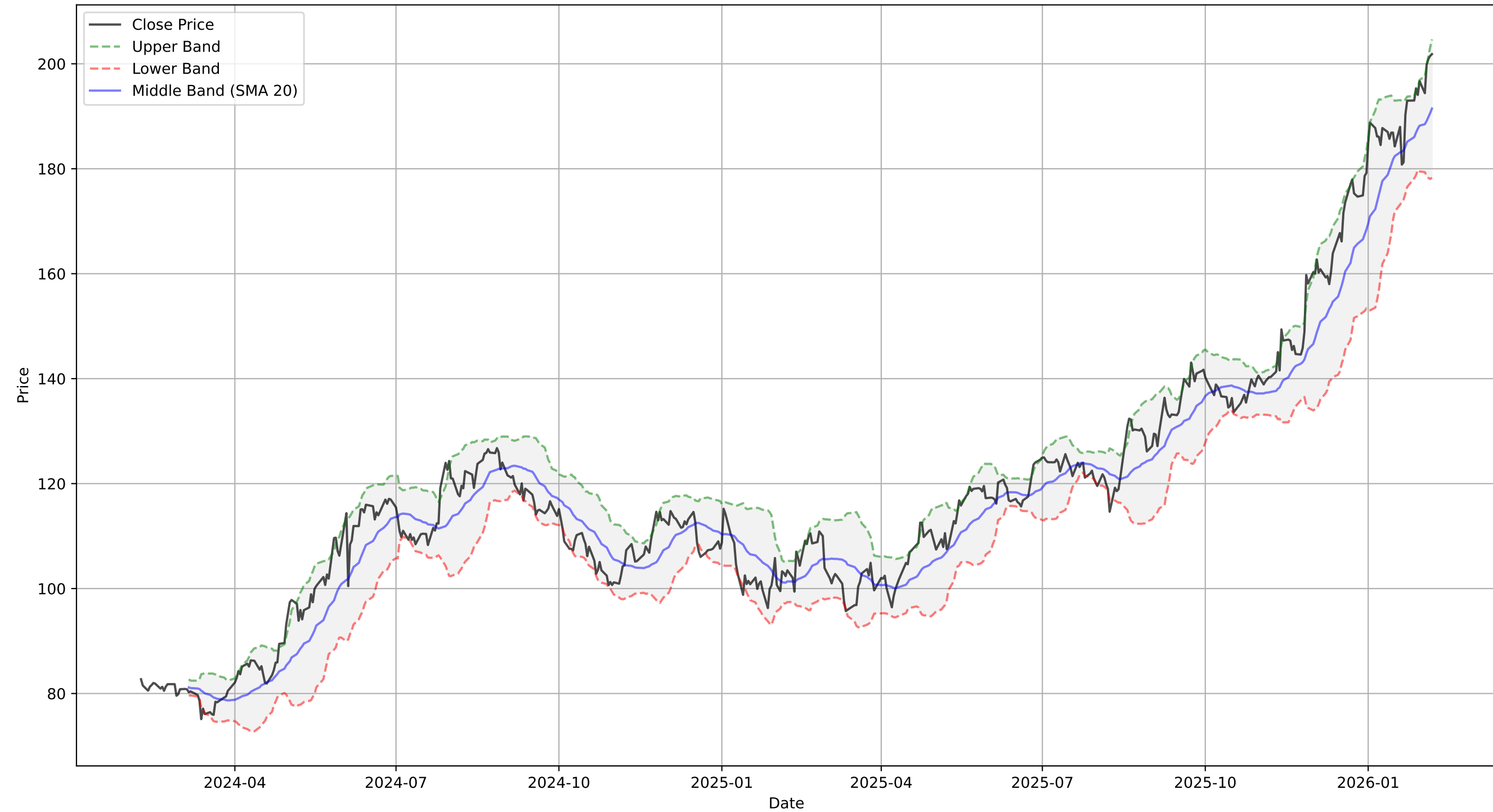
ASHOKLEY.NS EMA Crossover Analysis



ASHOKLEY.NS - Bollinger Bands Summary

Current Price:	201.84
Upper Band:	204.64
Middle Band (SMA 20):	191.47
Lower Band:	178.30
%B:	0.8939
Band Width:	0.1375
Status:	Upper Half
Signal:	None

