

# Stock Analysis Report

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## Strategic Trading Analysis

Based on the comprehensive technical and fundamental report provided for **VBL.NS (Varun Beverages Ltd.)**, here is the positional trading analysis.

### Step 1: Audit the Data

#### ● Data Present:

- **Price Action:** Daily, Weekly, and 15-minute candlestick charts.
- **Trend Indicators:** Moving Averages (EMA 20, 50, 200), Supertrend, MACD.
- **Momentum/Volatility:** RSI, Bollinger Bands, Volatility Squeeze, ATR.
- **Volume:** Volume Analysis with distribution day counts, Volume Moving Averages.
- **Fundamentals:** High-level revenue/earnings growth (Long-term vs. Short-term).
- **Relative Strength:** Comparison vs. CNXFMCG (Sector) and general market.
- **Valuation/Forecast:** Trendlyne analyst estimates and SWOT.

#### ● Data Missing:

- **Specific News Catalyst:** While the report shows a massive drop in quarterly Net Income (-80.88%), the specific reason (e.g., one-time charge, loss of contract, regulatory fine) is not detailed in the text. Knowing the "why" is crucial for a falling knife scenario.
- **Institutional Ownership Changes:** FII/DII data flow for the most recent quarter is not explicitly detailed.
- **Confidence Level: High.** The technical picture is extremely clear, and the provided fundamental snapshot gives sufficient context to explain the bearish price action.

### Step 2: Analyze the Setup

**1. Price Structure & Trend (Bearish):**\* **Trend Status:** The stock is in a confirmed **Stage 4 Downtrend**. The price (439.05) is trading below all key Exponential Moving Averages ( $20 < 50 < 200$ ). The 200 EMA (486.83) is sloping downward, acting as major overhead resistance.\* **Candlestick Analysis:** The chart shows a "waterfall" decline with no valid base formation yet. The classification summary explicitly states "Seller Control" (Score -0.30).

**2. Momentum & Oscillators (Oversold but Dangerous):**\* **RSI:** At **28.59**, the RSI is in deep oversold territory. While this often precedes a relief bounce, oversold conditions can persist during strong liquidity events (capitulation). \* **MACD:** The MACD is deeply negative (-11.12), and the histogram is negative, indicating that downward momentum, while potentially peaking, has not reversed.\* **Bollinger Bands:** Price is riding the Lower Band (434.10) with a %B of 0.05. This confirms extreme bearish extension.

**3. Relative Strength (Weak):**\* **RS Score:** 46.7/100. VBL is significantly underperforming its sector (FMCG). Capital is flowing *out* of this stock relative to its peers.

**4. Fundamental Concern:**\* The "Short-term Fundamental Analysis" (Page 3) is a major red flag. Recent QoQ Net Income dropped **-80.88%** and Revenue dropped **-40.09%**. This fundamental deterioration validates the technical breakdown.

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## Step 3: Formulate the Recommendation

### Recommendation: NO (DO NOT ENTER)

**Rationale:** As a positional trader seeking 5-15% upside with high probability, this setup is currently invalid. You are looking at a "falling knife." 1. **Trend misalignment:** You would be fighting a strong downtrend. 2. **No Base:** There is no consolidation or accumulation pattern (e.g., Double Bottom, Inverse Head & Shoulders) to support an entry. 3. **Overhead Supply:** There is heavy resistance between 468 (20 EMA) and 486 (200 EMA). Any bounce will likely be sold into by trapped buyers looking to exit.

**Conditional Plan (Watchlist for Reversal):** A "V-shaped" recovery is unlikely given the fundamental damage. We need to see price stabilization before considering a long position.

- **Condition to Buy:** The stock must stop making lower lows and reclaim the short-term trend.
  - 1. **Primary Trigger:** Price must Close **above the EMA 20** (currently ~468).
  - 2. **Confirmation:** RSI must cross above 40 (exiting oversold zone).
  - 3. **Volume:** The breakout day must have volume higher than the 20-day average.
- **Entry Price:** **~472.00** (Hypothetical entry only after a daily close above the 20 EMA).
- **Stop Loss:** **430.00** (Below the current psychological support and lower Bollinger Band).
- **Take Profit:** **515.00** (Targeting the Upper Bollinger Band and the recent breakdown shelf).

**Summary:** Stay cash on this name. The risk of a slide toward psychological support at 400 is higher than the probability of a sustained rally. Wait for the sellers to exhaust.

## Candlestick Classification Analysis

Based on the **Candlestick Classification Analysis** found on **Pages 20 and 21** of the report, here is my assessment as a seasoned Candlestick Trader.

### Executive Summary: **Bearish Outlook**

The price action suggests the **Sell Side** is dominant. The market structure is currently defined by active distribution, with sellers acting with conviction while buyers are unable to sustain any upward momentum.

## Detailed Analysis of the Classification Logic

### 1. The Current Signal: **Seller Control (-1)**

- **Observation:** The "Latest Classification" on Page 20 is marked as "**Seller Control**".
- **Logic Application:** Based on the algorithm provided, this implies we saw a moderate bearish candle, or a strong bearish candle where the volume wasn't quite high enough to trigger the "Strong" (-2) threshold.
- **Interpretation:** The close was likely near the low of the day, indicating that sellers held their ground into the close. Unlike "No Control" (0) days which show indecision, a "Seller Control" day signifies a specific intent to push prices lower.

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## 2. The Trend Score: -0.30 (Negative Bias)

- **Observation:** The "Recent Trend Score (10-day avg)" is **-0.30**.
- **Logic Application:** This score is a rolling average of the daily classification scores (+2 to -2).
- **Interpretation:** A negative score confirms that over the last two weeks, the net pressure has been bearish. The market is not just chopping sideways (which would result in a score near 0); it is slowly bleeding out. Sellers are winning the majority of the skirmishes.

## 3. Visual Pattern Analysis (Page 21 Chart)

Looking at the Candlestick Classification Chart, specific behaviors confirm the bearish thesis:<sup>\*</sup> **dominance of Red (Seller Control):** In the most recent swing (far right of the chart), we see a cluster of Red bars. This indicates a "Waterfall" decline where consecutive days are closing lower with conviction.<sup>\*</sup> **Failed Green Candles:** Look at the scattered Green bars (Buyer Control) prior to the recent drop. They are isolated. In Price Action terms, these are "dead cat bounces." Every time buyers try to step in (score +1), they are immediately engulfed by sellers the next day.<sup>\*</sup> **The Volume Validator (Step 4 of Algorithm):** \* At the very bottom right of Page 21 (Volume pane), there is a **massive volume spike** corresponding with the recent drop. \* **The Algorithm's Rule:** "*High volume = institutional participation.*" \* **Implication:** This isn't just retail traders panicking. The combination of a **Bearish** Candle (Seller Control) + Massive Volume suggests institutions are unloading shares. This is a high-conviction move.

## 4. Distribution of Signals (Page 20)

- **Seller Control (64) vs Buyer Control (40):** Over the analyzed period, sellers have controlled the session 1.6x more often than buyers.
- **"No Control" (118):** The high number of grey candles suggests the stock spends a lot of time drifting. However, when the drift ends, the resolution has statistically favored the sellers (64 vs 40).

## Prediction & Future Price Action

Direction: **DOWN**

**Reasoning:** The stock is in a **Stage 4 Decline (Mark-down phase)**. The classification system highlights that we are essentially missing the "Buyer Strong Control" (+2) signals required to reverse a trend.1. **Immediate Term:** Expect continuation of the downside. The recent "Seller Control" signal backed by the high volume spike on Page 21 is a breakout to the downside.2. **Support Check:** Until we see a "No Control" (0) candle with a long lower wick (indicating rejection of lows) followed by a "Buyer Control" (+1) candle, catching this knife is dangerous.

**Trader's Verdict:** Do not buy. The current classification suggests that rallies should be sold into. The market is validating lower prices with volume.

- **Watcher for Reversal:** Wait for the 10-day Trend Score to cross back above 0.00 and look for the first **Blue/Green (Buyer Strong Control +2)** candle to indicate that institutional money has stopped selling and started accumulating. That signal is currently absent.

# Stock Analysis Report

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## News & Analyst Targets

As a stock research analyst at an investment firm, I have compiled the latest research note on **Varun Beverages Limited (VBL)** for the week ending **February 7, 2026**.

