

Gemini Stock Analysis Report

This analysis is conducted from the perspective of a seasoned positional trader, focusing on intermediate-term capital preservation and high-probability trend captures.

Step 1: Audit the Data

- **Data Present:** Daily price charts (3-year), moving averages (EMA 20, 50, 200), Bollinger Bands, Supertrend, MACD, RSI, Volume analysis, and fundamental growth metrics (Long-term/Short-term).
 - **Data Missing:** Weekly/Monthly charts (essential for confirming primary trend alignment), Sector/Peer relative strength comparison beyond the index, and a detailed institutional ownership/delivery volume breakdown.
 - **Confidence Level: High.** The report provides a robust multi-factor technical and fundamental dataset, including volatility squeeze indicators which are vital for identifying the start of a move.
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Step 2: Analyze the Setup

Price Structure & Trend: VBL.NS is currently in a transitional phase. After a significant correction from its 2024 highs (~INR 670) to a floor near INR 440, the stock is attempting a base breakout. * **Bullish Signs:** The price is trading above its EMA 20 (475) and EMA 50 (471). The Supertrend has issued a "Buy" signal, and the stock is in a "Volatility Squeeze" (Bollinger Band width is very narrow), suggesting an explosive move is imminent. * **Bearish/Cautious Signs:** The stock remains below its 200-day EMA (INR 490.18). For a positional trader, the 200-EMA is the "line in the sand" between a bear market rally and a true trend reversal. The RSI-Volume summary also notes a **Bearish** Divergence on Dec 22, which may act as a short-term drag.

Momentum & Relative Strength: Short-term momentum is "Strengthening" according to the MACD. However, the Relative Strength classification as a "Weakening Leader" is a concern. While it outperforms the FMCG index on a 1M and 3M basis, it is still lagging on the 1Y timeframe.

Fundamentals: Short-term QoQ growth is exceptionally strong (Net Income +81%), which provides a fundamental floor for the technical breakout. However, long-term ROE growth is negative, suggesting the recent efficiency might be a recovery rather than a structural expansion.

Step 3: Formulate the Recommendation

Should you enter now? NO.

Reasoning: As a risk-averse positional trader, "buying the bottom" is less profitable than "buying the trend." VBL is currently sandwiched between short-term support (EMA 50 at INR 471) and major structural resistance (EMA 200 at INR 490). Entering at INR 482 puts you directly under a major overhead supply zone. The high probability "Buy" occurs only once the stock proves it can hold above the 200-day EMA.

Conditional Plan (The "Breakout" Setup): If the stock clears its intermediate-term resistance, the path to INR 550 becomes much clearer.

- **Condition to Buy:** A daily candle close above the EMA 200 (INR 490.18) on expanding volume.

Gemini Stock Analysis Report

- **Entry Price:** INR 495.00 (To allow for a buffer above the EMA 200).
- **Stop Loss:** INR 467.00 (Placed below the recent "Squeeze" floor and the EMA 50).
- **Take Profit:** INR 555.00 (Targeting the resistance zone established in mid-2025, offering a ~12% upside).

Trader's Note: Monitor the "Volatility Squeeze" breakout. If the price breaks *down* from this squeeze below INR 465, the setup is fully invalidated and the stock will likely retest its INR 440 lows. Only buy the upward expansion.

News & Analyst Targets

As a stock research analyst, I have compiled the following update for Varun Beverages Limited (VBL) for the week ending **December 28, 2025**.

1) Latest News for VBL (Week of Dec 22 - Dec 28, 2025)

The primary headline this week is VBL's aggressive expansion into the African market: * **Acquisition of Twizza (South Africa):** On December 21-22, 2025, VBL announced it would acquire a 100% stake in **Twizza Proprietary Limited**, a major South African beverage manufacturer, for an enterprise value of approximately **INR 1,118.7 crore (ZAR 2,095 million)**. This deal, executed through its subsidiary BevCo, includes three manufacturing plants with a combined capacity of 100 million cases per year. * **Operational Integration:** The acquisition is expected to provide VBL with significant pricing power and market share in South Africa by leveraging Twizza's backward-integrated facilities (preform and closure lines). The deal is slated for completion by June 2026. * **Market Reaction:** VBL shares saw a positive reaction early in the week (gaining up to 2-3%) as investors lauded the strategic fit, though the stock faced some profit-booking later in the week in line with broader market volatility.