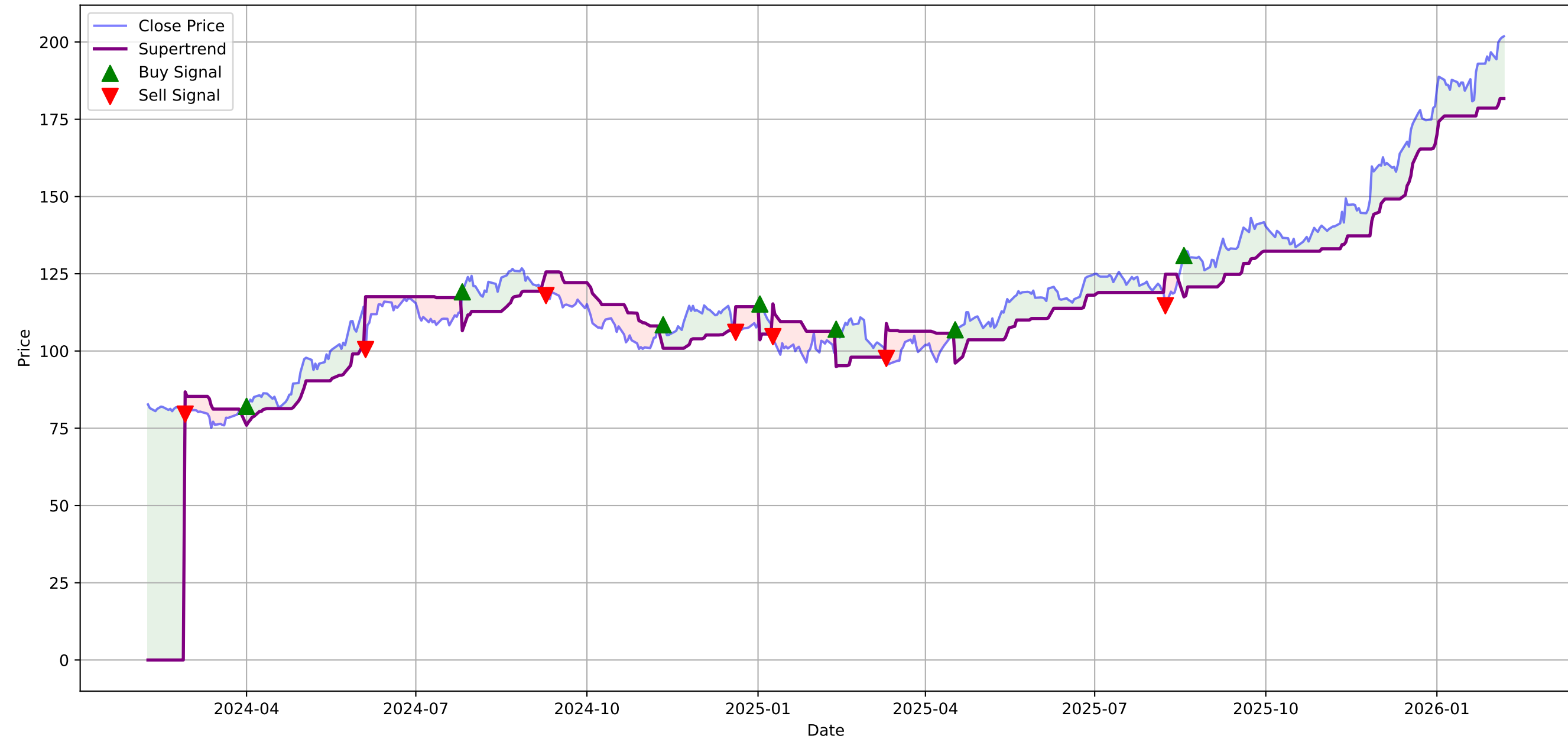
ASHOKLEY.NS Bollinger Bands (20, 2) Analysis