### 1) Latest News for VBL This Week (Feb 1 - Feb 7, 2026)

- **Q4 CY25 Earnings Release:** VBL reported its financial results for the quarter and year ended December 31, 2025.
  - **Net Profit:** Rose **33% YoY** to **INR 260 crore**, beating some street estimates.
  - **Revenue:** Increased **14.8% YoY** to **INR 4,434 crore**.
  - **EBITDA:** Grew **10.2% YoY** to **INR 639 crore**, though margins saw some pressure due to product mix and seasonal weakness.
- **Dividend Declaration:** The Board recommended a final dividend of **INR 0.50 per equity share** for CY2025.
- **Major Acquisition in Africa:** VBL announced the acquisition of a 100% stake in **Twizza Proprietary Limited**, a South African beverage company, for approximately **INR 1,000 crore (ZAR 2,095 million)**. This move significantly boosts its manufacturing footprint and distribution in Africa's largest soft drink market.
- **Stock Price Reaction:** Despite the profit growth, the stock witnessed profit-booking and volatility, correcting roughly **3-6%** post-results as EBITDA margins slightly missed elevated investor expectations.

### 2) Brokerage Upgrades & Downgrades

- **Downgrades / Target Cuts:** Several brokerages maintained their "Buy" ratings but **cut their price targets**, citing near-term competitive intensity and margin pressures.
  - **YES Securities** cut its target significantly, citing near-term competitive risks.
  - **Nuvama** and **Axis Direct** also lowered their price targets while retaining a positive long-term stance.
- **Reiterated Ratings:**
  - **Motilal Oswal (MOFSL)** maintained its **BUY** rating, focusing on the long-term growth story from international expansion.
  - **ICICI Securities** reiterated its **HOLD** rating, remaining cautious about the increasing competition in the Indian market.

### 3) Other Impactful News

- **Expansion into Alcoholic Beverages:** VBL is aggressively diversifying beyond soft drinks. The company has signed an exclusive agreement to distribute **Carlsberg** beer in select African markets and has updated its Memorandum of Association to include alcoholic beverages.
- **Snacks Business Scale-up:** The company is ramping up its food segment with commercial production of **Cheetos** in Morocco and Zimbabwe. It aims for the snacks business to reach **\$100 million** in revenue within the next 2-3 years.
- **New Subsidiary:** A new wholly-owned subsidiary, **VBL Industries (Kenya) Limited**, has been incorporated to establish a manufacturing presence in East Africa.
- **Open Interest Surge:** Earlier in the week, the stock saw a sharp spike in Open Interest (OI) in the derivatives segment, indicating heightened speculative activity ahead of the earnings release.

### 4) Analyst Community Targets for VBL

Below is the summary of the latest price targets and recommendations from major brokerage houses

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following the Q4 CY25 results.

Brokerage Firm	Rating	Price Target (INR )	View / Rationale
Emkay Global	BUY	615	Bullish on Twizza acquisition and market share gains in South Africa.
Antique Stock Broking	BUY	610	Expects performance improvement in CY26; cited lower base and better summer.
Motilal Oswal	BUY	570	Maintained earnings estimates; sees long-term value despite near-term volatility.
Nuvama	BUY	558	Revised down from INR 595; cut EPS estimates by 3-4% for FY26/27.
Jefferies	BUY	550	Base case target; flagged competitive intensity as a key monitorable.
YES Securities	BUY	535	Cut target from INR 625; reduced target multiple due to near-term competitive risks.
Axis Direct	BUY	520	Reduced target; maintains buy on long-term structural growth.
ICICI Securities	HOLD	470	Cautious on decline in realizations and "irrational" competition in India.

**Analyst Summary:** The consensus remains largely **Long-Term Positive** driven by the African expansion story (Twizza + Kenya) and product diversification (Snacks + Alcohol). However, **near-term caution** is evident regarding domestic margins and competition, leading to the recent target price cuts.

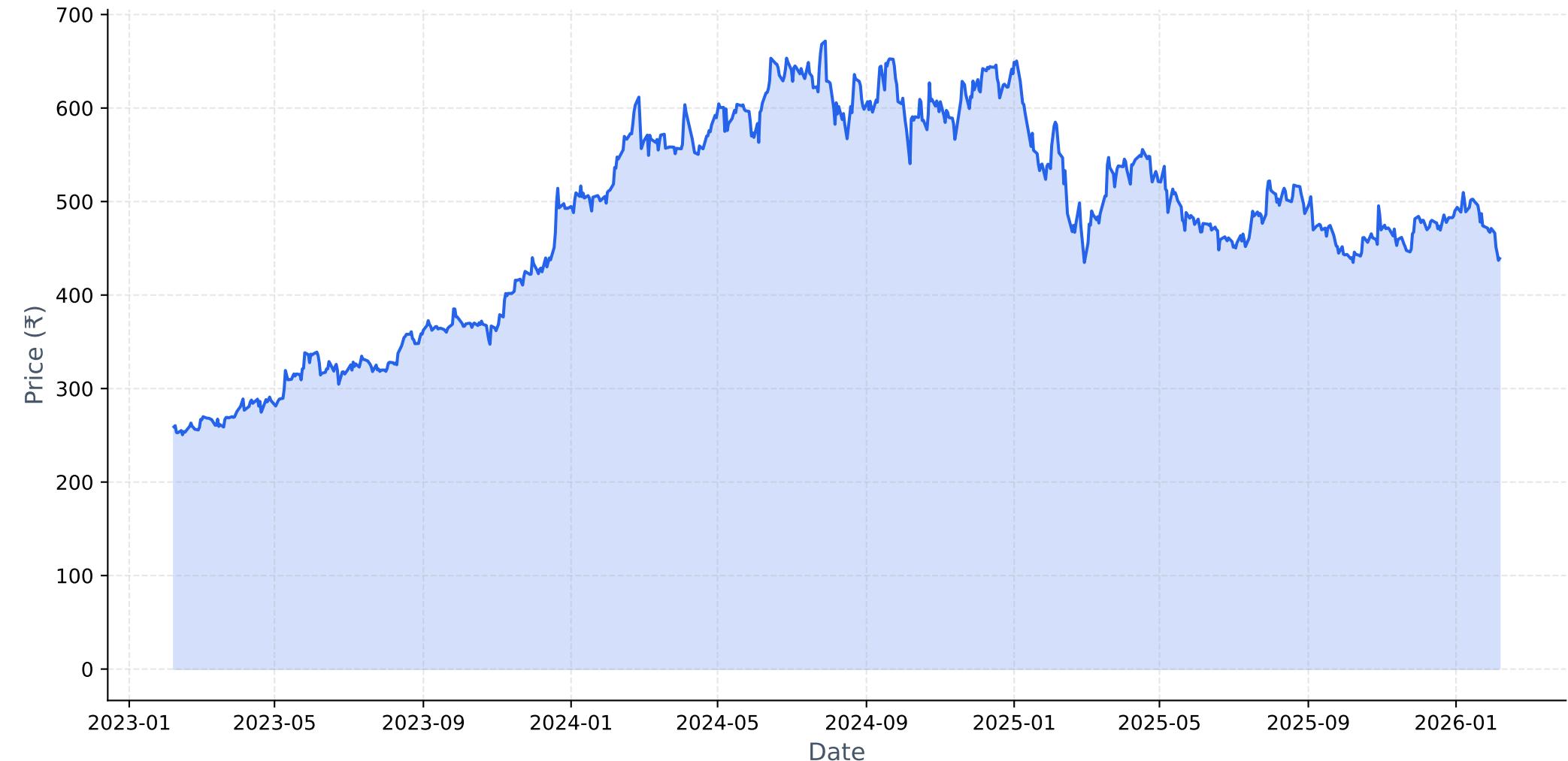
# Stock Detailed Analysis Report

**VBL.NS**

Current Price: ₹439.05

Generated: 2026-02-07 10:25

# VBL.NS - 3 Year Daily Price Chart



## Long-term Fundamental Analysis (4 Years)

Metric	Is Growing?	Accelerating?	1Y Growth	3Y CAGR
Revenue	Yes	No	8.39%	18.84%
Net Income	Yes	No	17.03%	26.57%
ROE	No	Yes	-0.72%	-19.15%
EPS	Yes	No	25.59%	54.92%

## Short-term Fundamental Analysis (6 Quarters)

Metric	Is Growing?	Recent QoQ	Avg QoQ
Revenue	Yes	-40.09%	3.41%
Net Income	Yes	-80.88%	55.67%
ROE	Yes	-82.07%	230.67%
EPS	Yes	-80.98%	53.30%

