

Financial Analysis of ITC:

Company Overview

ITC Limited is one of India's leading diversified companies, with a robust presence across various sectors, including Fast-Moving Consumer Goods (FMCG), Hotels, Paperboards & Packaging, Agri-Business, and Information Technology. This report analyses ITC's stock performance, focusing on key indicators such as CAGR, SMA, and MACD to assess its historical performance and potential future trends.

Key metrics analyzed:

1. CAGR (Compound Annual Growth Rate)
2. SMA (Simple Moving Average Analysis)
3. MACD (Moving Average Convergence Divergence Analysis)
4. Stock Price Vs VWAP

CAGR (Compound Annual Growth Rate):

CAGR measures an investment's mean annual growth rate over a period usually longer than one year. It provides a smoothed rate of return that removes the effects of volatility.

For this case, the CAGR analysis was performed for one year from Aug 2023 to Aug 2024.

The CAGR metric for ITC over the year resulted in **36** as a score describing the growth value of the stock over the year.

SMA (Simple Moving Average Analysis):

SMA is a common technical indicator used that smooths out price data by creating a constantly updated average price over a specific period. It helps in identifying the direction of the current trend.

- **Short-Term SMA (20-day):** The 20-day SMA is calculated to analyze the short-term trend. SMA is indicated by the green line. The Green Line experiences constant fluctuations throughout the year. The SMA 20 average value for the stock is 439.08777292576417.
- **Long-Term SMA (50-day):** The 50-day SMA is used to understand the medium-term trend. The current 50-day SMA stands at 437.56083417085426. The comparison between the 20-day and 50-day SMA indicates bullish momentum in the stock.
- **Trend Observation:** The stock price's crossover above the SMA indicates bullish momentum, while a crossover below suggests bearish momentum. Currently, ITC's stock is trading above the 20-day SMA, signaling a potential upward trend.

- **Long-Term SMA (100-day):** The 100-day SMA is calculated to assess the long-term trend. As of August, the 100-day SMA is 437.10047315436236, providing insight into the overall long-term market direction. A crossover of the stock price above the 100-day SMA indicates the start of a long-term bullish trend.

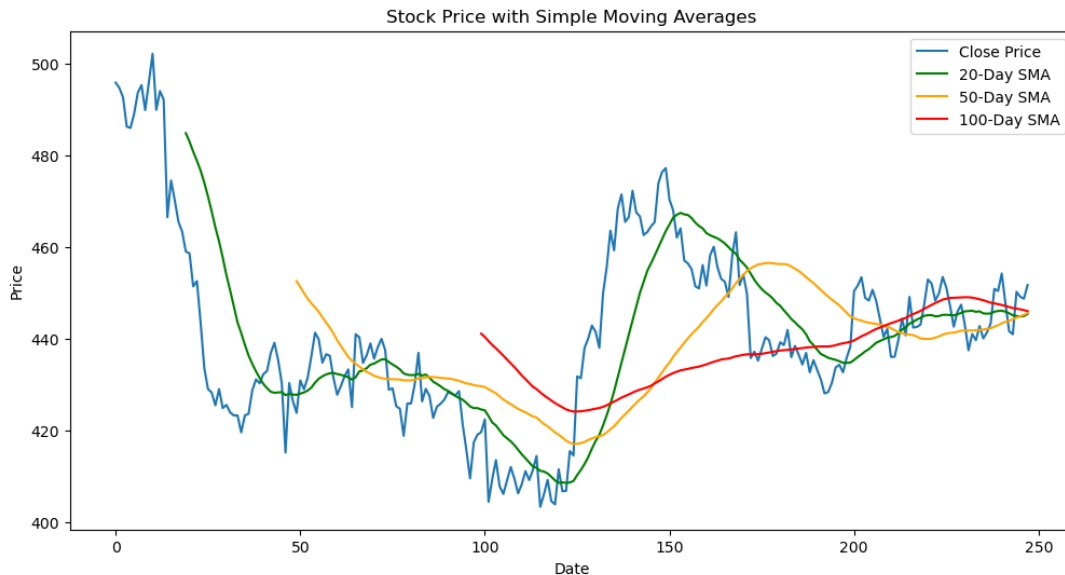


Figure 1: Stock Price with Simple Moving Averages

MACD (Moving Average Convergence Divergence Analysis):

MACD is a momentum indicator that shows the relationship between two moving averages of a stock's price. It consists of the MACD line, Signal line, and Histogram.

- **MACD Line:** The difference between the 12-day EMA and the 26-day EMA.
- **Signal Line:** The 9-day EMA of the MACD line.
- **Current MACD Analysis:**
 - As of August, the MACD line is Blue, and the Signal line is Orange.
 - The MACD histogram is showing positive bars in the recent months, indicating a bullish momentum in the stock.

- A recent cross-over of the MACD line above the Signal line suggests a potential buy signal.

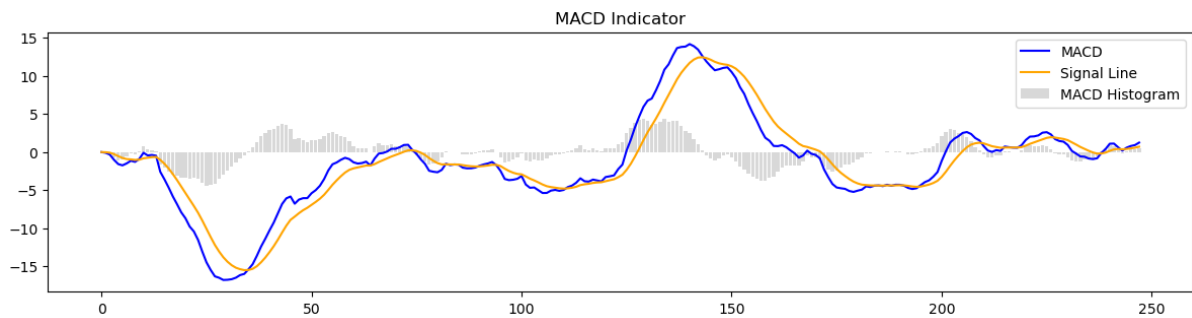


Figure 2: MACD Analysis

Stock Price vs VWAP:

VWAP (Volume Weighted Average Price) is a trading benchmark that gives the average price a stock has traded at throughout the day, based on both volume and price.

- **VWAP Calculation:**
 - VWAP is calculated by taking the sum of the product of price and volume and dividing it by the total volume over a given period.
- **Current Analysis:**
 - The ITC's stock price is consistently above the VWAP, it indicates strong buying pressure and a bullish sentiment in the market.
- **VWAP as Support:**
 - VWAP can act as a dynamic support or resistance level during intraday trading. A move above the VWAP indicates a buying opportunity.
 - Currently, ITC's stock is trading above the VWAP, suggesting that buyers are dominating the market.

