



INFOSYS STOCK ANALYSIS REPORT

YEAR IN REVIEW

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INTRODUCTION:

In this exploratory data analysis (EDA), we delve into the historical performance of Infosys's stock to uncover trends, patterns, and insights that may inform investment decisions. By analyzing key metrics and visualizing the data, we aim to gain a deeper understanding of the stock's behavior and potential factors driving its performance.

DATA SOURCES:

- Historical stock price data for Infosys obtained from [<https://finance.yahoo.com/quote/INFY.NS/history/>].

KEY FINDINGS:

Trend Analysis

- Infosys's stock has shown a general upward trend over the past 12 months, with occasional periods of volatility.
- The stock experienced significant growth in between September & November in 2023 and also between January & April in 2024.



Volatility and Risk:

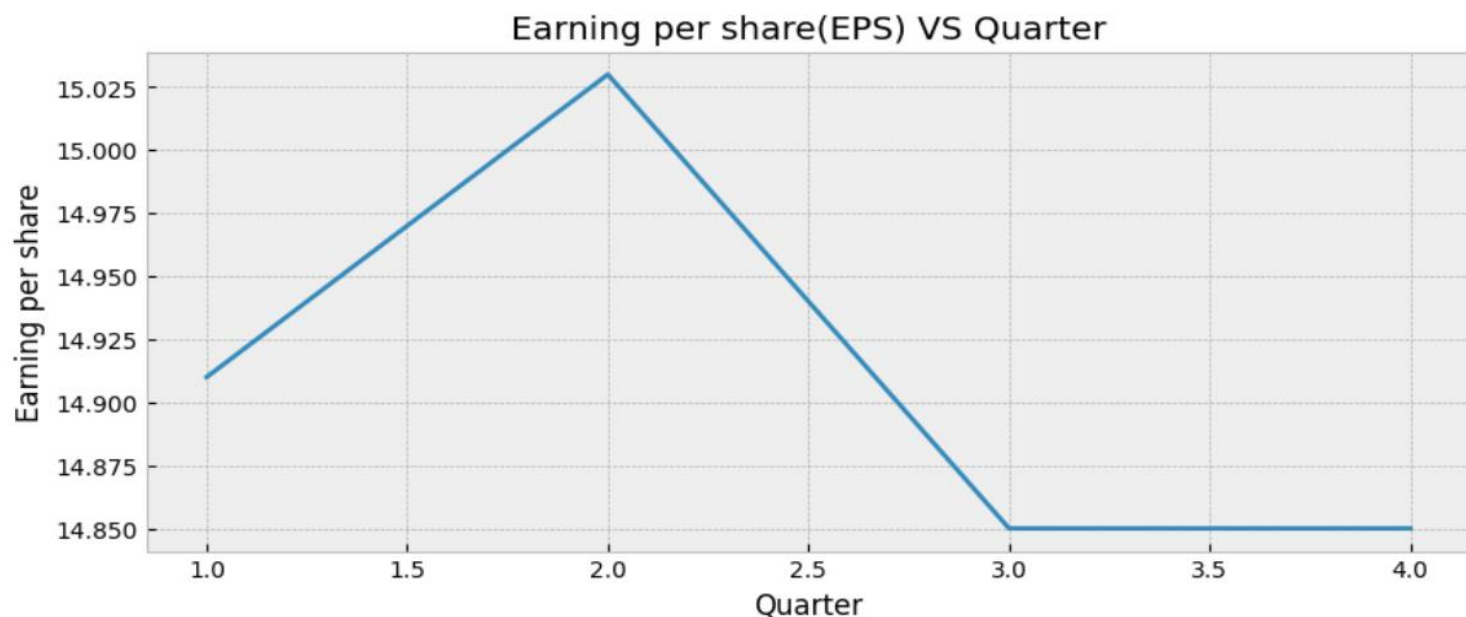
- Volatility analysis reveals periods of heightened volatility coinciding with major market events such as –
 1. Infosys realized 3.1 % year-on-year wise net profit in September 2023.
 2. Revenue growth by 6.7 % to Rs 38,994 crore for the September quarter in 2023.
 3. Infosys announced its Q3 2024 results on January 11, 2024. The company reported revenue from operations of Rs 38,821 crore, which is a 1.3% increase from the previous year, and revenues in CC terms grew by 1% year-on-year and quarter-on-quarter.

