

# WEALTH WEEKLY

## Weekly Alerts You Can Use!

### Weekly View: Nifty, Bank Nifty:

Indices	CMP	Support	Resistance	50 DMA	200 DMA	Range	Preferred Trade
NIFTY	22553	22200	23000	23151	24069	22325-22821	Buy between 22475-22511 zone. Targets at 22922/23001. Stop at 22199.
BANK NIFTY	48498	47500	50377	49305	50961	47500-49851	Buy at CMP. Targets at 49500/50377/51000. Stop 47400.

### Medium Term Pick:

Stocks	CMP	Support	Resistance	50 DMA	200 DMA	Bias	Preferred Trade
VARUN BEVERAGES	488	397	561	544	599	Positive	<b>Varun Beverages Limited (VBL)</b> is a key player in beverage industry and one of the largest franchisers of PepsiCo in the world (outside USA). VBL has been associated with PepsiCo since the 1990s and have over two and half decades consolidated its business association with PepsiCo. Varun Beverages reported 36% rise in consolidated net profit at ₹195.64 crore for December quarter 2024, driven by volume growth and improved margins. The CAGR of Varun Beverages is 22.71. Stock's PE is 63.57. Price to Book Ratio of 9.93. <b>Establish long positions at CMP, targeting 513/561 and then aggressive targets at psychological 600 mark. Stop below 397. Holding Period: 9-12 Months.</b>

#### BUY VARUN BEVERAGES at CMP 488, Target 561

CMP	488
Target Price	561
52 Week H/L	682.84/419.4
P/E	71.11
EPS (TTM)	6.86
Promoter Holding/DIIs/FIIs	60.2/32.3/25.3
Book Value	48.96
Market Cap (INR)	1,64,996.09 crores

**Theme:** Incorporated in the year 1995, Varun Beverages Limited (VBL) is a key player in beverage industry and one of the largest franchisers of PepsiCo in the world (outside USA). VBL has been associated with PepsiCo since the 1990s and have over two and half decades consolidated its business association with PepsiCo. VBL commands a market cap of Rs 1,64,945 Crore and manufactures, distributes and sells a wide range of carbonated soft drinks (CSDs), as well as a large selection of non-carbonated beverages (NCBs), including packaged drinking water sold under trademarks owned by PepsiCo.

PepsiCo CSD brands produced and sold by VBL include Pepsi, Pepsi Black, Mountain Dew, Sting, Seven-Up, Mirinda Orange, Seven-Up Nimbooz Masala Soda and Evervess. PepsiCo NCB brands produced and sold by the Company include Tropicana Slice, Tropicana Juices (100% and Delight), Seven-Up Nimbooz, Gatorade as well as packaged drinking water under the brand Aquafina.

VBL has been granted franchisees for various PepsiCo products across 27 States and 7 Union Territories in India (responsible for ~90% beverage sales volume of PepsiCo India). VBL has also been granted the franchise for the territories of Nepal, Sri Lanka, Morocco, Zambia and Zimbabwe.

VBL is part of the RJ Corp group, a diversified business conglomerate with interests in beverages, quick-service restaurants, ice-creams and healthcare. VBL's Promoter and Chairman Mr. Ravi Jaipuria has an established reputation as an entrepreneur. Promoter, DII and FII owns 62.66, 4.93 and 24.18 shares of Varun Beverages as on 31 Dec 2024

Varun Beverages reported 36% rise in consolidated net profit at ₹195.64 crore for December quarter 2024, driven by volume growth and improved margins

In 2024, VBL commissioned three new greenfield production facilities in India at Supa (Maharashtra), Gorakhpur (Uttar Pradesh) and Khordha (Odisha) and one new greenfield production facility in Kinshasa, Congo.

Over the outlook, Jaipuria said VBL remains focused on sustaining healthy growth in both Indian and international markets through deeper market penetration, capacity expansion and continued investments. The CAGR of Varun Beverages is 22.71. Stock's PE is 63.57. Price to Book Ratio of 9.93.

**Technical Outlook:** The stock at the moment is witnessing massive corrective bullish consolidation declines on the long-term charts and that's on backdrop of one way up move since March 2020 low at Rs 42.90.

Major supports are placed at 419-421 zone. The stock faces major hurdles at 599 area which is also its 200DMA, now above 599-mark, momentum buying is quite likely.

**Preferred Strategy:** Establish long positions at CMP, targeting 513/561 and then aggressive targets at psychological 600 mark. Stop below 397. Holding Period: 9-12 Months.

#### Daily Chart of VBL :



### Mehta Equities

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