# VBL.NS - Relative Strength Analysis

## == OVERVIEW ==:

Benchmark Index:	^CNXFMCG
Sector:	FMCG
Classification:	<b>Weakening Leader</b>
RS Score:	46.7/100
:	

## == RS RATIOS ==:

1M RS:	<b>0.889 [Neutral]</b>
3M RS:	<b>1.005 [Leader]</b>
6M RS:	<b>0.936 [Neutral]</b>
1Y RS:	<b>0.877 [Neutral]</b>
:	

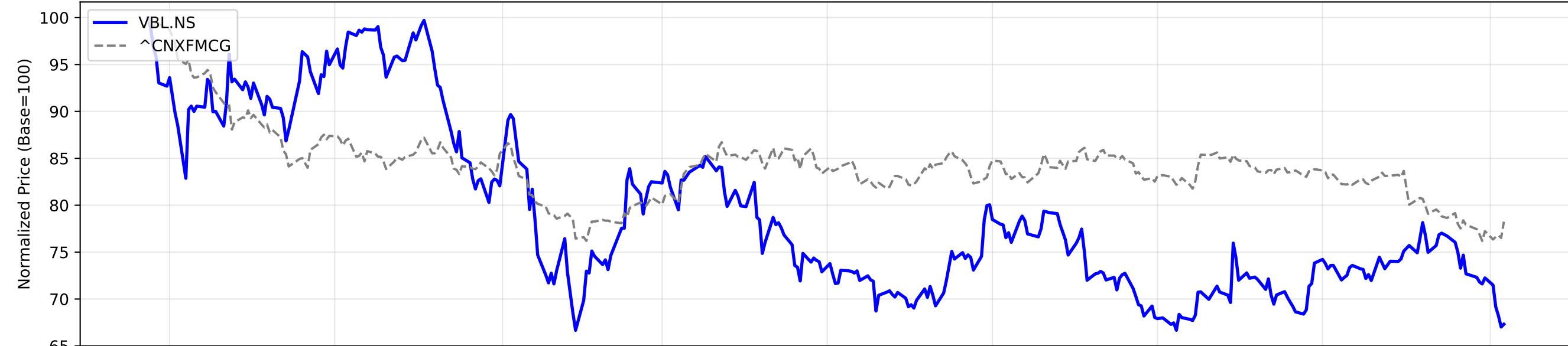
## == TURNAROUND ANALYSIS ==:

Turnaround Status:	<b>Not Detected</b>
:	

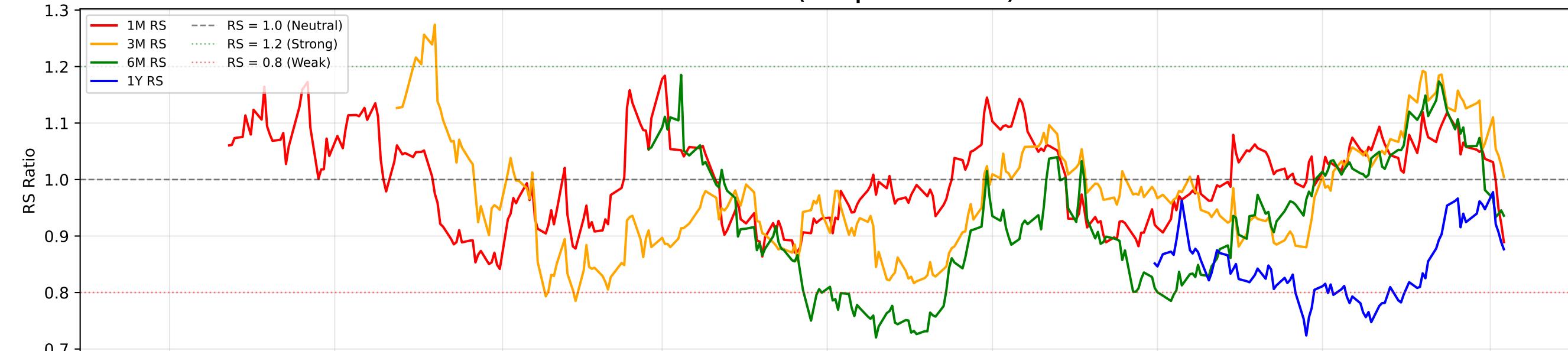
## SIGNAL CRITERIA::

✗ Emerging RS:	<b>Not accelerating</b>
✓ Medium-term Lagging:	6M=0.936, 1Y=0.877 ( $\leq 1.0$ )
✓ Performance Improving:	3M (-7.0%) > 6M (-13.7%)

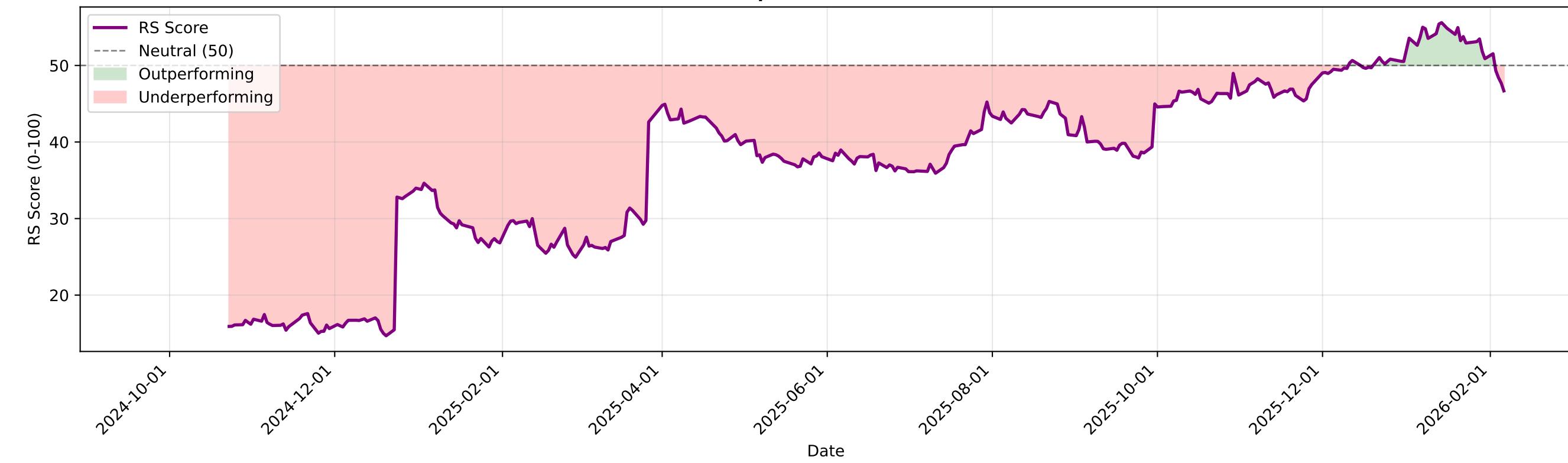
**Relative Strength Analysis: VBL.NS vs ^CNXFMCG**  
**Classification: Weakening Leader**  
**Price Performance Comparison (Normalized)**