2) Brokerage Upgrades and Downgrades

- **Upgrade (Credit Rating):** Earlier in 2025, **CRISIL** upgraded VBL's long-term credit rating to **AAA/Stable** from AA+, citing its strong market position and healthy cash flow generation.
- **Maintenance (Equities):** Global brokerage **Citi** reiterated its **'Buy'** rating following the Twizza deal, highlighting the potential for margin expansion in the African segment. **JM Financial** also maintained a **'Buy'** rating, emphasizing the company's "pricing power" in the largest soft drink market in Africa.
- **Technical Downgrade:** **MarketsMOJO** recently adjusted its technical call on the stock to **'Sell'** (as of November/December 2025), primarily due to high valuation multiples (P/B ratio ~8.4x) and "sideways" price momentum despite strong fundamentals.

3) Other Direct or Indirect Impacting News

- **PepsiCo Synergy:** PepsiCo's increasing focus on energy drinks (via investments in **Celsius Holdings**) indirectly benefits VBL's portfolio as it continues to distribute Pepsi's high-growth segments in new territories.
- **Snack Portfolio Expansion:** VBL's Moroccan subsidiary has officially moved beyond distribution to manufacturing **Cheetos**. This pivot toward snack manufacturing (high-margin) is a key long-term driver for the company's valuation.
- **Raw Material Trends:** While PET resin prices have remained relatively stable, analysts are watching global sugar prices and currency fluctuations in the South African Rand (ZAR) and Nigerian Naira, which could impact international margins.
- **Infrastructure Growth:** Internal management commentary suggests that improved rural electrification and

Gemini Stock Analysis Report

road infrastructure in India (VBL's core market) are expected to drive high-single-digit volume growth in domestic rural distribution throughout 2026.

4) Latest Targets from Analysts & Brokerages

The following table summarizes the latest targets and recommendations for VBL:

Brokerage / Firm	Recommendation	Target Price (INR)	Date/Note
Citi	Buy	INR 675	Dec 2025 (Post-Twizza Deal)
Simply Wall St (Consensus)	N/A	INR 1,154*	Dec 2025 (High-end forecast)
ICICI Securities	Hold	INR 606	Post-Split Adjusted
JM Financial	Buy	Not Disclosed	Maintained (Dec 2025)
Investing.com (Consensus)	Strong Buy	INR 599	Average of 25 Analysts
Trendlyne (Average)	Buy	INR 588	Current Consensus Average
MarketsMOJO	Sell	N/A	Technical/Valuation Basis

**Note: High-end targets like INR 1,154 may reflect 12-24 month outlooks or variations in split-adjusted calculations; the current consensus average remains in the INR 580-INR 610 range.*

Analyst Summary: VBL remains a "Growth at a Reasonable Price" (GARP) candidate for many, though its high P/E ratio (approx. 55-60x) makes it sensitive to any misses in volume growth. The focus for Q1 2026 will be the successful integration of the newly acquired African territories.

