WEALTH WEEKLY

Weekly Alerts You Can Use!

Weekly View: Nifty, Bank Nifty:

Indices	CMP	Support	Resistance	50 DMA	200 DMA	Range	Preferred Trade
NIFTY	24252	24000	24774	24182	24687	24033-24693	Buy only above 24500. Targets at 24774/25000. Aggressive targets at 25251-25351. Stop at 24822.
BANK NIFTY	57762	56200	58500	57600	57458	56500-58450	Buy at CMP. Targets 58500/59600. Aggressive targets at 60700. Stop at 56200.

Medium Term Pick:

Stocks	CMP	Support	Resistance	50 DMA	200 DMA	Bias	Preferred Trade
JSWSTEEL	1294	1163	1409	1263	1217	Positive	JSW Steel is India's largest steelmaker by installed capacity and one of the strongest beneficiaries of India's infrastructure, manufacturing, automotive and housing expansion. JSW Steel remains a strong structural investment story as the company enters an earnings upcycle supported by higher domestic steel prices, rising sales volumes, an improving product mix and balance-sheet deleveraging. JSW Steel is pursuing one of the most ambitious expansion programmes in the global steel industry. Vijayanagar BF-3 Expansion: Capacity has been expanded from 3 MTPA to 4.5 MTPA, with the upgraded blast furnace commissioned in June 2026 and currently ramping up. The sequence of higher highs and higher lows remains firmly intact, indicating sustained bullish momentum. Buy JSWSteel at CMP ₹1294. Stop: ₹1163. Targets: ₹1351/₹1409. Aggressive Targets: ₹1501–₹1521. Holding Period: 9–12 months.

JSW STEEL: Massive Breakout Play: The sequence of higher highs and higher lows remains firmly intact, indicating sustained bullish momentum

JSW STEEL	BUY
CMP	1294
Target Price	1409/1521
Stop	1163
52 Week H/L	1335/1022
P/E	26.3
EPS (TTM)	29.32
FIIs/DIIs/Public/Others	44.29%/25.92%/11.49%/17.62%
Book Value	409
Market Cap (INR)	3,16,368

 # JSW STEEL | STRUCTURAL GROWTH STORY

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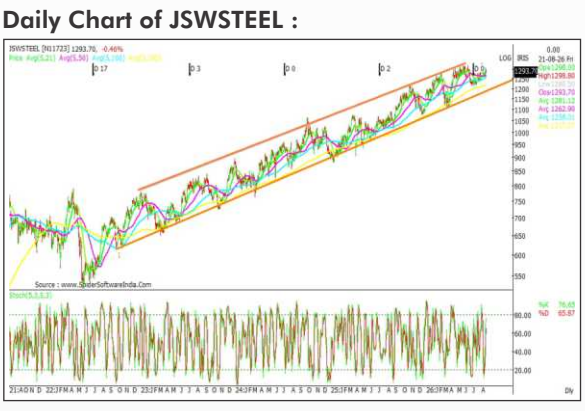
Daily Chart of JSWSTEEL :



Business Overview | JSW Steel has a total crude-steel capacity of approximately 37.9 million tonnes per annum, comprising 31.9 MTPA of Indian capacity, 4.5 MTPA through joint ventures and 1.5 MTPA in the United States.

Its principal Indian operations include:

Vijayanagar, Karnataka | Dolvi, Maharashtra | Salem, Tamil Nadu | Odisha-based facilities

Downstream and coated-steel operations

Joint ventures for electrical and speciality steel

The company supplies steel to infrastructure, construction, automobiles, renewable energy, appliances, packaging, defence and engineering industries.

Its growing value-added portfolio provides better margins and greater protection against commodity-price volatility than plain-vanilla steel products.

 # Q1 FY27 Performance | Strong Earnings Beat

Q1 FY27 confirms that higher volumes, better realisations and disciplined operations are translating into stronger earnings and debt reduction.

JSW Steel delivered a robust June quarter, beating market expectations.

Particulars	Q1 FY27	YoY change
Revenue	₹47,364 crore	+19%*
Adjusted EBITDA	₹9,373 crore	+32%*
EBITDA margin	19.8%	Improved
Net profit	₹4,696 crore	+113%*
Crude-steel production	6.59 MT	+3%
Steel sales	6.25 MT	+4%

*Previous-year financials are presented on a pro-forma basis excluding BPSL following its deconsolidation in March 2026.

The earnings improvement was driven by:

- Stronger domestic steel realisations
- Better operating leverage
- Improved value-added product mix
- Record first-quarter sales volumes
- Higher exports
- Strong capacity utilisation

Indian operations achieved approximately **94% capacity utilisation**, excluding the Vijayanagar BF-3 shutdown for expansion.

Capacity Expansion | **The Biggest Long-Term Catalyst**

JSW Steel is pursuing one of the most ambitious expansion programmes in the global steel industry.