- Beta coefficient analysis suggests that Infosys's stock exhibits above average volatility compared to the broader market.



Fundamental Analysis:

- Earnings per share (EPS) and revenue trends indicate stagnant growth over the past 12 months, with occasional fluctuations.



VISUALIZATIONS:

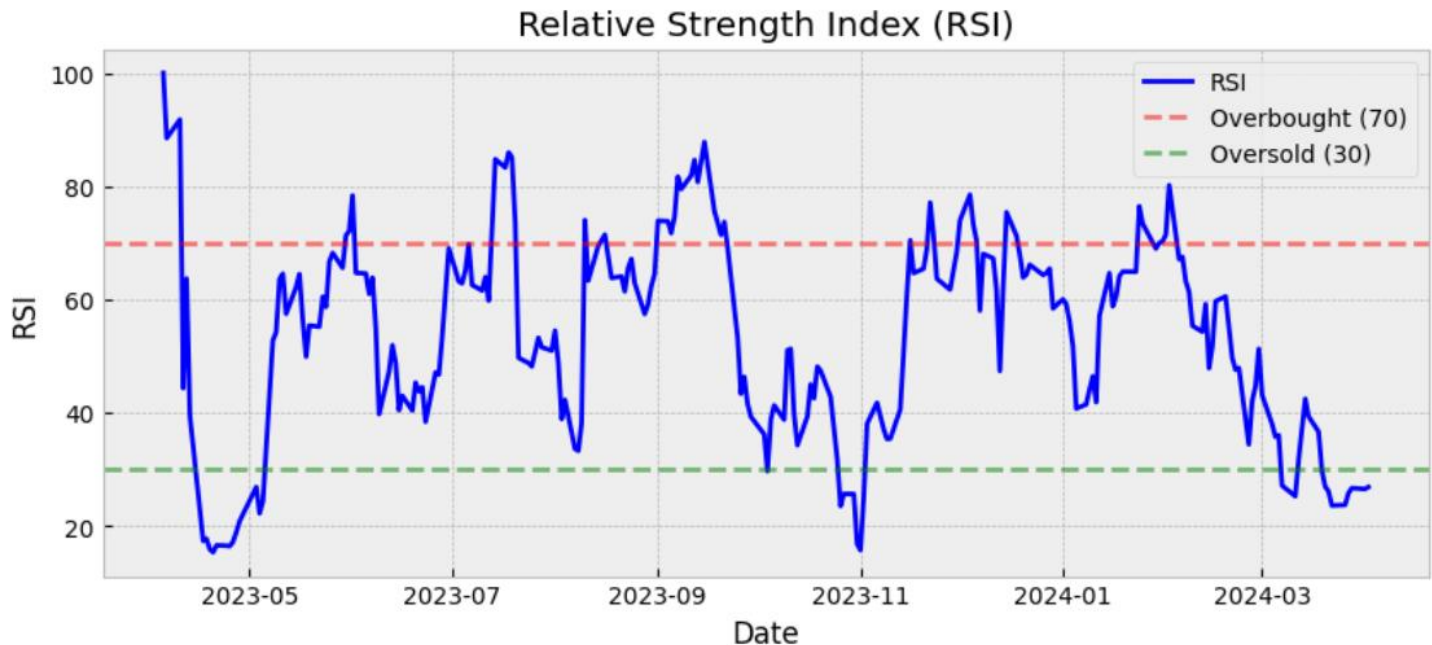
Price v/s moving average:

- As the trend says, most of the time the SMA is below the Closing price which indicates a bullish trend in the stock.
- As both of the SMA & Exponential moving average(EMA) remains below the close price level, indicate a strong and sustained bullish trend in the market with a little volatility.



Relative strength index (RSI) :