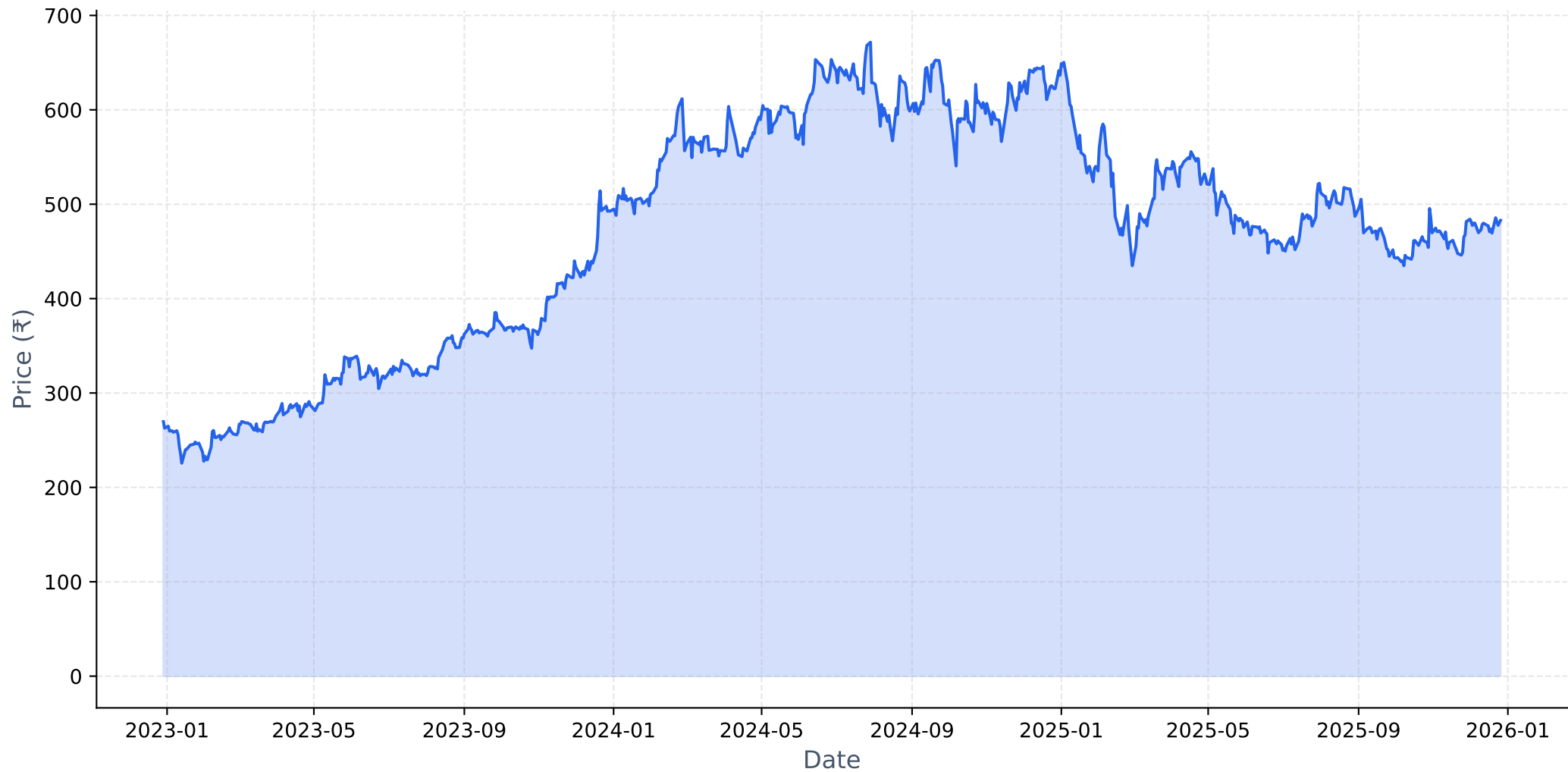
Stock Detailed Analysis Report

VBL.NS

Current Price: ₹482.85

Generated: 2025-12-28 10:28

VBL.NS - 3 Year Daily Price Chart



Long-term Fundamental Analysis (4 Years)

Metric	Is Growing?	Accelerating?	1Y Growth	3Y CAGR
Revenue	Yes	No	24.47%	31.04%
Net Income	Yes	No	26.20%	55.20%
ROE	No	No	-47.30%	-2.80%
EPS	Yes	No	25.59%	54.92%

Short-term Fundamental Analysis (6 Quarters)

Metric	Is Growing?	Recent QoQ	Avg QoQ
Revenue	Yes	26.05%	8.99%
Net Income	Yes	81.29%	63.25%
ROE	Yes	543.42%	225.53%
EPS	Yes	80.93%	54.78%

VBL.NS - Relative Strength Analysis

== OVERVIEW ==:

Benchmark Index:	^CNXFMCG
Sector:	FMCG
Classification:	Weakening Leader
RS Score:	50.7/100
:	

== RS RATIOS ==:

1M RS:	1.043 [Leader]
3M RS:	1.073 [Leader]
6M RS:	1.046 [Leader]
1Y RS:	0.789 [Lagging]
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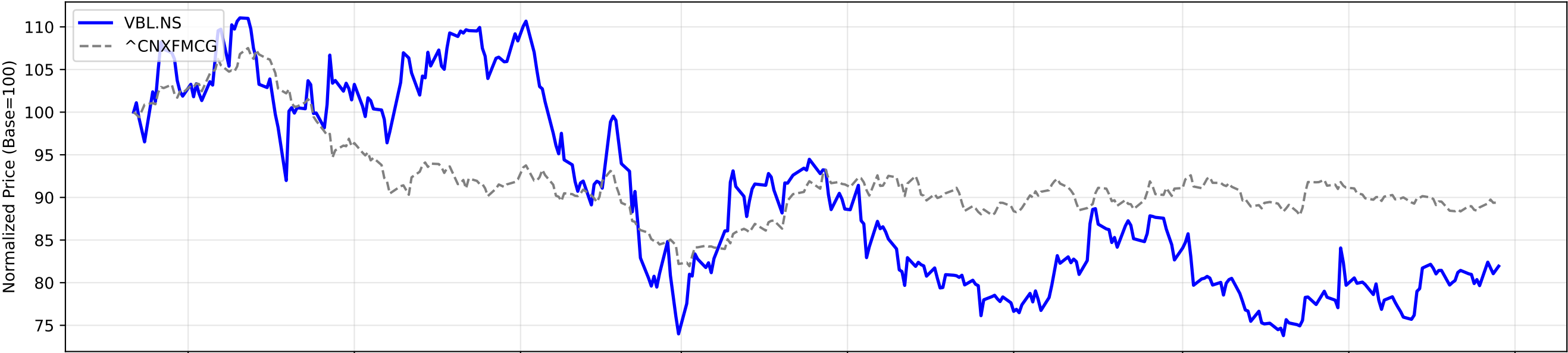
== TURNAROUND ANALYSIS ==:

Turnaround Status:	Not Detected
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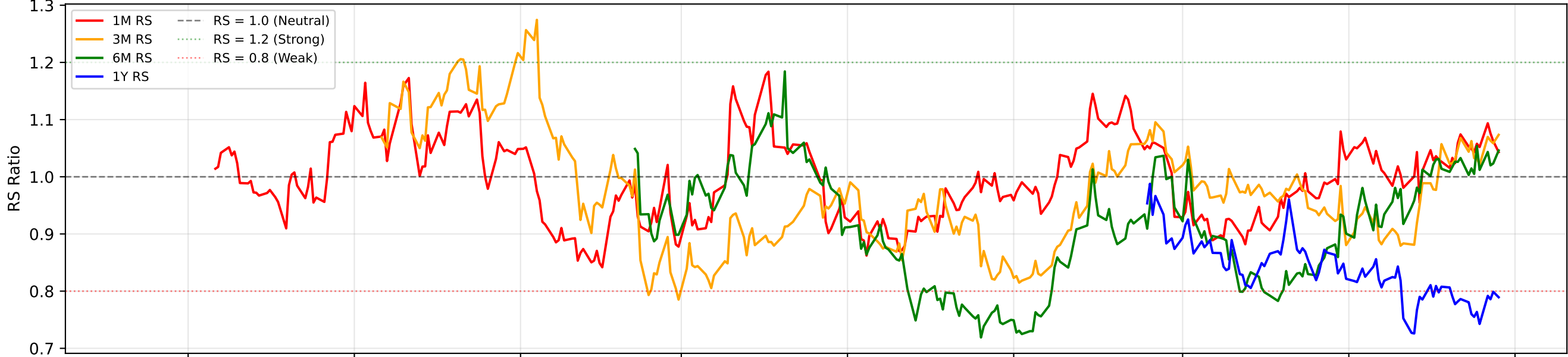
SIGNAL CRITERIA::

✗ Emerging RS:	Not accelerating
✓ Medium-term Lagging:	1Y=0.789 (≤ 1.0)
✓ Performance Improving:	3M (+6.9%) > 6M (+5.3%)

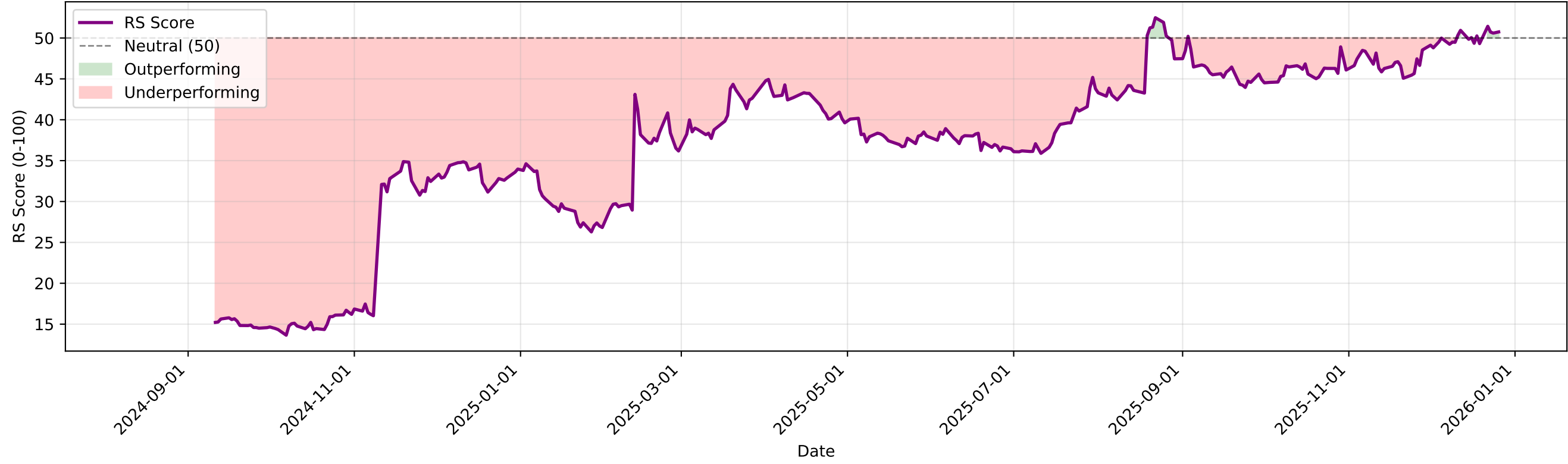
Relative Strength Analysis: VBL.NS vs ^CNXFMCG
Classification: Weakening Leader
Price Performance Comparison (Normalized)