- Current total capacity: Approximately **37.9 MTPA**
- India capacity target, including JVs: **50 MTPA by Fy31**
- India capacity target, including JVs: **62 MTPA by Fy32**
- Longer-term capacity potential: Approximately **79.5 MTPA**
- FY27 planned capital expenditure: **₹22,000–₹24,000 crore**
- Four-to-five-year capex programme: Approximately **₹1.30 lakh crore**

Major Projects |

Vijayanagar BF-3 Expansion: Capacity has been expanded from 3 MTPA to 4.5 MTPA, with the upgraded blast furnace commissioned in June 2026 and currently ramping up.

Dolvi Phase III: Capacity is being expanded from 10 MTPA to 15 MTPA, with commissioning targeted by September 2027.

POSCO Joint Venture: A proposed 6-MTPA integrated steel plant at Dhenkanal, Odisha, focusing on high-grade flat steel for automotive and other premium applications.

JFE Partnership: The JSW–JFE joint venture combines JSW Steel's domestic operating expertise with JFE's technology and targets capacity expansion from 4.5 MTPA to 10 MTPA by 2030.

These projects could generate powerful operating leverage, provided execution remains disciplined and steel demand keeps pace with additional capacity.

Balance Sheet | Significant Improvement. Balance-sheet deleveraging has emerged as an important positive catalyst.

Net debt: Approximately ₹45,750 crore | Net debt-to-EBITDA: Improved to 1.46 times | Net debt-to-equity: Approximately 0.42 times | FY26 net debt-to-EBITDA: 1.81 times

FY25 net debt-to-EBITDA: 3.34 times

Moody's recently upgraded JSW Steel to Baa3 investment grade with a stable outlook, reflecting stronger credit quality and improved financial flexibility.

Nevertheless, its large capital-expenditure programme could restrict further debt reduction if steel prices or cash generation weaken.

Raw-Material Security | Iron ore and coking coal are the biggest cost components in steel production. JSW Steel is increasing captive sourcing to reduce earnings volatility.

The company owns 25 iron-ore mines, of which 13 are operational.

Additional mines in Karnataka and Goa are being commissioned.

Three domestic coking-coal mines are expected to begin operations progressively.

Management aims for approximately 50% captive integration in iron ore and coking coal by Fy31.

Improved raw-material integration could lower costs, protect margins and reduce dependence on volatile global commodity markets.

Near-term pressure remains from higher coking-coal costs, although softer iron-ore prices could partially offset the impact.

 # Key Growth Catalysts |

1) India's Structural Steel Demand

India's steel consumption is expected to grow around 7–9% in FY27, supported by:

Government infrastructure expenditure | Railways, highways and metro projects | Housing and urbanisation | Renewable-energy installations | Automobile and EV production

Private-sector capital expenditure | Defence and manufacturing localisation

2) Protection Against Cheap Imports. Safeguard measures and trade protection against low-priced imports—particularly from China—could support domestic steel prices and capacity utilisation.

3) Premium Product Mix. Electrical steel, automotive-grade products, coated steel and other value-added products can deliver superior margins and reduce dependence on commodity steel.

4) Deleveraging. Strong cash generation and lower leverage could reduce finance costs and support valuation re-rating.

5) . Strategic Partnerships. The JFE and POSCO partnerships bring advanced technology, premium products and shared capital requirements.

 # Key Risks |

1. Steel-Price Cyclicality

Steel remains a cyclical commodity. A slowdown in China or aggressive exports from Chinese producers could pressure global prices.

2. Raw-Material Inflation

Higher coking-coal and iron-ore costs can quickly compress margins if steel-price increases fail to compensate.

3. Heavy Capital Expenditure

The ₹22,000–₹24,000 crore FY27 capex plan could increase debt and weaken free cash flow if projects face delays or cost overruns.

4. Overseas Operations

U.S. and European operations remain vulnerable to weaker utilisation, elevated energy costs, tariffs and economic slowdowns.

5. Regulatory and Environmental Costs

Steelmaking is carbon-intensive. Decarbonisation, carbon taxes and environmental compliance will require substantial investment.

 # Scenario Analysis |

Scenario	Potential Value	Key Assumption
Bear Case	₹1,100–1,150	Steel prices weaken and input costs rise
Base Case	₹1,400–1,450	Stable prices, higher volumes and normal execution
Bull Case	₹1,600–1,650	Strong steel cycle, faster ramp-up and margin expansion

 # Technical Important Levels |

Support: ₹1,220 / ₹1,150 | Major Risk Level: Below ₹1,100 | Resistance: ₹1,335 / ₹1,400 | Aggressive Upside: ₹1,550–1,650

Preferred Strategy |

Action: Buy JSWSteel at CMP ₹1294 | Stop: ₹1163 | Targets: ₹1351/₹1409 | Aggressive Targets: ₹1501–₹1521 | Holding Period: 9–12 months

Mehta Equities

903 Lodha Supremus, Dr. E Moses Road, Worli Naka, Mumbai - 400 018 Board: +91-22-61507100/101 Fax: +91-22-61507102

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