**RS Ratio Trends (Multiple Timeframes)**



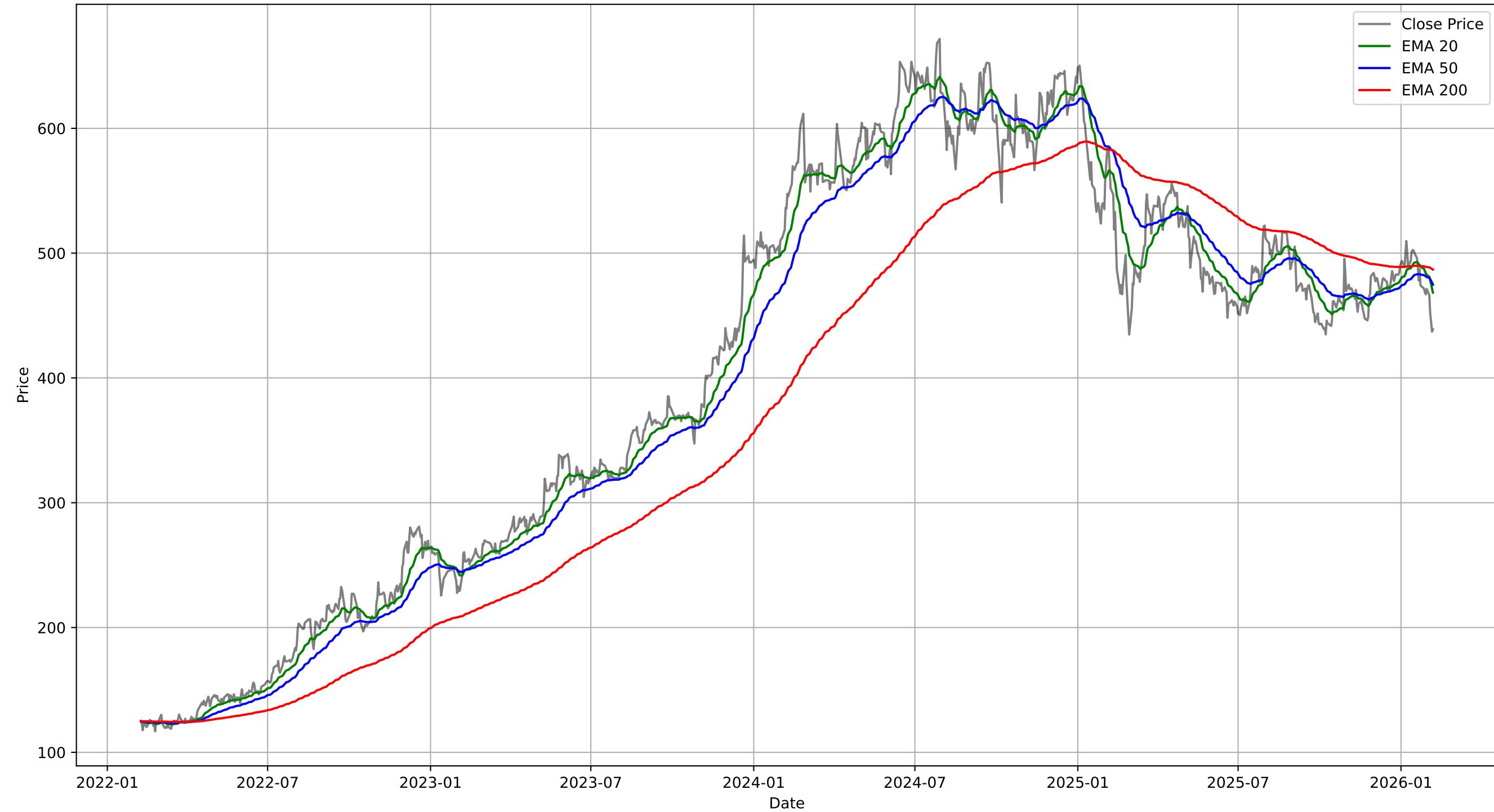
**RS Composite Score Timeline**



## VBL.NS - EMA Crossover Summary

<b>EMA 20:</b>	468.36
<b>EMA 50:</b>	474.75
<b>EMA 200:</b>	486.83
<b>Trend Status:</b>	<b>Strong Downtrend</b>

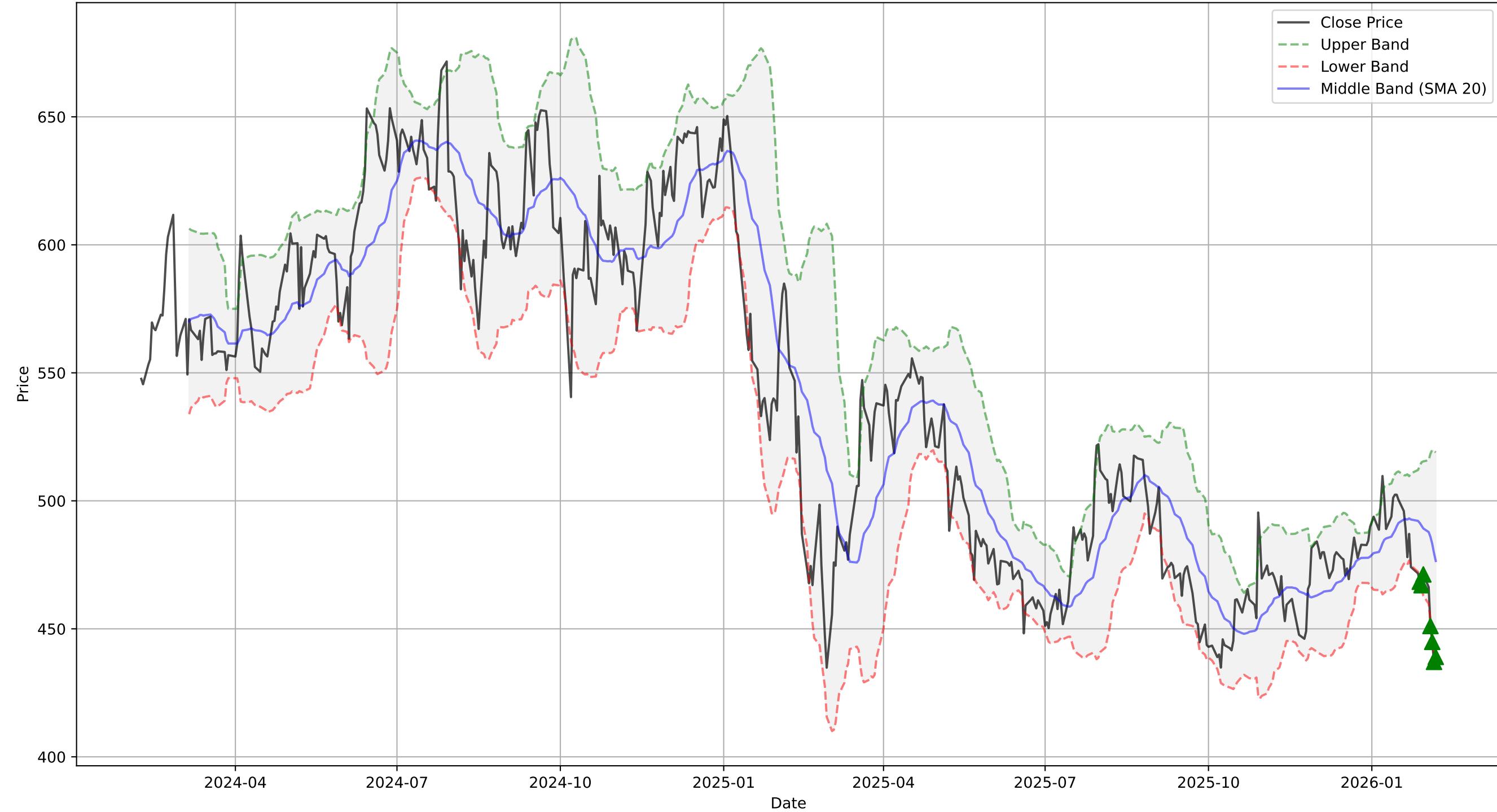
# VBL.NS EMA Crossover Analysis



## VBL.NS - Bollinger Bands Summary

<b>Current Price:</b>	439.05
<b>Upper Band:</b>	518.93
<b>Middle Band (SMA 20):</b>	476.51
<b>Lower Band:</b>	434.10
<b>%B:</b>	0.0584
<b>Band Width:</b>	0.1780
<b>Status:</b>	Lower Half
<b>Signal:</b>	<b>Buy Signal</b>
<b>Recent Signal 1:</b>	<b>Buy Signal at 2026-02-04 00:00:00+05:30</b>
<b>Recent Signal 2:</b>	<b>Buy Signal at 2026-02-05 00:00:00+05:30</b>
<b>Recent Signal 3:</b>	<b>Buy Signal at 2026-02-06 00:00:00+05:30</b>