RS Ratio Trends (Multiple Timeframes)



RS Composite Score Timeline



VBL.NS - EMA Crossover Summary

EMA 20:	475.33
EMA 50:	471.19
EMA 200:	490.18
Trend Status:	Short-term Uptrend

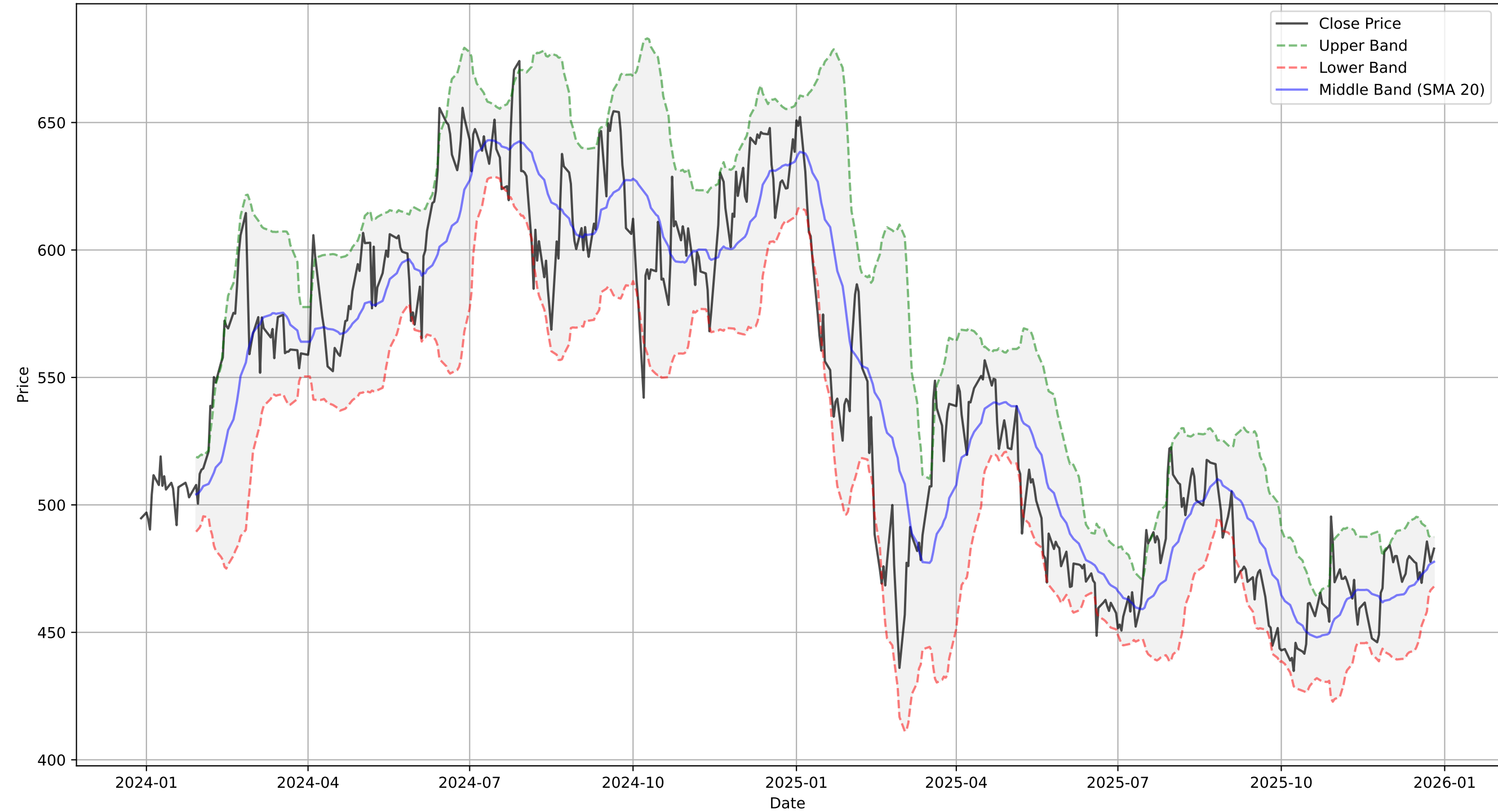
VBL.NS EMA Crossover Analysis



VBL.NS - Bollinger Bands Summary

Current Price:	482.85
Upper Band:	487.39
Middle Band (SMA 20):	477.68
Lower Band:	467.98
%B:	0.7660
Band Width:	0.0406
Status:	Upper Half
Signal:	None

