

VEDANTA Limited.

BUY

CMP	Rs. 380
Target Price	Rs. 501
Time Frame	5-8 months
Risk	Medium
Sector	Metals & Mining



Price & Volume Analysis

% Change from previous Day	1.42%
% Change from previous Month	2.66%
52 Week High	389
52 Week Low	307
Weekly H/L	384/354
Deliverable	43.21%
Book Value / Share	206.29
EPS	39.56
Market Cap (Rs. CR)	1,40,566

Incorporated in the year 1965, Vedanta Ltd is one of the world's leading diversified resources producing company which include aluminum, Oil & Gas, copper, Iron Ore, zinc-lead-silver, Power and scrap. Vedanta is also one of the largest resources company in India. The firm generated record revenues and highest-ever EBITDA in Q3FY22. Vedanta registered strong revenue growth of 49.8% YoY in Q3FY22 (+12.1% QoQ) led by higher volumes and realisations. PAT rose 27.3% YoY, primarily on higher topline.

Momentum Analysis

RSI (14, E9) Monthly	72.6
Smoothed RSI	55
Stochastic oscillator monthly (1,3,3)	59.27

Further, 14-period RSI witnessed a Double bottom pattern when the prices were making lower lows suggesting a positive divergence. RSI also gave a positive crossover after reversing from the Double bottom levels.

Support & Resistance Analysis

Support 1	337
Support 2	301
Resistance 1	478
Resistance 2	621

The stock price is witnessing an uninterrupted up move from the panic lows made in March 2020 at 60. The ongoing upsurge is crystal clear that the stock is in strong uptrend and is now aiming to move above its all-time-high at 478 mark. Immediate supports are placed at 337 while confirmation of major strength above 478.

Trend Analysis

Moving Average - 50 Days	353
Moving Average - 200 Days	317
ADX (14d)	11.7
Bollinger Band Weekly	385/345
MACD Weekly	19.97

Considering the daily time frame, the stock took support at 200 days EMA line and bounced back to trade in green. The bounce is now resulting into a massive breakout on the upside on the monthly/weekly charts. ADX indicator too suggesting robust positive bias.

CONCLUSION

The key positive catalyst in favor of Vedanta's stock price is the firm's improving operating performance, supported by stable volume across business segments and increased commodity prices. 85%+ of EBITDA comes from Zinc, Aluminium and Oil & Gas. The magnificent uptick in metal prices augurs well for Vedanta.

Vedanta is largest aluminum capacity in India with captive power and an alumina refinery and the 9th largest Aluminium producer globally in terms of smelting production.

Vedanta is one of the Largest integrated zinc- lead smelter, Rampura Agucha – largest underground mine globally, 6th largest silver producer globally, Gamsberg - one of the largest zinc deposits in the world.

Vedanta is India's largest private sector crude oil producer and one of the lowest cost producers in the world with strong exploration fundamentals supports reserves and resources growth (OALP 51 blocks having >5.5 mmboe with 65,000 sq km average).

Vedanta is India's largest private sector exporter of iron ore since 2003, according to the Federation of Indian Mineral Industries. ESL Steel is engaged in the manufacturing of steel with a total current capacity of 1.5 Mt per year and the potential to increase to 3 Mt per year.



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POTENTIAL CONFLICT OF INTEREST DISCLOSURE (as on date of report)

Disclosure of interest statement – • Analyst interest of the stock /Instrument(s): - No. • Firm interest of the stock / Instrument (s): - No.

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