

EDUCATIONAL EQUITY RESEARCH REPORT :

JSW STEEL LTD.

(NSE : JSWSTEEL , BSE : 500228)

DATE : 20/4/24

WE AT AS RESEARCH TECHNIC, INITIATE OUR COVERAGE ON JSW STEEL LTD.

JSW Steel has always been at the forefront of research and innovation. It has a strategic collaboration with global leader JFE Steel of Japan, enabling JSW to access new and state-of-the-art technologies to produce & offer high-value special steel products to its customers.

ABOUT THE BUSINESS :

JSW Steel Limited is an Indian multinational steel producer based in Mumbai and is a flagship company of the JSW Group. After the merger of Bhushan Power & Steel, Ispat Steel and Jindal Vijayanagar Steel Limited, JSW Steel became India's second largest private sector steel company. As of July 2023, they installed with a production capacity of 29.7 MTPA in India and the United States. The company is aiming to boost the total steel production capacity to 38.5 MTPA by the financial year 2025. As of April 2023, nearly 98% of JSW Steel's revenue comes from steel and related products — long rolled products (18%), galvanised coils/sheets (15%), CR coils/sheets (9%), plates/pipes (5%), other miscellaneous steel products (5%), and iron ore (2%), in that order. Overall, 70% of revenue is derived from India, and 30% is from overseas.

PROS :

- COMPANY HAS BEEN MAINTAINING A HEALTHY DIVIDEND PAYOUT OF 24.9%.

RESEARCH ANALYST

P.SUNANDINI @ AS RESEARCH TECHNIC



FINANCIAL SNAP SHOT :

MARKET CAP	₹ 2,09,025 Cr
STOCK P/E	19.3
ROE	5.64 %
CURRENT PRICE	864.8
BOOK VALUE	₹ 302
ROCE	8.33 %
HIGH	₹ 896
LOW	681
DIVIDEND YIELD	0.40 %
FACE VALUE	₹ 1.00

SHARE HOLDING PATTERN:

PROMOTERS	44.81%
FIIS	26.06%
DIIS	9.81%
PUBLIC	18.44%
GOVERNMENT	0.51%
OTHERS :	0.37%
NO.OF	6,71,779

SHAREHOLDERS

PEER COMPARISON :

SECTOR: STEEL INDUSTRY: STEEL - LARGE

S.No.	Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	Sales Qtr Rs.Cr.	ROCE %
1	JSW Steel	854.75	19.31	209025.16	0.4	41940	8.33
2	Tata Steel	163.4	105.45	203980.86	2.21	55311.88	12.63
3	S A I L	150.4	18.43	62123.16	0.99	23348.64	5.89
4	Jindal Stain.	681.15	19.8	56088.19	0.22	9127.45	20.77
5	APL Apollo Tubes	1549.8	56.33	43010.76	0.32	4177.76	26.9
6	Shyam Metalics	614.2	16.02	17144.3	0.3	3315.29	15.01
7	Jai Balaji Inds.	1027	27.77	16479.03	0	1538.99	18.28

KEY POINTS :