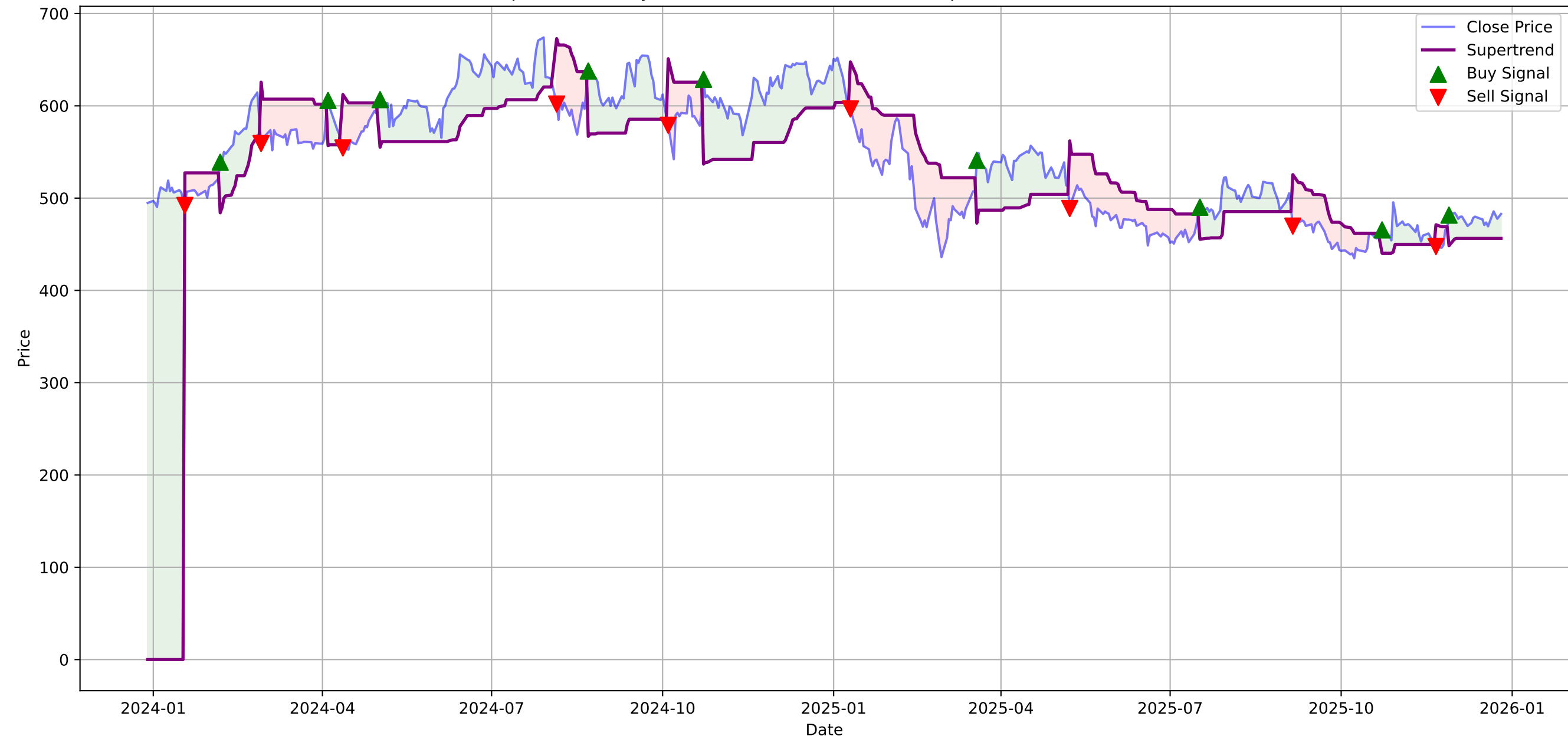
VBL.NS Bollinger Bands (20, 2) Analysis



VBL.NS - Supertrend Summary

Status:	UPTREND (Buy)
Supertrend Value:	456.32
Signal Identified On:	2025-11-28

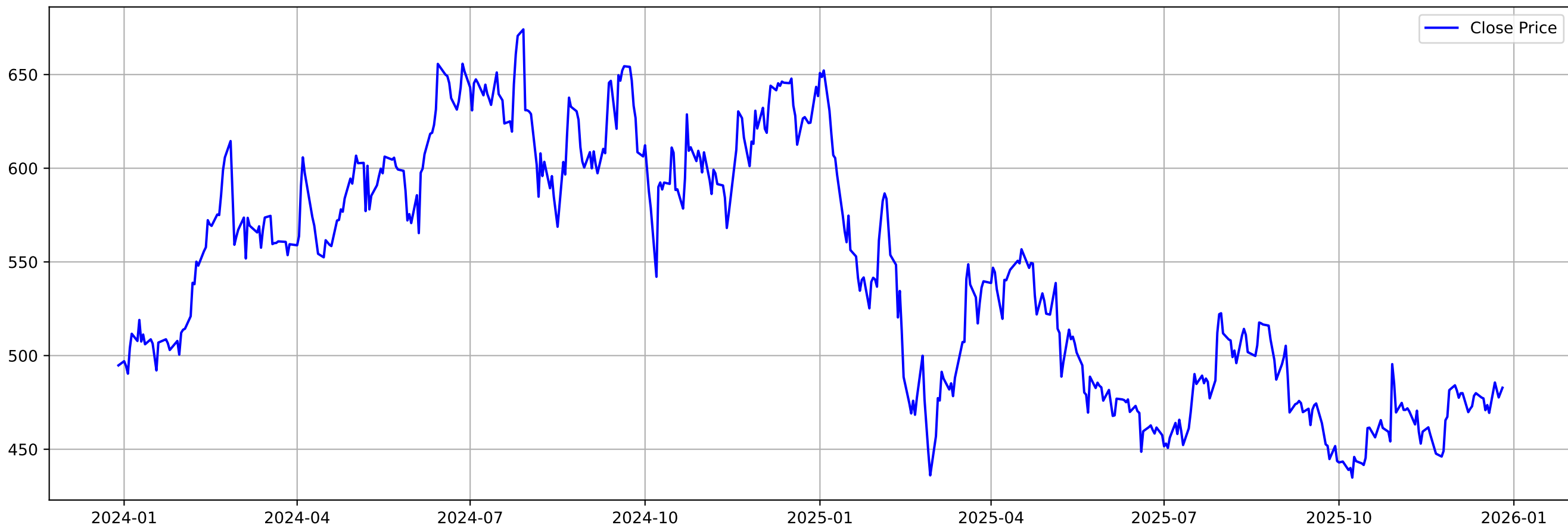
Supertrend Analysis for VBL.NS (Period: 14, Multiplier: 3.0, Interval: 1d)