ASHOKLEY.NS - Supertrend Summary

Status:	UPTREND (Buy)
Supertrend Value:	181.72
Signal Identified On:	2025-08-18

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



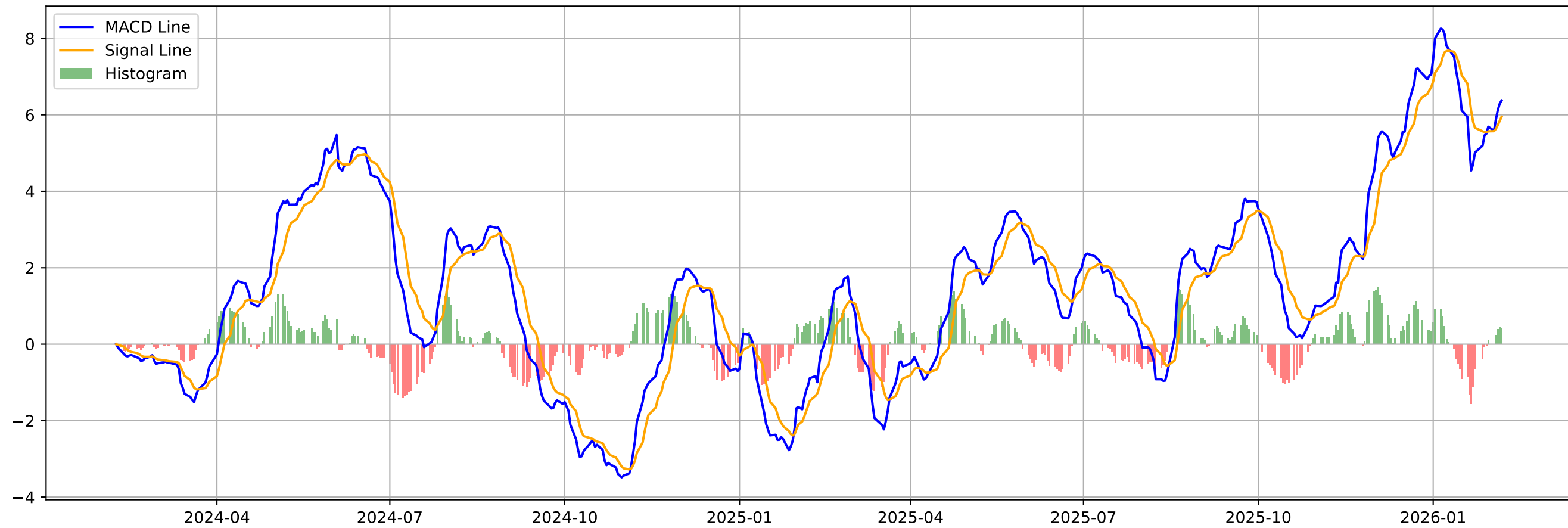
ASHOKLEY.NS - MACD Summary

MACD Line:	6.38
Signal Line:	5.95
Histogram:	0.43
Trend:	Bullish
Momentum:	Weakening
Signal:	None
Divergences Detected:	1
└ Bearish Divergence:	Date: 2026-02-06 00:00:00+05:30, Price: 201.84

ASHOKLEY.NS Price



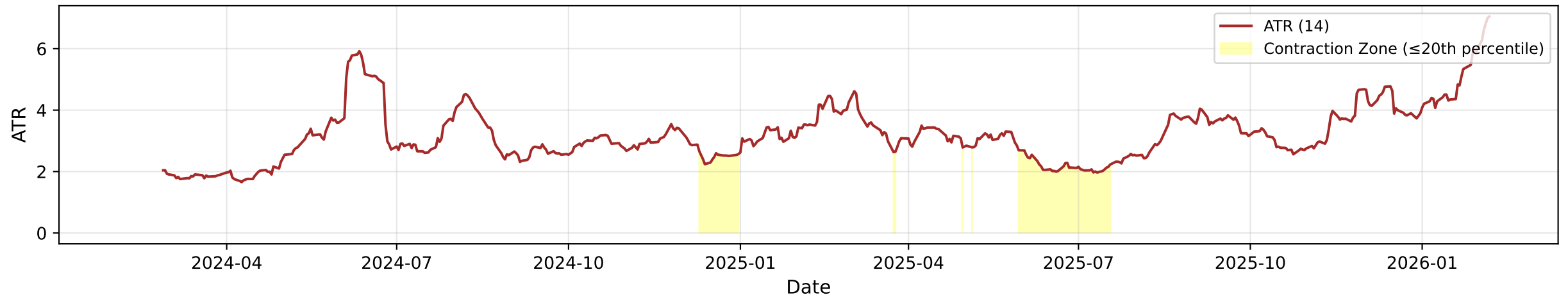
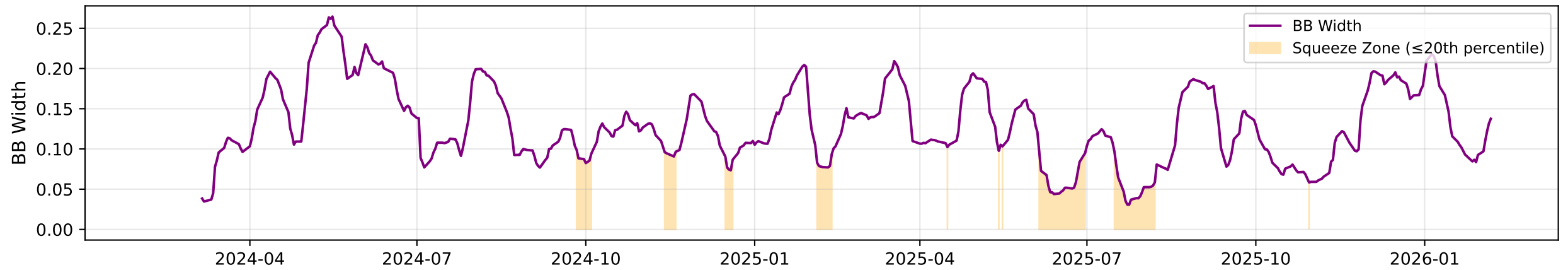
ASHOKLEY.NS MACD (12, 26, 9)