# VBL.NS Bollinger Bands (20, 2) Analysis



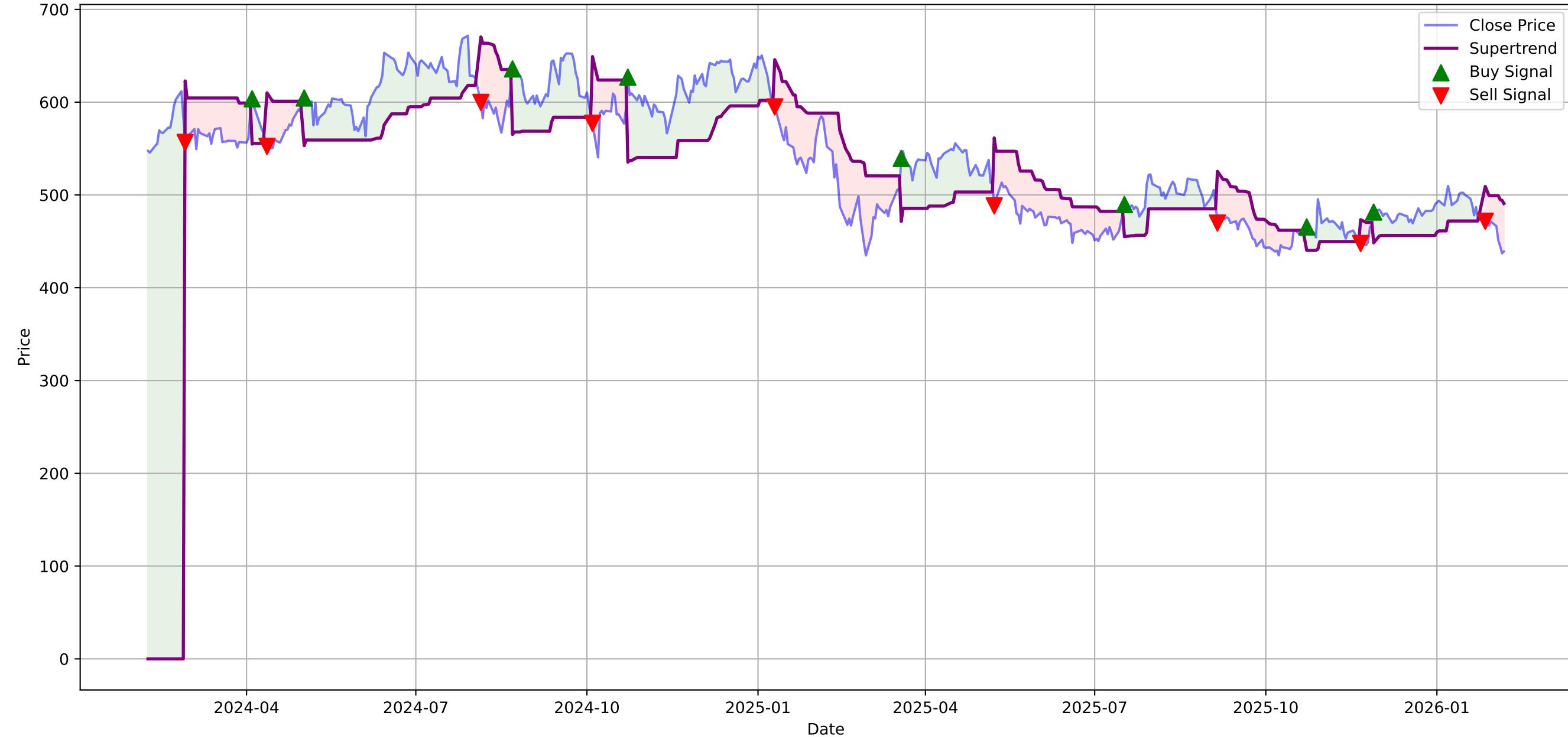
## VBL.NS - Supertrend Summary

**Status:** DOWNTREND (Sell)

**Supertrend Value:** 490.81

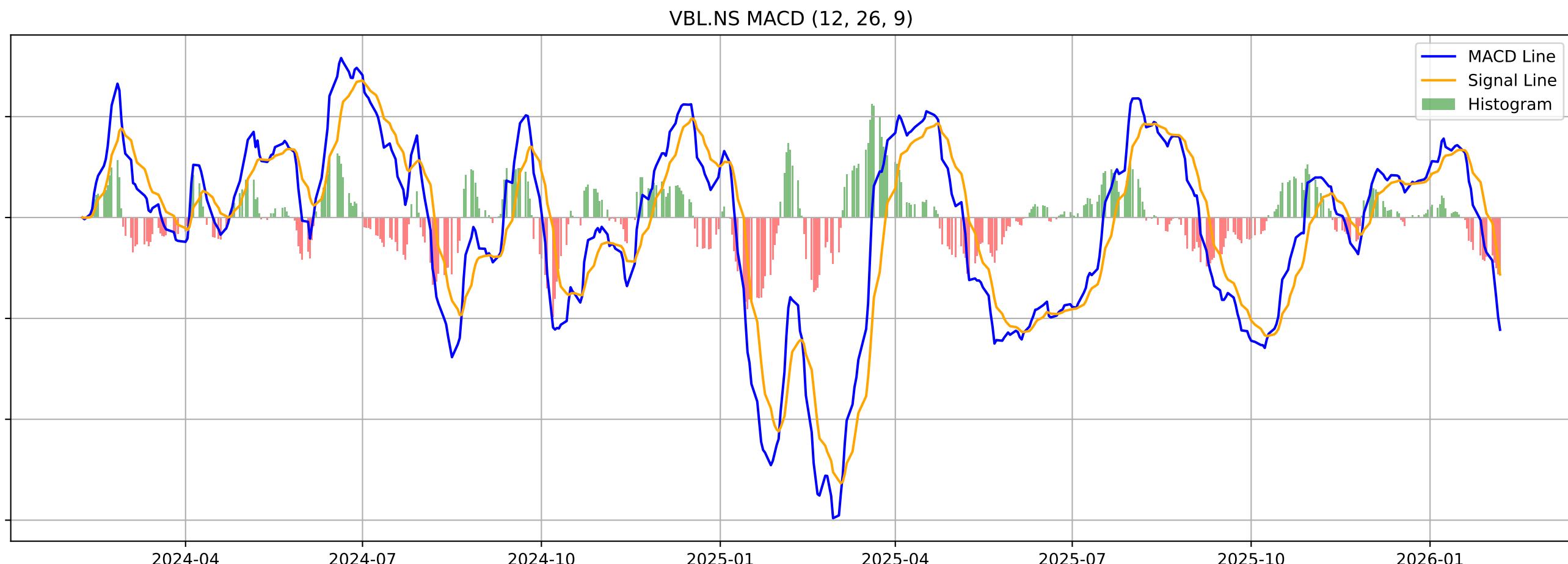
**Signal Identified On:** 2026-01-27

### Supertrend Analysis for VBL.NS (Period: 14, Multiplier: 3.0, Interval: 1d)



## **VBL.NS - MACD Summary**

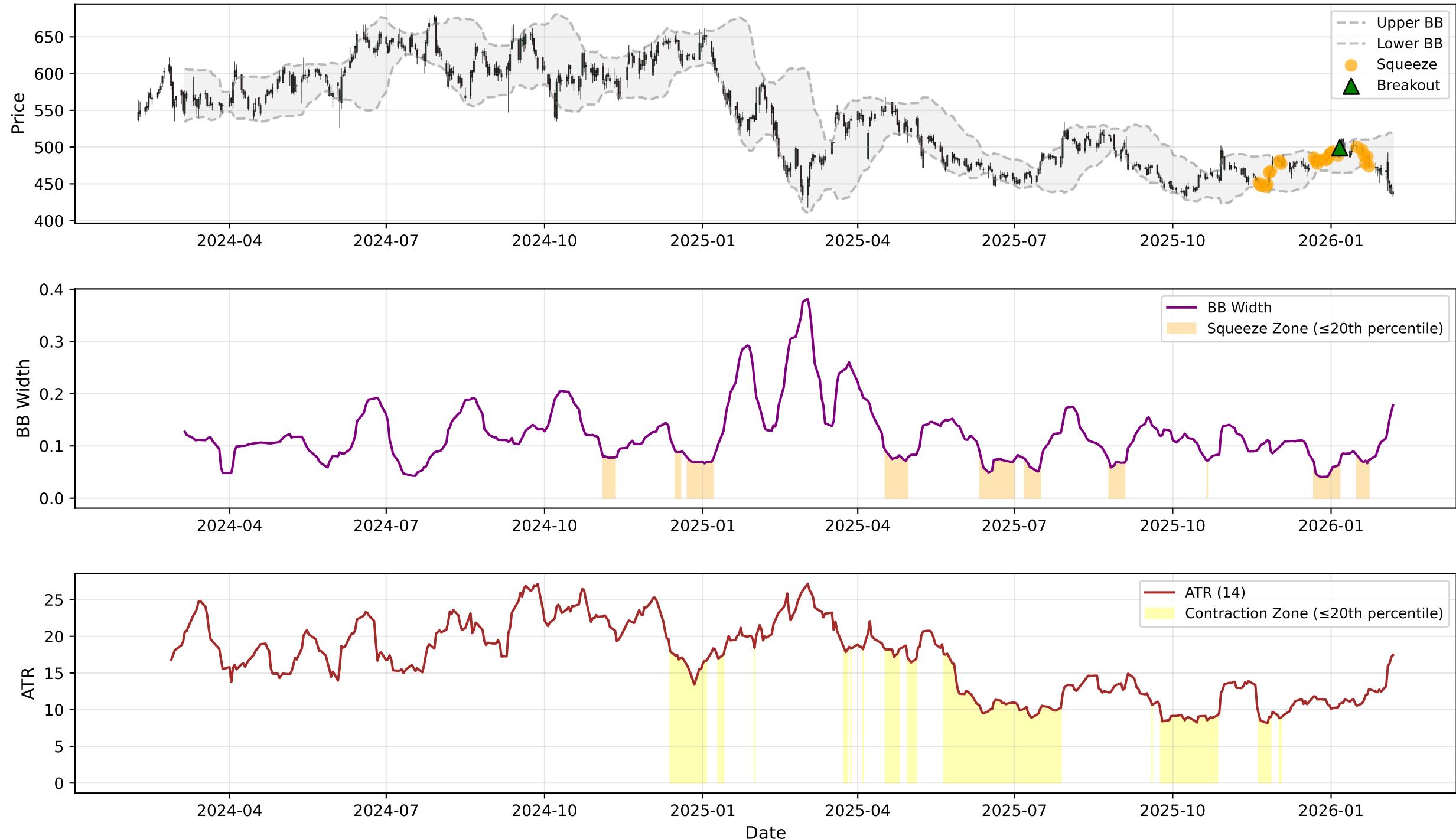
<b>MACD Line:</b>	-11.12
<b>Signal Line:</b>	-5.64
<b>Histogram:</b>	-5.48
<b>Trend:</b>	<b>Bearish</b>
<b>Momentum:</b>	<b>Weakening</b>
<b>Signal:</b>	None