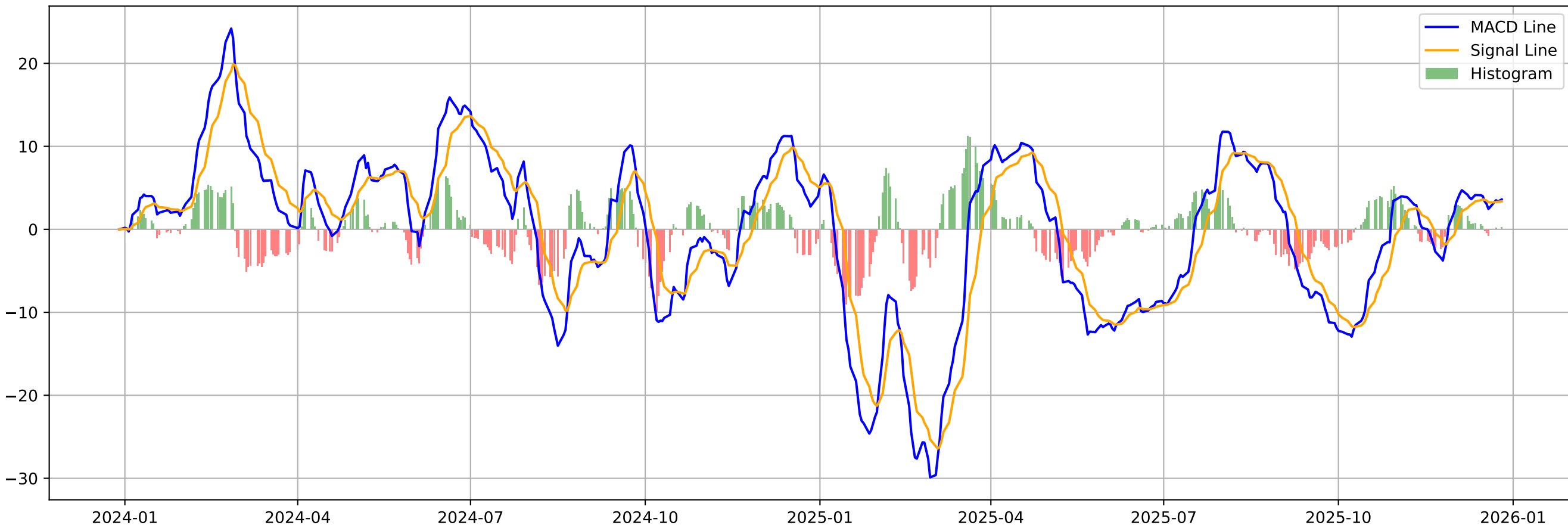
VBL.NS - MACD Summary

MACD Line:	3.60
Signal Line:	3.37
Histogram:	0.23
Trend:	Bullish
Momentum:	Strengthening
Signal:	None
Divergences Detected:	1
└ Bearish Divergence:	Date: 2025-12-22 00:00:00, Price: 485.65