ASHOKLEY.NS - Volatility Squeeze Summary

BB Width:	0.1375
ATR:	7.0457
Total Signals:	0

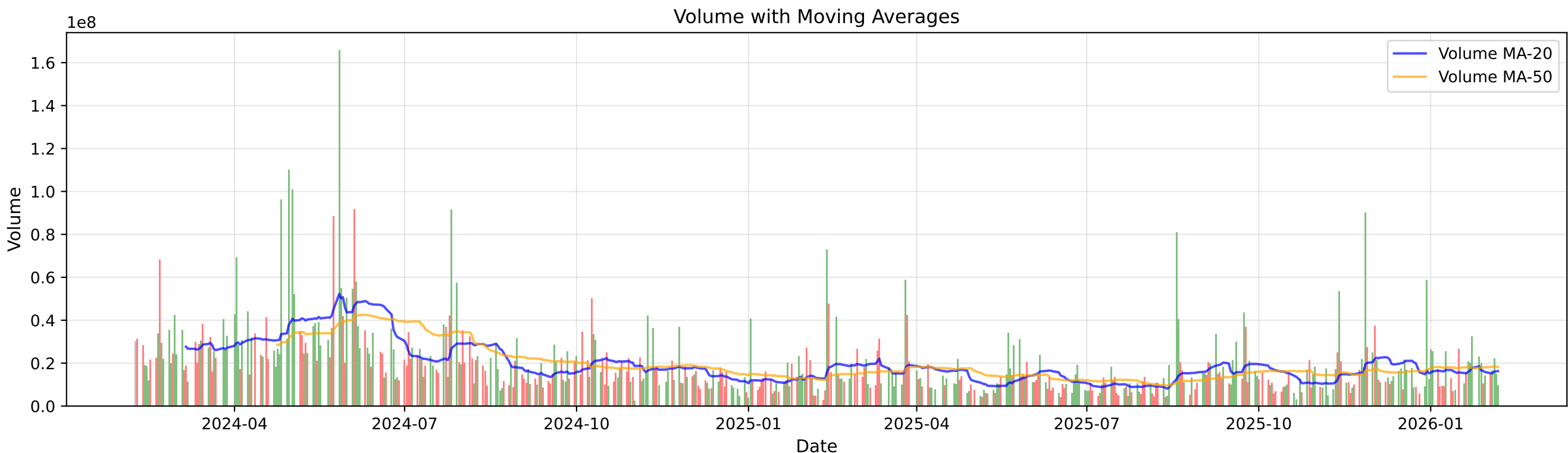
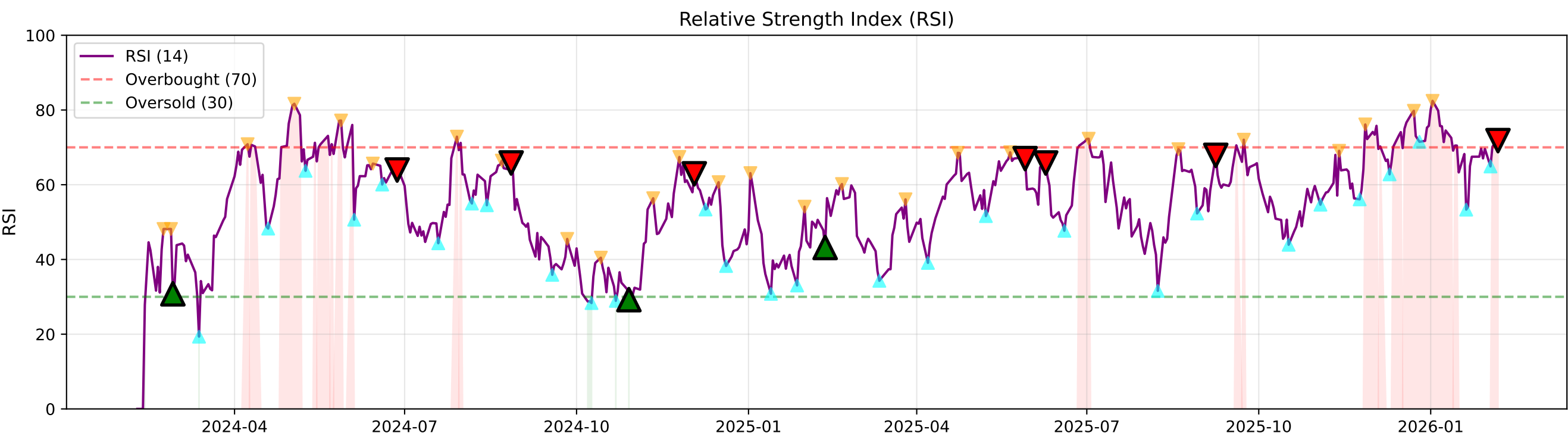
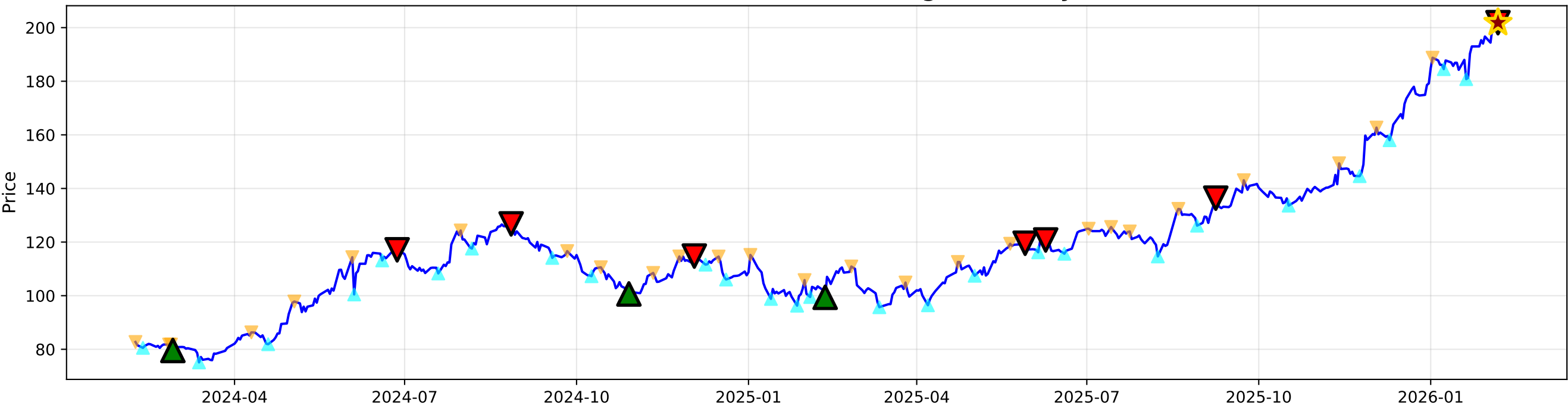
ASHOKLEY.NS - Volatility Squeeze Analysis



ASHOKLEY.NS - RSI-Volume Summary

Current RSI:	71.80
Current Volume:	9580410
Volume MA 20:	16266830
Bullish Divergences:	3
Bearish Divergences:	7
Bullish Div 1:	Date: 2024-10-29 00:00:00+05:30, Price: 100.66
Bullish Div 2:	Date: 2025-02-11 00:00:00+05:30, Price: 99.41
Bearish Div 1:	Date: 2025-09-08 00:00:00+05:30, Price: 136.37
Bearish Div 2:	Date: 2026-02-06 00:00:00+05:30, Price: 201.84

ASHOKLEY.NS RSI-Volume Divergence Analysis



ASHOKLEY.NS - Volume Analysis

== VOLUME ANALYSIS ==:

Status:

34 Signals Detected

:

2025-12-02 [-]:

Distribution Day

2025-12-03 [+]:

Buying Exhaustion (Bearish Div)

2026-01-05 [-]:

Distribution Day

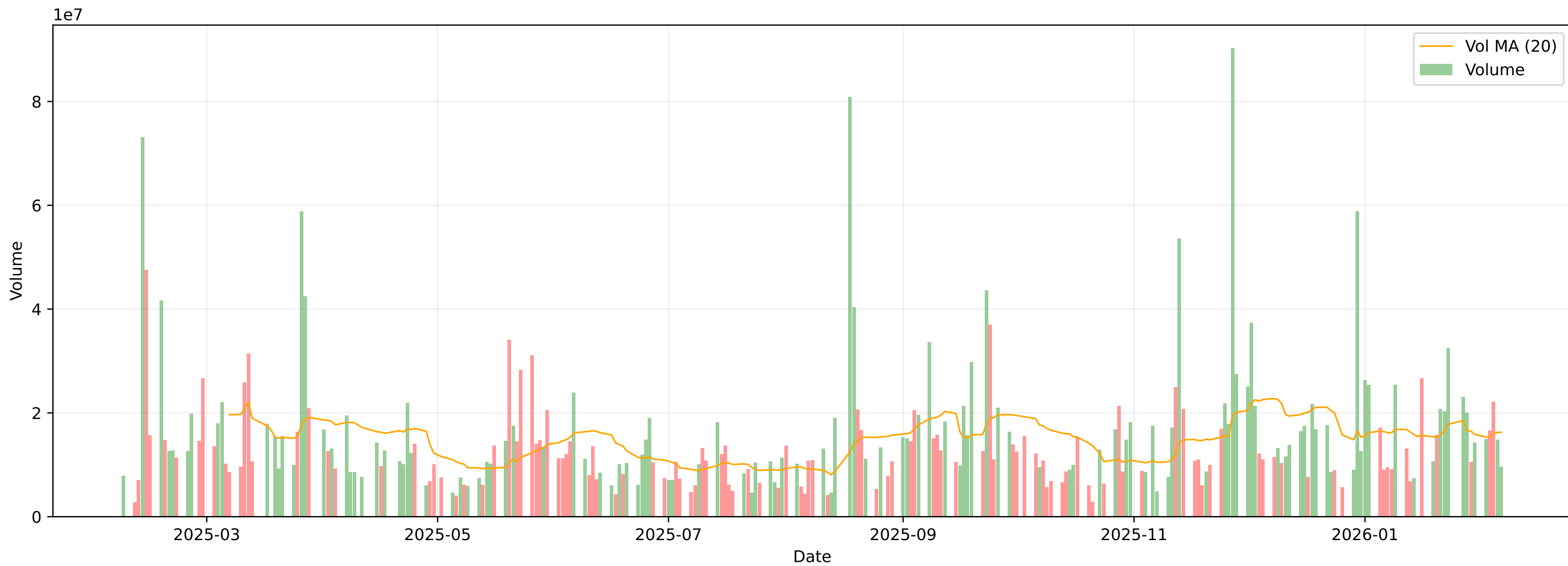
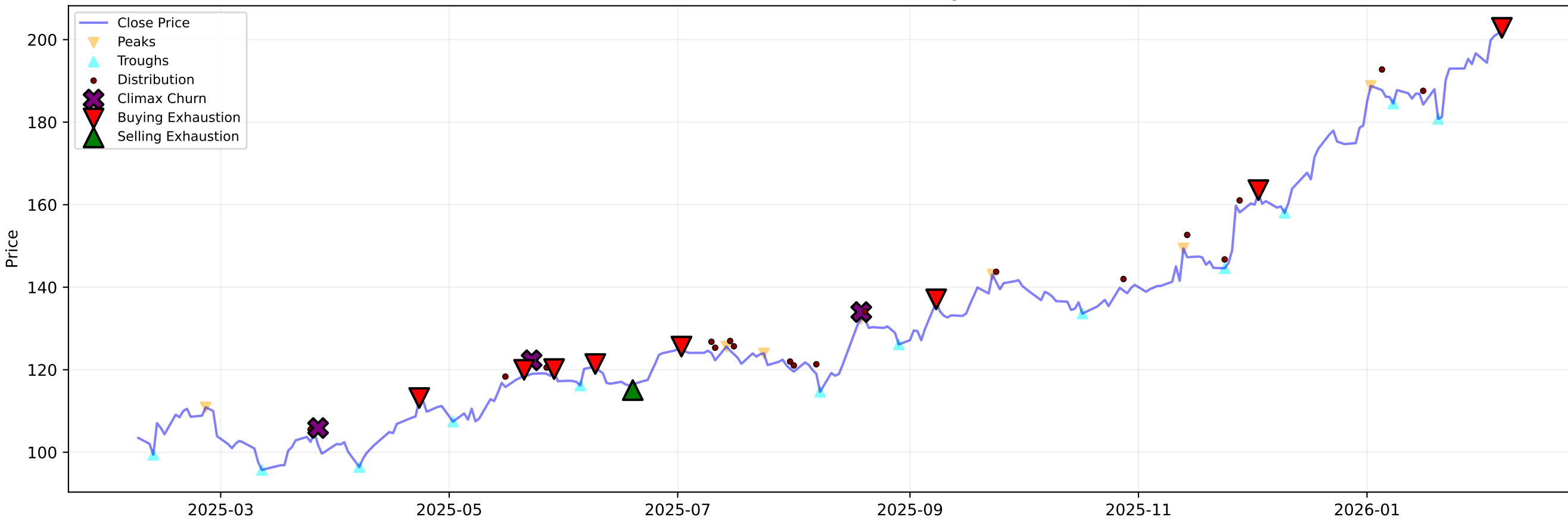
2026-01-16 [-]:

Distribution Day

2026-02-06 [+]:

Buying Exhaustion (Bearish Div)

ASHOKLEY.NS - Volume Analysis



ASHOKLEY.NS - Candlestick Classification Summary

== CANDLESTICK CLASSIFICATION ==:

Latest Classification: **No Control**

Recent Trend Score (10-day avg): 0.30

:

Distribution:

No Control: 119

Buyer Control: 58

Seller Control: 45

Buyer Strong Control: 4

Seller Strong Control: 2

ASHOKLEY.NS - Candlestick Classification



Multi-Timeframe Supertrend Analysis

Timeframe	Status	Value	Last Price	Signal Date
1 Week	UPTREND (Buy)	169.98	201.84	2025-05-12
1 Day	UPTREND (Buy)	181.72	201.84	2025-08-18
15 Min	UPTREND (Buy)	200.25	201.84	2026-02-06

Multi-Timeframe MACD Analysis

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

ASHOKLEY.NS - 1 Week (Candlestick + EMAs)



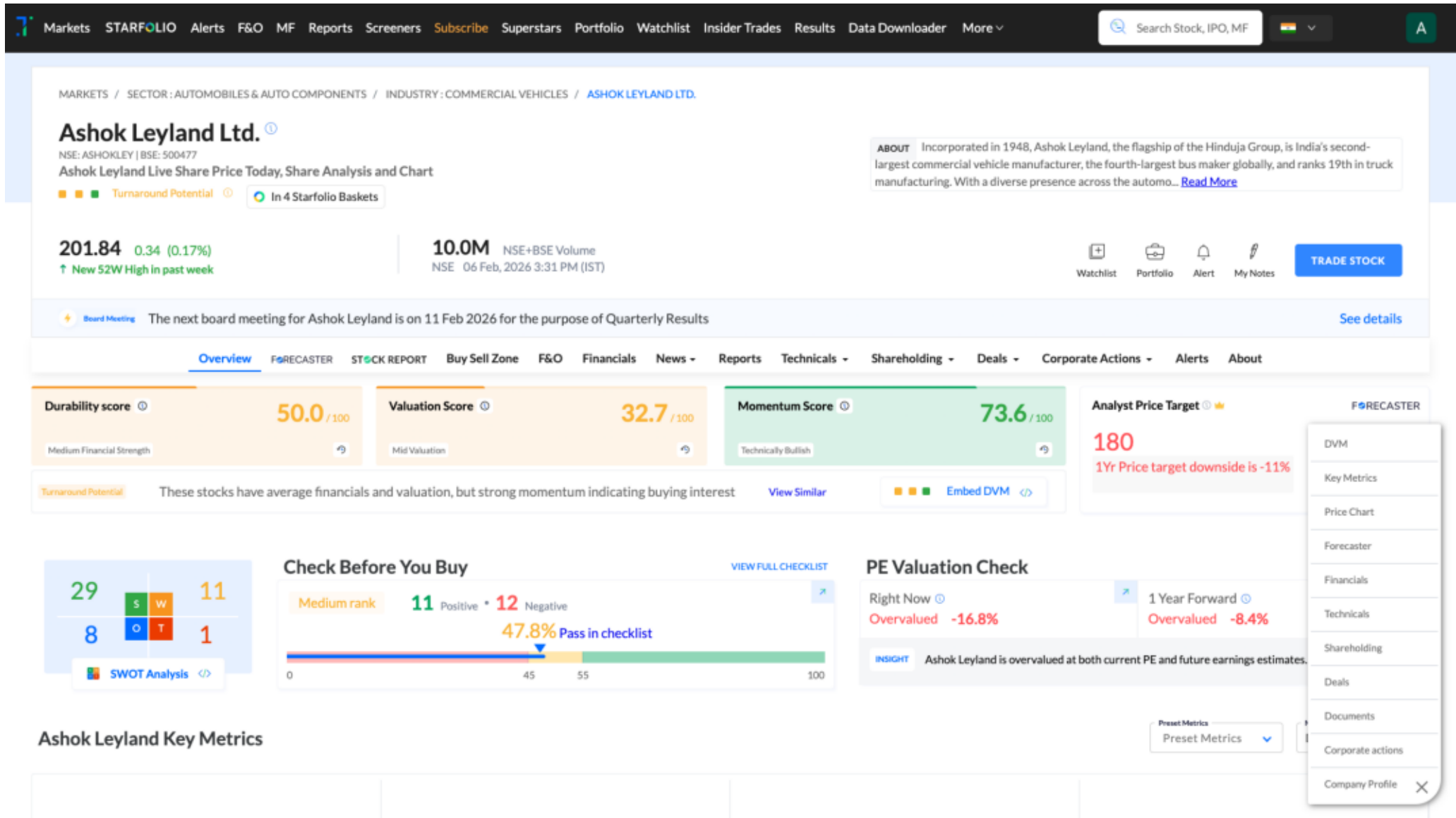
ASHOKLEY.NS - 1 Day (Candlestick + EMAs)



