

WEALTH WEEKLY

Weekly Alerts You Can Use!

Weekly View: Nifty, Bank Nifty:

| Indices | CMP | Support | Resistance | 50 DMA | 200 DMA | Range | Preferred Trade |
|------------|-------|---------|------------|--------|---------|-------------|--|
| NIFTY | 24450 | 24000 | 24788 | 25583 | 25343 | 24170-24788 | Sell at CMP. Targets at 24000/23700. Aggressive targets at 23450. Stop at 24800. |
| BANK NIFTY | 57783 | 56500 | 59000 | 59885 | 57495 | 56700-58800 | Sell at CMP Targets at 56500/55000. Aggressive targets at 53500. Stop at 59000. |

Medium Term Pick:

| Stocks | CMP | Support | Resistance | 50 DMA | 200 DMA | Bias | Preferred Trade |
|--------------------|------|---------|------------|--------|---------|----------|---|
| HINDUSTAN UNILEVER | 2226 | 2077 | 2477 | 2356 | 2433 | Negative | Hindustan Unilever Ltd (HUL) is India's largest FMCG company and the Indian subsidiary of global consumer giant Unilever. The company has a vast portfolio of 50+ brands across categories such as personal care, home care, foods and beverages, including well-known names like Dove, Surf Excel, Lux, Rin, Lifebuoy, Lakme, and Brooke Bond. HUL enjoys a dominant market position and unmatched distribution reach, with strong penetration in both urban and rural markets. The company is widely regarded as a defensive FMCG stock, known for stable cash flows, strong brand equity and consistent dividend payouts. However, despite these strengths, the stock has recently shown relative underperformance, reflecting several near-term headwinds like, Slowing consumption growth, Margin pressure from commodity costs, High valuations and weak urban demand. Technically, the stock is signalling a massive breakdown from higher consolidation zone on the daily charts. Look to sell at CMP and on strength between 2320-2330 zone, targeting 2136/2077 mark and then at 1901-1915 zone. Stop above 2477. Holding Period: 1-3 Months. |

| HINDUSTAN Unilever Ltd (HUL) | SELL |
|--|-----------------------------|
| CMP | 2226 |
| Target Price | 2000 |
| Stop | 2477 |
| 52 Week H/L | 2682/2065 |
| P/E | 47.90 |
| EPS (TTM) | 63.80 |
| Promoter Holding/FIIs/DIIs/FIIs/Public | 61.90%/10.71%/15.68%/11.64% |
| Book Value | 207 |
| Market Cap (INR) | 5,22,949 |

HINDUSTAN Unilever Ltd (HUL)

Hindustan Unilever Ltd (HUL) – Company Overview

Hindustan Unilever is India's largest fast-moving consumer goods (FMCG) company and the Indian subsidiary of Unilever. The company operates across **home care, beauty & personal care, foods and refreshment categories**, with a portfolio of over **50 leading brands**.

Some of its most popular brands include:

- Dove
- Lux
- Lakmé
- Brooke Bond
- Surf Excel
- Rin
- Lifebuoy

Daily Chart of HINDUSTAN UNILEVER :



HUL has one of the **widest distribution networks in India**, reaching **9+ million retail outlets**, with strong penetration in both urban and rural markets. The company is widely regarded as a **defensive stock** due to:

- Stable demand for consumer staples
- Strong brand equity
- High cash generation
- Consistent dividends

HUL Q3 FY26 Results (Oct–Dec 2025)

Key Financial Highlights

| Metric | Q3 FY26 | Q3 FY25 | YoY Change |
|---------------------------|-----------------------|----------------|----------------|
| Revenue | ~₹16,235–16,441 crore | ~₹15,322 crore | ~5–6% growth |
| EBITDA | ~₹3,788 crore | ~₹3,689 crore | ~3% growth |
| EBITDA Margin | 23.3% | 24% | Slight decline |
| Net Profit (Reported) | ₹6,603 crore | ₹2,989 crore | +121% |
| Core PAT (ex-exceptional) | ₹2,562 crore | ₹2,534 crore | ~1% growth |

The sharp jump in reported profit was **mainly driven by a one-time gain from the demerger of the ice-cream business (Kwality Wall's)** rather than core operational growth. Revenue growth remained modest at about **5–6% YoY**, reflecting **slow consumption growth in the FMCG sector**.

Strategic Developments

1. Ice Cream Business Demerger : HUL demerged its **ice cream business into Kwality Wall's (India) Ltd**. Purpose: • Unlock shareholder value • Focus on core FMCG segments

The demerger generated a **large one-time accounting gain**, boosting reported profits.

2. Expansion in Health & Wellness: HUL is expanding in **nutrition and wellness products** through brands like **Horlicks and Oziva**. This segment is expected to benefit from **India's growing health-conscious consumer base**.

Why HUL Stock Is Looking Weak: Despite strong fundamentals, the stock has shown relative underperformance recently.

1. Slow Volume Growth : Underlying volume growth remains modest (~4%), reflecting soft consumption demand.

2. Urban Demand Slowdown : Urban consumers are becoming cautious amid inflation and higher living costs, impacting premium products.

3. Margin Pressure

Commodity costs such as: • Palm oil • Tea • Coffee • Packaging materials continue to pressure margins. EBITDA margin slipped to **23.3% from 24%**.

4. High Valuation : HUL trades at **premium valuations compared to most FMCG peers**, making the stock vulnerable when growth slows.

5. Market Expectations vs Reality : While reported profits surged due to the demerger gain, **core earnings growth was only ~1%**, disappointing some investors.

6. Advertising & Marketing Spend as strong advertising helps maintain brand leadership and consumer recall. HUL continues to invest heavily in brand building.

- Advertising spend: **₹1,522 crore in Q3 FY26**
- Increase: ~2.4% YoY

Long-Term Outlook

Despite short-term pressure, HUL remains a **structurally strong FMCG leader** due to:

- Massive distribution network
- Market leadership across multiple categories
- Strong cash flow generation
- High return ratios

Bottom Line : HUL delivered **stable revenue growth in Q3 FY26**, but core profit growth remained muted. The headline profit surge was largely due to the **ice cream business demerger**. With **slow consumption growth, margin pressure and premium valuations**, the stock may remain **under pressure in the near term**, even though the long-term business outlook remains strong.

Technical View (Market Perspective) Technically, the stock appears to be: • Breaking down from a **higher consolidation range** • Showing **weak momentum on daily charts**

Preferred Trade Setup (Sell Strategy)

Sell at CMP and on bounce towards **₹2320–₹2330** Targets: • **₹2136 / ₹2077** • **₹1901–₹1915**

Stop Loss: **Above ₹2477** Holding Period: **1–3 months**

Mehta Equities

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