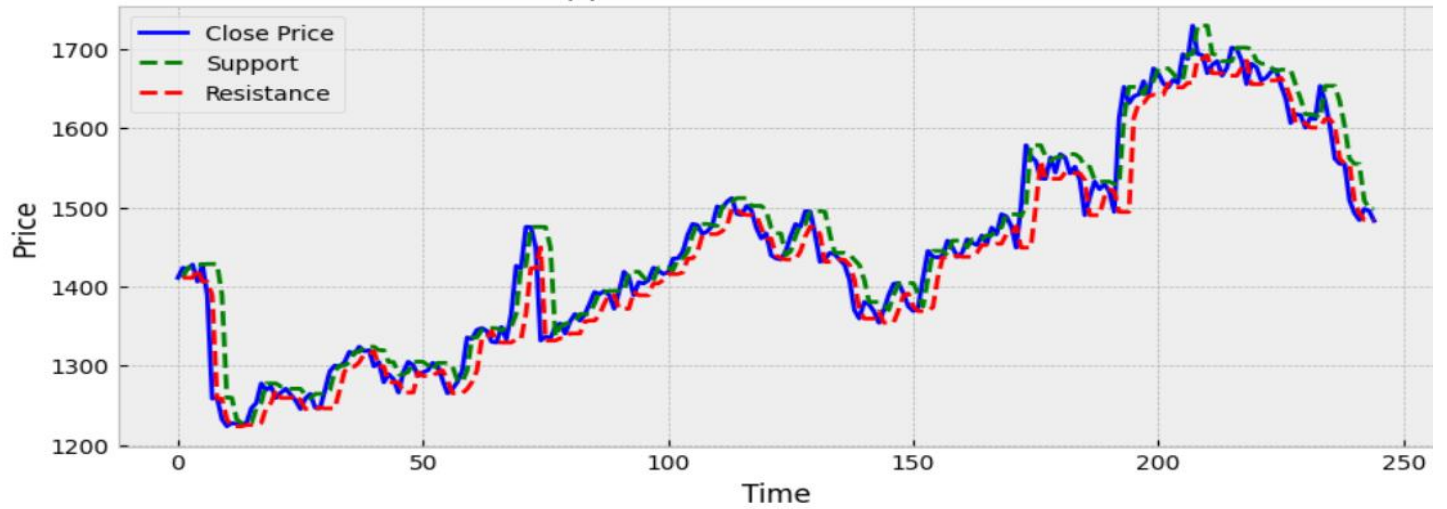
- RSI is more than 60 and 70 after every quarter wise financial report published by the company which suggest the rise in close price and RSI index is mostly emotionally driven.
- In April - FY 24, there is a huge fall in RSI to below 20 point, which may occur due to unexpected weak result in Q4-FY 23.



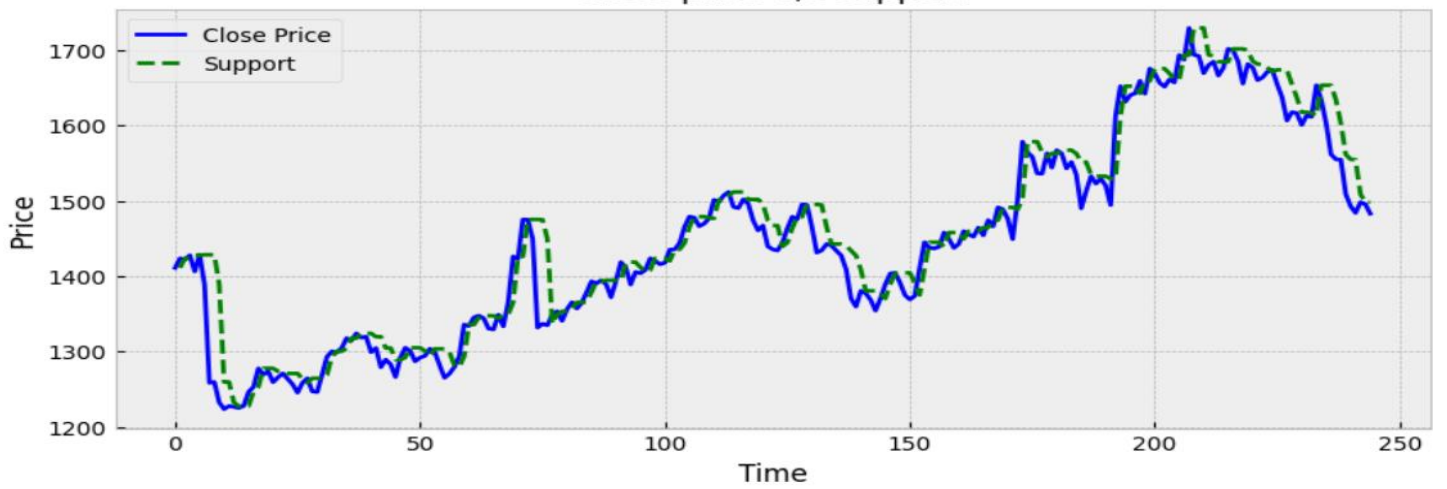
Support v/s Resistance:

- As the support trend line is positioned above the close price, and the resistance trend line is below the close price, it creates a specific chart pattern known as a "channel" or "ascending channel." This pattern typically indicates a bullish trend in the stock.
- We can use support trend line to buy and resistance trend line to sell stocks.