## **VBL.NS - Volatility Squeeze Summary**

<b>BB Width:</b>	0.1780
<b>ATR:</b>	17.4357
<b>Total Signals:</b>	25
<b>Signal 1:</b>	BB Squeeze at 2026-01-19 00:00:00+05:30 (Price: 496.00)
<b>Signal 2:</b>	BB Squeeze at 2026-01-20 00:00:00+05:30 (Price: 489.10)
<b>Signal 3:</b>	BB Squeeze at 2026-01-21 00:00:00+05:30 (Price: 478.00)
<b>Signal 4:</b>	BB Squeeze at 2026-01-22 00:00:00+05:30 (Price: 487.10)
<b>Signal 5:</b>	BB Squeeze at 2026-01-23 00:00:00+05:30 (Price: 474.10)

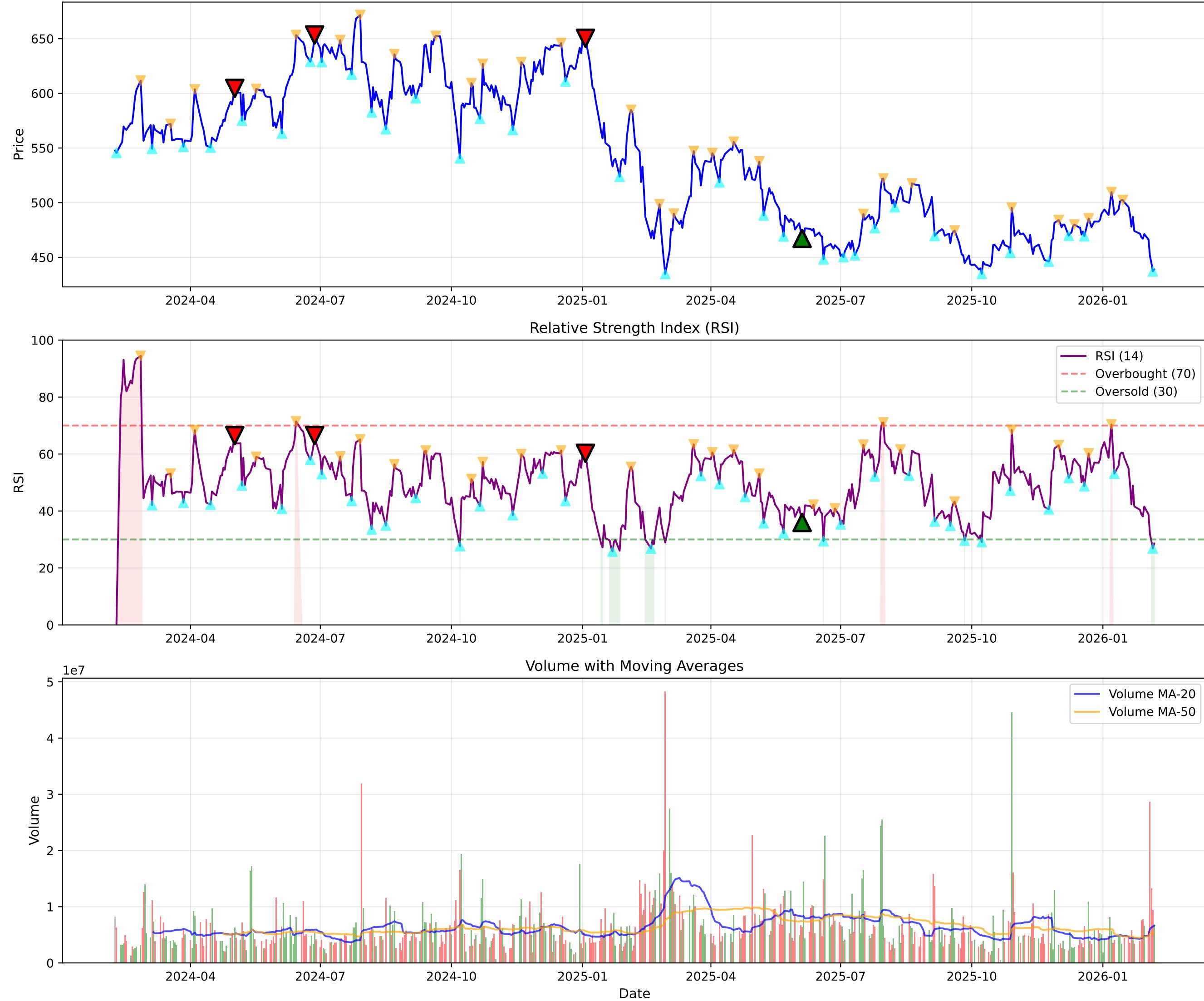
## VBL.NS - Volatility Squeeze Analysis



## **VBL.NS - RSI-Volume Summary**

<b>Current RSI:</b>	28.59
<b>Current Volume:</b>	6623250
<b>Volume MA 20:</b>	6637081
<b>Bullish Divergences:</b>	1
<b>Bearish Divergences:</b>	3
<b>Bullish Div 1:</b>	Date: 2025-06-04 00:00:00+05:30, Price: 467.35
<b>Bearish Div 1:</b>	Date: 2024-06-27 00:00:00+05:30, Price: 653.37
<b>Bearish Div 2:</b>	Date: 2025-01-03 00:00:00+05:30, Price: 650.34

# VBL.NS RSI-Volume Divergence Analysis



# **VBL.NS - Volume Analysis**

## **== VOLUME ANALYSIS ==:**

**Status:** 31 Signals Detected

:

**2026-01-19 [-]:** Distribution Day

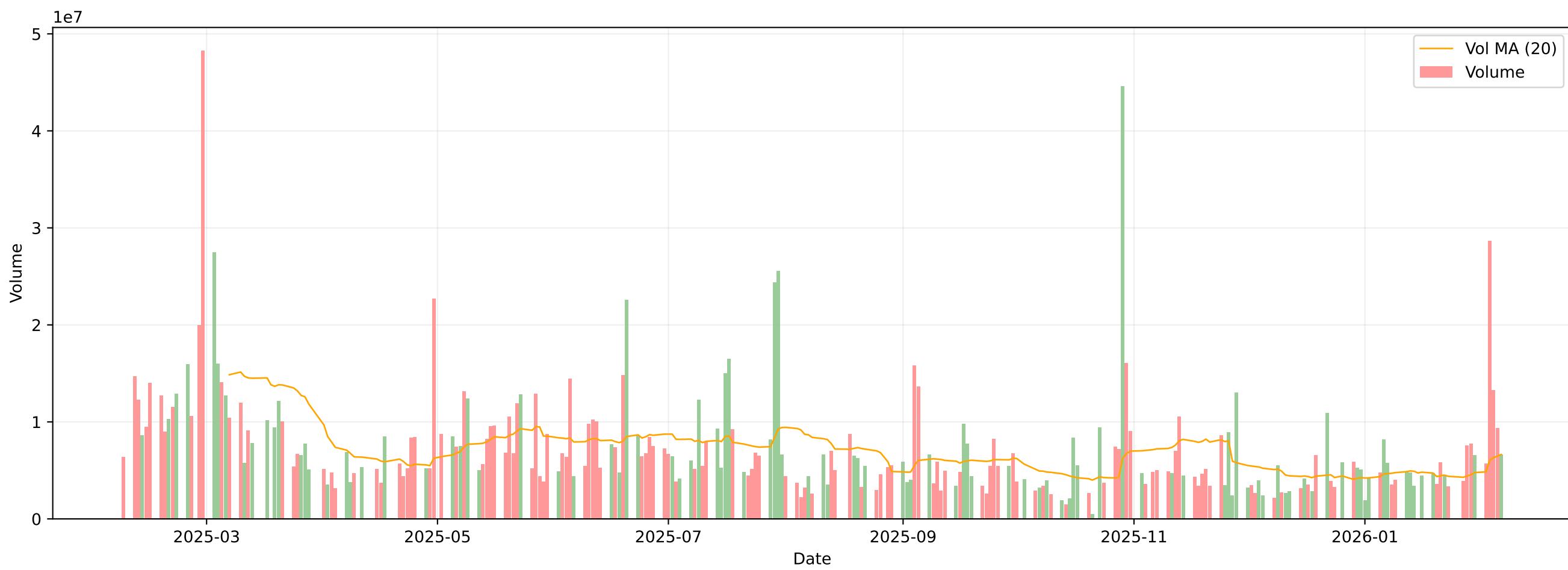
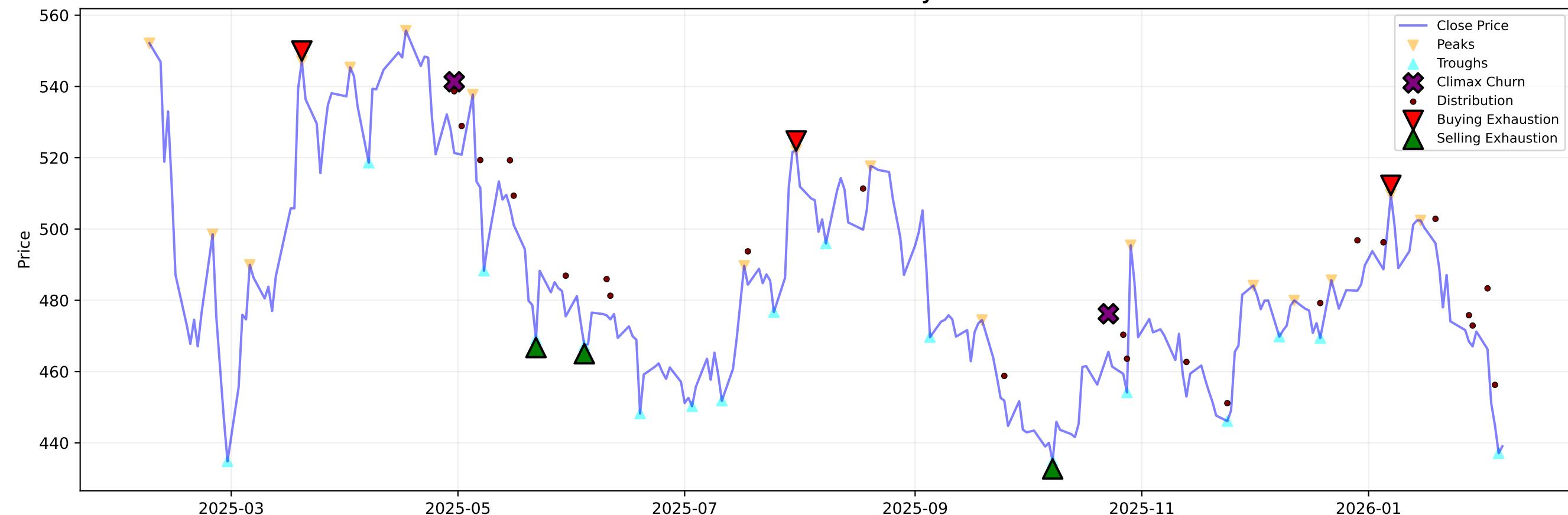
**2026-01-28 [-]:** Distribution Day

**2026-01-29 [-]:** Distribution Day

**2026-02-02 [-]:** Distribution Day

**2026-02-04 [-]:** Distribution Day

## VBL.NS - Volume Analysis



# VBL.NS - Candlestick Classification Summary

## == CANDLESTICK CLASSIFICATION ==:

**Latest Classification:** Seller Control

**Recent Trend Score (10-day avg):** -0.30

:

### Distribution:

**No Control:** 118

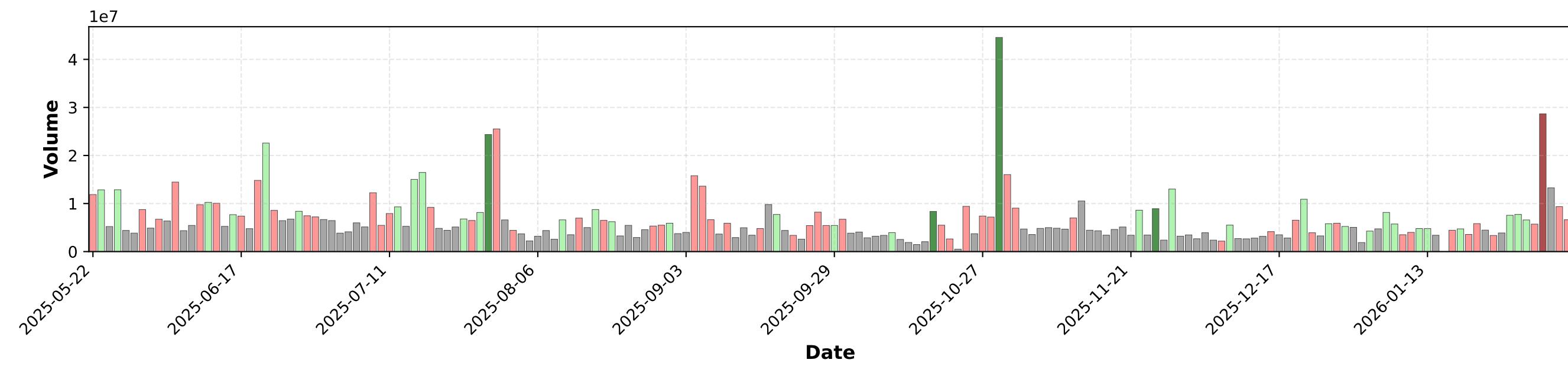
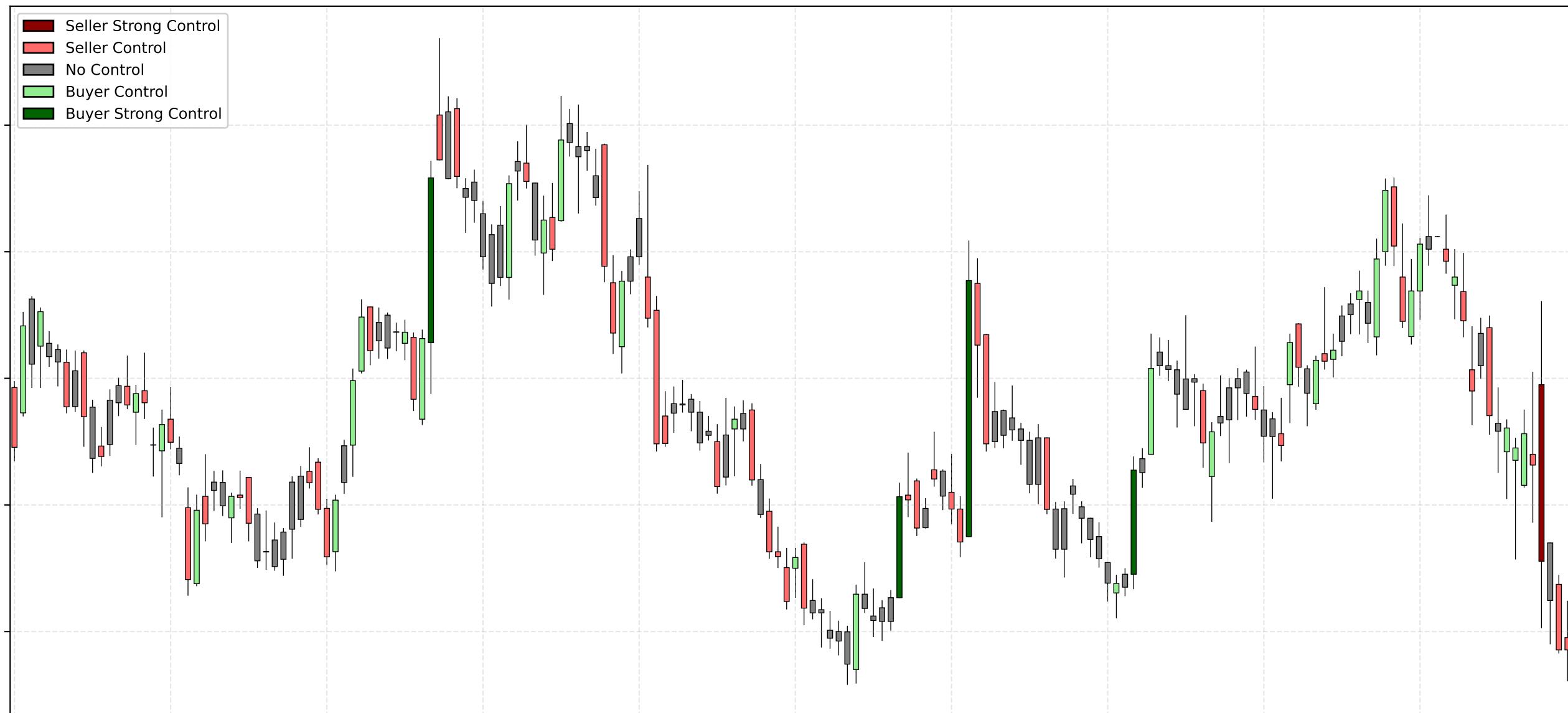
**Seller Control:** 64

