

HPMG Weekly Alerts You Can Use!

Weekly View: Nifty, Bank Nifty:

Indices	CMP	Support	Resistance	50 DMA	200 DMA	Range	Preferred Trade
NIFTY	23440	23101	23725	24055	23940	23177-23688	Sell between 23522-23540 zone. Targets at 23175/22822. Stop at 23788.
BANK NIFTY	48772	47800	49445	51652	50750	47900-49322	Sell at CMP. Targets at 47800/45880. Stop 49770.

Medium Term Pick:

Stocks	CMP	Support	Resistance	50 DMA	200 DMA	Bias	Preferred Trade
JINDALSTEL	918	829	979	927	963	Negative	JINDAL STEEL & POWER has witnessed a sharp fall in last week's trade, down 4.19%. The stock is now signaling a down-move towards its intermediate November 2024 low at 855 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 955-965 zone should be the preferred trading strategy, targeting 855/829 and then aggressive targets at 775-790 zone. Stop above 979. Holding Period: 1-2 Months.

SELL JINDALSTEL at CMP 918, Target 829

CMP	918
Target Price	829
52 Week H/L	1097.10/688.65
P/E	18.24
EPS (TTM)	50.15
Promoter Holding/DIIs/FIIs	61.19/28.3/11.0
Book Value	475.59
Market Cap (INR)	93,338.06 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 Q2: Reported 38% fall in consolidated net profit at Rs 860 crore for September quarter, on account of lower revenue. It had posted a net profit of Rs 1,390 crore for the period ended September 2023, the company said in a statement. Gross income fell to Rs 13,025 crore from Rs 14,128 crore in the July-September period of 2023-24.

During the second quarter, the company's steel production increased to 1.97 million tonne (MT) from 1.90 MT in the same period a year ago. Sales were at 1.85 MT as against 2.01 MT. The company's net debt stood at Rs 12,464 crore as on September 30. The total capex for the quarter was Rs 2,642 crore, largely driven by the expansion projects at Angul.

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"

The operating income for the quarter also suffered, decreasing by 30.24% compared to the previous quarter and 10.57% year-on-year. This trend indicates pressures on the company's profitability and operational efficiency.

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

JINDAL STEEL & POWER gave a 3 year return of 125.7% as compared to Nifty 100 which gave a return of 35%. Stock generated 125.7% return as compared to Nifty Metal which gave investors 50.59% 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 963 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 'Lower consolidation pattern' 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 "lower consolidation zone" on the weekly charts — confirmation of the same below 855 mark. Immediate downside risk below a 855 close is at psychological 8000 mark.

Establishing short positions at CMP, and on strength between 955-965 zone should be the preferred trading strategy, targeting 855/829 and then aggressive targets at 775-790 zone. Stop above 979. Holding Period: 1-2 Months.

Daily Chart of JINDALSTEL :