VBL.NS Price



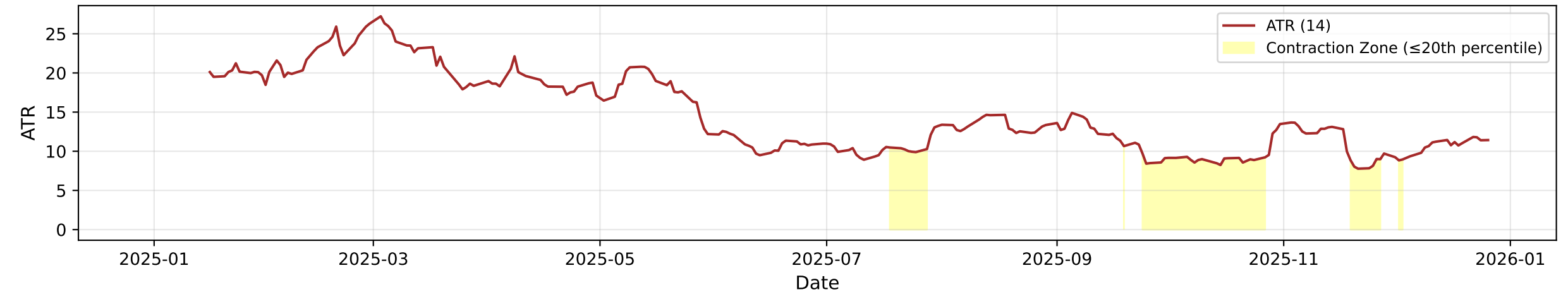
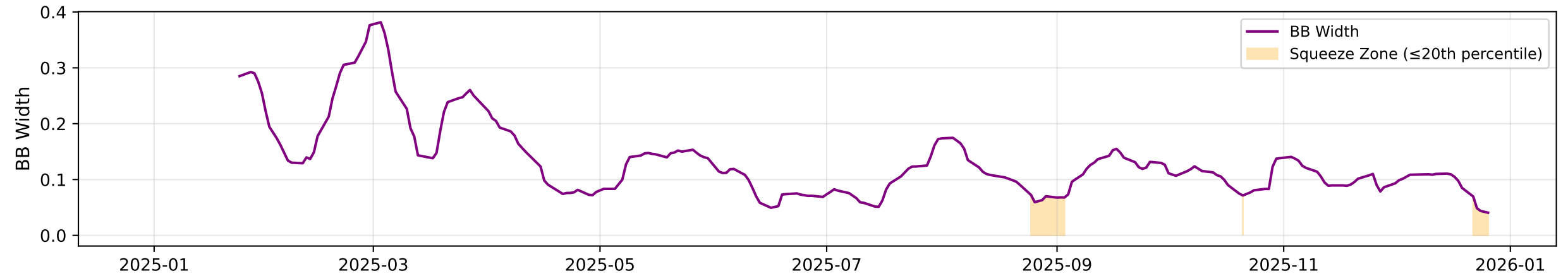
VBL.NS MACD (12, 26, 9)



VBL.NS - Volatility Squeeze Summary

BB Width:	0.0406
ATR:	11.4286
Total Signals:	30
Signal 1:	ATR Contraction at 2025-12-03 00:00:00 (Price: 477.50)
Signal 2:	BB Squeeze at 2025-12-22 00:00:00 (Price: 485.65)
Signal 3:	BB Squeeze at 2025-12-23 00:00:00 (Price: 481.75)
Signal 4:	BB Squeeze at 2025-12-24 00:00:00 (Price: 477.65)
Signal 5:	BB Squeeze at 2025-12-26 00:00:00 (Price: 482.85)

VBL.NS - Volatility Squeeze Analysis



VBL.NS - RSI-Volume Summary

Current RSI:	57.06
Current Volume:	5793445
Volume MA 20:	4430307
Bullish Divergences:	1
Bearish Divergences:	3
Bullish Div 1:	Date: 2025-06-04 00:00:00, Price: 467.80
Bearish Div 1:	Date: 2024-06-27 00:00:00, Price: 655.78
Bearish Div 2:	Date: 2025-01-03 00:00:00, Price: 652.20

VBL.NS RSI-Volume Divergence Analysis