- JSW STEEL IS ONE OF INDIA'S LEADING INTEGRATED AND MOST GEOGRAPHICALLY DIVERSIFIED STEEL MANUFACTURERS .
- ITS STEEL GOES INTO BUILDING KEY INFRASTRUCTURE ACROSS THE COUNTRY, MAKING IT AN ENDURING PARTNER IN INDIA'S GROWTH STORY.
- THEY FOCUS ON ADOPTING THE BEST AVAILABLE TECHNOLOGIES AND PROCESSES TO RETAIN STEEL'S POSITION AS THE METAL OF CHOICE WHILE TRANSITIONING TO A LOW-CARBON FUTURE.
- ACHIEVED LEADERSHIP LEVEL (A) IN CDP CLIMATE PROGRAMME.
- THE COMPANY ENVISIONS A FUTURE WITH STEEL AS THE DRIVING FORCE BEHIND TRANSFORMATION CHANGES IN A PROSPEROUS, AND SUSTAINABLE WORLD.
- THE COMPANY IS INVESTING IN INNOVATION AND TECHNOLOGY , THEY FOCUSING ON PROVIDING DIFFERENTIATED PRODUCTS AND SOLUTIONS THAT ADDRESS THE EVOLVING NEEDS OF THE CUSTOMERS.
- JSW STEEL IS SLIGNED WITH GLOBAL EFFORTS TO MITIGATE CLIMATE CHANGE AND MOVE TOWARDS A LOW-CARBON FUTURE, THEY HAVE SET AMBITIOUS TARGETS TO REDUCE CARBON EMISSIONS, IMPROVE RESOURCE EFFICIENCY AND SHIFT TO GREEN ENERGY TO POWER THEIR GROWTH.
- JSW STEEL IS SUPPLYING STEEL TO KEY INFRASTRUCTURE PROJECTS IN - RAIL, METRO, WATER PIPELINE, AIRPORT, NUCLEAR POWER PLANTS, GREEN ENERGY, EXPRESSWAYS AND HIGHWAYS.

- TINPLATE , A PACKING MEDIUM, IS ONE OF THE HIGHEST VALUE- ADDING DOWNSTREAM PRODUCTS.
- THEY HAVE DEVELOPED THE JSW GALVOS BRAND TO ADDRESS THE TYPICAL CHALLENGES THAT SOLAR PANEL INSTALLATIONS FACE, SUCH AS HARSH OUTDOOR CONDITIONS.
- AT JSW STEEL, SUSTAINABILITY IS A STRATERGIC BUSINESS IMPERATIVE. THEY ARE COGNIZANT OF THEIR RESPONSIBILITY TOWARDS BALANCING GROWTH AND SUSTAINABILITY, AS THE WORLD TRANSITIONS TO BE A LOW CARBON FUTURE.
- THEIR ROBUST DECARBONISATION ROADMAP ENABLES THEM TO TRACK THEIR PROGRESS AGAINST WELL-DEFINED TARGETS FOR 2030.
- FURTHER THEY HAVE UNDERTAKEN VARIOUS MEASURES ALIGNED WITH THE VISION OF ZERO HARM , AND FOR AUGUMENTING PRODUCT SUSTAINABILITY.
- THEY LAUNCHED SEED, A LARGE SCALE, PLANT-WIDE DECARBONISATION PROGRAMME IN VIJAYANAGAR.
- THEY HAVE A GREENPRO CERTIFICATION FOR JSW NEOSTEEL TMT BARS AND IN 14 CATEGORIES OF ROOFING SHEETS.
- JSW STEEL IS THE BEST PLACED TO SERVED THE GROWING DEMAND FOR STEEL IN INDIA TO DRIVE THE COUNTRY'S MULTI- DECADE GROWTH STORY.
- THE SHARE PRICE CAN GO UPTO 913.96 IF IT BREAKS 897.98 ON THE UPPER SIDE.
- THE SHARE PRICE CAN GO UPTO 818.72 IF IT BREAKS 834.48 ON THE UPPER SIDE.

PIVOT TABLE :

		SUPPORT				RESISTANCE			
DATE	WEEK CLOSE	S3	S2	S1	PIVOT	R1	R2	R3	PRV CLOSE
18-04-2024	864.8	821.17	831.08	838.167	848.083	855.167	865.083	872.167	845.25
16-04-2024	864.8	819.95	831.35	840.8	852.2	861.65	873.05	882.5	850.25
15-04-2024	864.8	818.72	834.48	850.467	866.233	882.217	897.983	913.967	866.45
12-04-2024	866.45	847.43	854.72	869.333	876.617	891.233	898.517	913.133	883.95
10-04-2024	866.45	856.65	866	870.3	879.65	883.95	893.3	897.6	874.6
09-04-2024	866.45	846.62	858.58	867.517	879.483	888.417	900.383	909.317	876.45

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