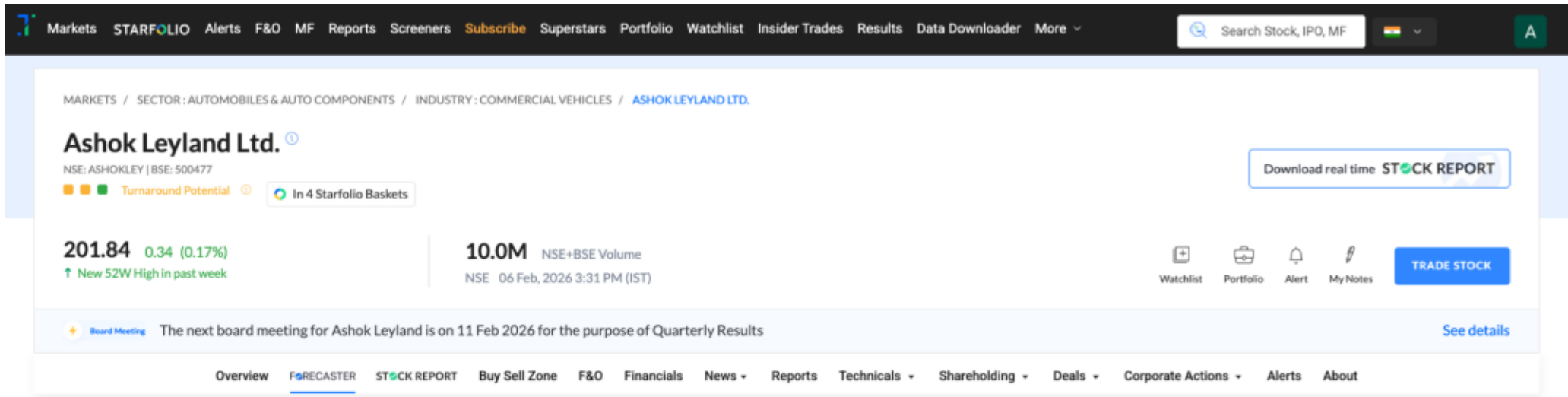
ASHOKLEY.NS - 15 Min (Candlestick + EMAs)



Trendlyne Snapshot - ASHOKLEY_main



Trendlyne Snapshot - ASHOKLEY_forecaster



Ashok Leyland - ASHOKLEY - stock price prediction, stock forecast, target price, analyst ratings from 37 analysts

Ashok Leyland has a share price target of Rs 180, revenue growth forecast of 9.7%, and profit growth estimate of 9.0% for FY26, based on top 37 analyst calls.

Ashok Leyland FORECASTER - Analyst Estimates ^{NEW} ⓘ

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