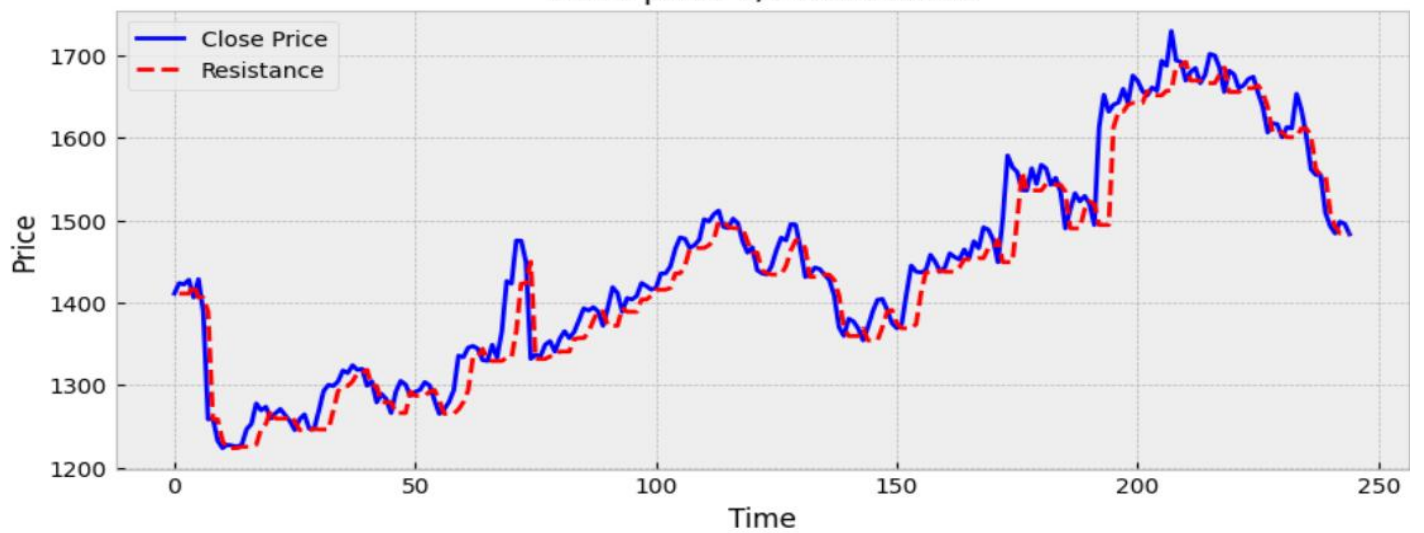
Support v/s Resistance Levels



Close price v/s support



close price v/s Resistance



CONCLUSION:

Infosys's stock has demonstrated a consistent upward trajectory over the past 12 months, albeit with intermittent periods of volatility. Notably, significant growth was observed between September and November 2023, as well as between January and April 2024. These growth spurts were often accompanied by heightened volatility, coinciding with major market events such as the realization of a 3.1% year-on-year net profit in September 2023 and the announcement of Q3 2024 results in January 2024.

Analysis of volatility suggests that Infosys's stock tends to exhibit above-average volatility compared to the broader market, while earnings per share (EPS) and revenue trends indicate relatively stagnant growth with occasional fluctuations. Technical indicators such as the Simple Moving Average (SMA), Exponential Moving Average (EMA), and Relative Strength Index (RSI) offer insights into market sentiment and potential price movements. Notably, the bullish trend indicated by the positioning of SMA and EMA below the closing price suggests sustained positive momentum with limited volatility.

The RSI index, which tends to rise above 60 and 70 following quarterly financial reports, indicates emotionally driven increases in the close price. However, a significant drop in RSI below 20 in April of FY 24 may be attributed to unexpected weakness in Q4-FY 23 results. Additionally, the alignment of support and resistance trend lines creating an "ascending channel" pattern further supports the notion of a bullish trend in Infosys's stock. These observations collectively provide valuable insights for investors navigating the dynamic landscape of Infosys's stock market performance.