

WEALTH WEEKLY

Weekly Alerts You Can Use!

Weekly View: Nifty, Bank Nifty:

Indices	CMP	Support	Resistance	50 DMA	200 DMA	Range	Preferred Trade
NIFTY	22904	22501	23501	23001	24077	22522-23221	Sell at CMP. Targets at 22501/22000. Stop at 23511.
BANK NIFTY	51503	50200	52335	49495	51036	50323-52275	Sell at CMP. Targets at 50200/49695/49100. Stop 52335.

Medium Term Pick:

Stocks	CMP	Support	Resistance	50 DMA	200 DMA	Bias	Preferred Trade
JINDALSTEL	850	789	969	869	939	Negative	JINDAL STEEL & POWER has witnessed a sharp fall in last week's trade, down 4.91%. The stock is now signaling a down-move towards its intermediate February 2025 low at 723 mark. Momentum oscillators signaling major weakness on backdrop of deteriorating technical conditions + probable bearish monthly charts plus spinning top candles on the monthly charts. Establishing short positions at CMP, and on strength between 885-905 zone should be the preferred trading strategy, targeting 823/789 and then aggressive targets at 723-745 zone. Stop above 969. Holding Period: 1-2 Months.

SELL JINDALSTEL CMP 850, Target 789

CMP	850
Target Price	789
52 Week H/L	1097.1/723.95
P/E	18.14
EPS (TTM)	47.01
Promoter Holding/DIIs/FIIs	61.19/28.3/11
Book Value	486.98
Market Cap (INR)	86,988.01 crores

Incorporated in the year 1979, Jindal Steel & Power Limited is an industrial powerhouse and one of the leaders in the Indian steel industry with a significant global presence. It operates the largest coal-based sponge iron plant in the world and has substantial presence in domestic power, mining and infrastructure sectors. The Company's geographical footprints span across Asia, Africa, Australia and the Middle East. Its current thrust, however, is India, and to contribute its fullest to the India Growth Story – towards Aatmanirbhar Bharat, and also the \$ 5 trillion economy vision. The Company produces economical and efficient steel and power through backward and forward integration. The Company's product portfolio spans across the steel value chain from widest flat products to a whole range of long products and rails.

Jindal Steel and Power Q3FY25: Profit fell 51% despite 5% growth in steel sales due to higher costs and lower margins.

The company's gross revenue for Q3FY25 stood at ₹13,707 crore, marking a marginal 0.1% year-on-year increase. However, adjusted EBITDA declined 24% to ₹2,133 crore, reflecting rising operational expenses and pricing pressures.

JSPL's net debt increased to ₹13,551 crore as of December 31, 2024, compared to ₹12,464 crore in the previous quarter, raising its net debt-to-EBITDA ratio to 1.40x. The CAGR of JSPL is 6.43. Foreign Institutional Investors holding have gone down from 11.93 (31 Mar 2024) to 10.99 (31 Dec 2024).

Steel production for the quarter stood at 1.99 million tonnes (MT), up 3% YoY, while steel sales reached 1.90 MT, growing 5% YoY. Exports contributed 7% to the quarterly sales. For the nine months ended December, 2024, JSPL reported a gross revenue of ₹42,519 crore, with a net profit of ₹3,149 crore..

As per an exchange filing, Wollongong Resources Pty Ltd Australia, a step-down subsidiary of the company, recorded net loss after tax at Rs 35.74 crore for the quarter.

"As on September 30, 2024 the accumulated losses and negative net worth of Jindal Steel & Power (Mauritius) Limited (JSPML) is of Rs 3,467.87 crore and Rs 2,062.92 crore, respectively"

Technically, JINDAL STEEL & POWER stock price pattern appears ugly at current levels.

JINDAL STEEL & POWER gave a 3 year return of 65% as compared to Nifty 100 which gave a return of 33%. Stock generated 65% return as compared to Nifty Metal which gave investors 40.18% return over 3 year time period. (as of last trading session).

The technical landscape suggests overbought technical conditions.

Technically speaking, the biggest negative catalyst is prevailing deteriorating technical conditions as the recent down trend in the stock price could trigger some more corrective declines and also on backdrop ugly looking charts, there is limited room for upside. The 200-DMA of the stock is around 939 levels.

Also, the recent sequence of lower high low is intact on all time frames on backdrop of a probable 'Double Top' pattern on the weekly charts plus a 'higher consolidation pattern' breakdown on the weekly charts. The momentum oscillators are seen shifting in sell mode signaling further sharp corrective down move. The stock price has already signaled a break down from a "higher consolidation zone" on the daily charts — confirmation of the same below 833 mark. Immediate downside risk below 841 close is at psychological 800 mark and then all bearish eyes on Feb 2025 low at 723 mark.

Establishing short positions at CMP, and on strength between 885-905 zone should be the preferred trading strategy, targeting 823/789 and then aggressive targets at 723-745 zone. Stop above 969. Holding Period: 1-2 Months.

Daily Chart of JINDALSTEL :



Mehta Equities

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