**Buyer Control:** 40

**Buyer Strong Control:** 5

**Seller Strong Control:** 1

# VBL.NS - Candlestick Classification



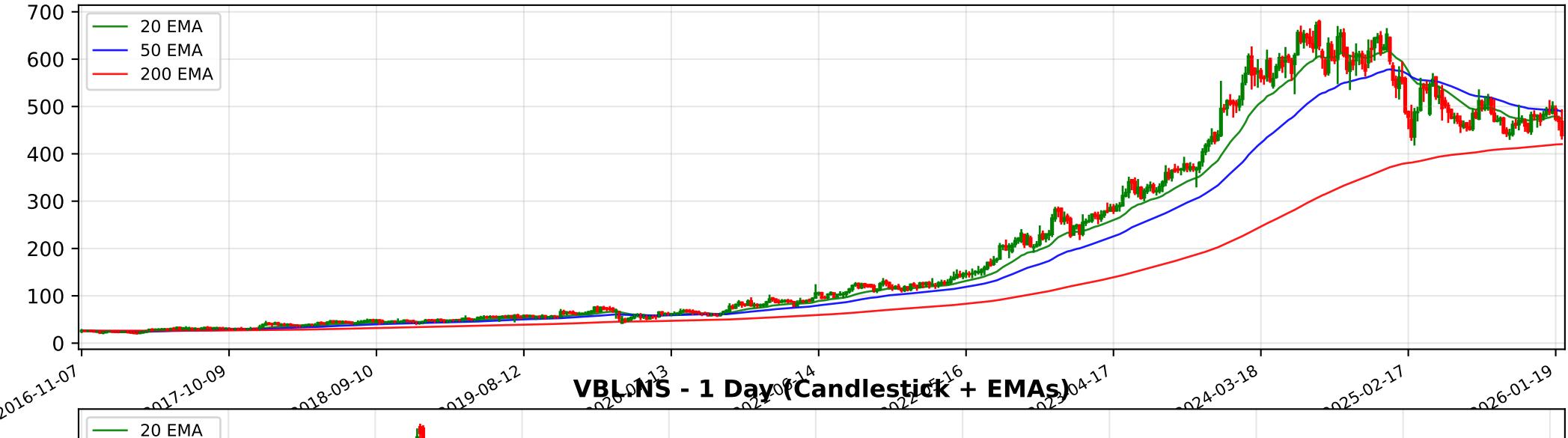
## Multi-Timeframe Supertrend Analysis

Timeframe	Status	Value	Last Price	Signal Date
1 Week	DOWNTREND (Sell)	512.86	439.05	2026-02-02
1 Day	DOWNTREND (Sell)	490.81	439.05	2026-01-27
15 Min	DOWNTREND (Sell)	442.78	439.05	2026-02-06

## Multi-Timeframe MACD Analysis

Timeframe	Trend	Momentum	Signal
1 Week	Bearish	Weakening	Bearish Crossover (Sell)
1 Day	Bearish	Weakening	No Signal
15 Min	Bullish	Strengthening	No Signal

# VBL.NS - 1 Week (Candlestick + EMAs)



# VBL.NS - 1 Day (Candlestick + EMAs)



# VBL.NS - 15 Min (Candlestick + EMAs)



# Trendlyne Snapshot - VBL\_main

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MARKETS / SECTOR : FOOD, BEVERAGES & TOBACCO / INDUSTRY : OTHER FOOD & BEVERAGES / [VARUN BEVERAGES LTD.](#)

## Varun Beverages Ltd. [ⓘ](#)

NSE: VBL | BSE: 540180  
Varun Beverages Live Share Price Today, Share Analysis and Chart

Expensive Performer [ⓘ](#) In 3 Starfolio Baskets

**439.05** 1.95 (0.45%)  
↓ Near 52W Low of ₹419.55

**7.0M** NSE+BSE Volume  
NSE 06 Feb, 2026 3:31 PM (IST)

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Durability score [ⓘ](#) **50.0 /100**  
Medium Financial Strength [ⓘ](#)

Valuation Score [ⓘ](#) **29.7 /100**  
Expensive Valuation [ⓘ](#)

Momentum Score [ⓘ](#) **44.4 /100**  
Technically Neutral [ⓘ](#)

Analyst Price Target [ⓘ](#) **568**  
1Yr Price target upside is 29% [ⓘ](#)

[FORECASTER](#)

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[Price Chart](#)  
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**Check Before You Buy** [VIEW FULL CHECKLIST](#)  
Medium rank **10** Positive \* **13** Negative  
**43.5%** Pass in checklist

**PE Valuation Check**  
Right Now [ⓘ](#) **Undervalued 64.2%**  
1 Year Forward [ⓘ](#) **Undervalued 63.1%**

**INSIGHT** Varun Beverages is undervalued at both current PE and future earnings estimate

[SWOT Analysis](#) [Preset Metrics](#) Preset Metrics [X](#)

### Varun Beverages Key Metrics

ROE Ann.% <a href="#">ⓘ</a> Above industry Median	<b>15.6</b>	Broker Average Target <a href="#">ⓘ</a> 33.09% upside	<b>584.32</b>	Market Capitalization <a href="#">ⓘ</a> Market Leader	<b>148,490.9</b>	Price to Book <a href="#">ⓘ</a> High in industry
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## Trendlyne Snapshot - VBL\_forecaster

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### Varun Beverages Ltd. [ⓘ](#)

NSE: VBL | BSE: 540180 [Expensive Performer](#) In 3 Starfolio Baskets

**439.05** **1.95 (0.45%)** **7.0M** NSE+BSE Volume **NSE 06 Feb, 2026 3:31 PM (IST)**

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### Varun Beverages - VBL - stock price prediction, stock forecast, target price, analyst ratings from 26 analysts

Varun Beverages has a share price target of Rs 568, revenue growth forecast of 7.7%, and profit growth estimate of 14.7% for FY25, based on top 26 analyst calls.

### Varun Beverages FORECASTER - Analyst Estimates [ⓘ](#)

[FORECASTER DASHBOARD](#) →

