

Gemini Stock Analysis Report

Based on the detailed technical and fundamental report provided for VBL.NS (Varun Beverages Ltd), here is my assessment as a Positional Equity Trader.

Note on Timeline: The report indicates a generated date of **2026-01-24**. I will treat this data as "current market reality" for the purpose of this simulation.

Step 1: Audit the Data

- **Data Present:**

- **Price Action:** Daily, Weekly, and 15-minute candlestick charts with EMA overlays.
- **Trend Indicators:** Moving Averages (20, 50, 200 EMA), Supertrend, MACD.
- **Volatility:** Bollinger Bands, Volatility Squeeze analysis, ATR.
- **Momentum/Oscillators:** RSI, Relative Strength (RS) against benchmark.
- **Volume:** Volume bars, Moving Averages, and specific accumulation/distribution signals.
- **Fundamentals:** 4-year and 6-quarter revenue/profit trends, analyst targets.

- **Data Missing:**

- None. The report is highly comprehensive for a technical setup.

- **Confidence Level: High.**

- *Explanation:* The report provides a complete multi-timeframe view (Weekly for trend, Daily for execution, 15m for precision) alongside relative strength and fundamental context. No blind spots exist in the data.
-

Step 2: Analyze the Setup

1. Price Structure & Trend:* **Bearish Structure:** The stock is currently trading at **474.10**, which is below the critical 200-day EMA (489.39). For an intermediate-term trader, price trading below the 200 EMA is a major "stop" signal for long positions.* **EMA Resistance Cluster:** There is a significant "Iron Ceiling" forming. The 20 EMA (489.13), 50 EMA (482.95), and 200 EMA (489.39) are all clustered together above the current price. The stock is facing resistance on all immediate timeframes.* **Breakdown:** The price has closed below the Lower Bollinger Band (474.70), indicating strong bearish momentum rather than a simple oversold condition. The "walking down the bands" phenomenon is active.

2. Momentum & Strength:* **Relative Strength:** The stock is classified as a "Weakening Leader" and has a lagging RS score of 53.7. It is underperforming the Nifty FMCG index, meaning capital is flowing elsewhere.* **MACD:** The trend is identified as **Bearish** with a negative histogram (-3.18), indicating selling pressure is accelerating, not abating.* **Supertrend:** The daily Supertrend flipped to SELL on 2026-01-23 (yesterday in this simulation), confirming the immediate downtrend.

3. Volume:* **Distribution:** The volume analysis notes "Buying Exhaustion" followed by "Distribution Days" in January 2026. This suggests institutional unloading.

Confluence: There is **negative confluence**. Price is below key averages, momentum is bearish, relative strength is weak, and volatility bands are expanding to the downside.

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Step 3: Formulate the Recommendation

Recommendation: NO

Reasoning: Entering a long position now would be "catching a falling knife." The stock has broken key structural support and is trading below the 200 EMA. While the fundamentals (Revenue/EPS growth) are solid, the technicals indicate a correction is actively underway. The clustered resistance between 482 and 490 is too heavy to ignore.

However, given the strong fundamental backdrop (Analyst target 598), this is a prime candidate for a "Watchlist" setup *if* it reclaims key levels.

Conditional Plan (Watchlist for Reversal): We need the price to clear the overhead supply (the EMA cluster) to confirm the correction is over.

- **Condition to Buy:** The stock must close **above the 200 EMA and 20 EMA** on a Daily timeframe. This invalidates the immediate bearish breakdown.
- **Entry Price: INR 492.00 - INR 495.00** (Wait for a daily close above 490 to confirm strength, then enter on the break of the high).
- **Stop Loss: INR 468.00** (Strict closing basis. This places risk below the recent swing lows/current breakdown level).
- **Take Profit:**
 - **Target 1: INR 540.00** (Previous consolidation zone).
 - **Target 2: INR 590.00** (Near previous highs and analyst targets).

Risk Reward Ratio for Conditional Trade: ~1:2 (Risking ~25 points to gain ~50 points).

News & Analyst Targets

As a stock research analyst at your investment firm, I have compiled the latest research, news, and analyst ratings for **Varun Beverages Ltd (VBL)** for the week ending **January 25, 2026**.

1) Latest News for VBL (Week of Jan 19-25, 2026)

- **Acquisition of Twizza (South Africa):** The most significant strategic development is VBL's board approval to acquire a 100% stake in **Twizza Proprietary Limited**, a South African beverage company, for an enterprise value of approximately **Rs 1,119 crore** (ZAR 2.1 billion). This move is expected to double VBL's market share in South Africa from ~10% to ~20%.
- **Stock Performance & Technical Weakness:** The stock had a challenging week, closing around **Rs 474**, down approximately **5.2%** for the week. Technical indicators signaled short-term weakness (weekly stochastic crossover), with the price slipping below key short-term moving averages.
- **Surge in Open Interest (OI):** Despite the price drop, there was a sharp surge in Open Interest (approx. **15-19%**) in the derivatives segment on Jan 22, 2026. This indicates aggressive new positioning by traders-potentially a mix of shorting for the near term or hedging ahead of the upcoming results.
- **Upcoming Q4 Results:** Markets are awaiting VBL's **Q4 CY2025** (quarter ended Dec 31, 2025) financial results. Based on historical trends, these are expected to be announced in **early February 2026**.

2) Brokerage Upgrades & Downgrades

Gemini Stock Analysis Report

- **Investec (New Coverage):** Global brokerage Investec initiated coverage on VBL this month (Jan 13, 2026) with a **BUY** rating and a target of **Rs 569**, citing strong growth visibility.
- **Choice Equity Broking:** Issued a **BUY** call on Jan 19, 2026, identifying a favorable technical setup with a target of **Rs 554** and a stop-loss at Rs 470, though the stock is currently testing that support level.
- **Citi:** Reaffirmed its **BUY** rating in late Dec/early Jan following the Twizza acquisition news, maintaining a bullish target of **Rs 675**.

3) Other Impacting News

- **African Expansion:** The Twizza deal is seen as a key driver for long-term growth, reducing reliance on the Indian summer season and diversifying revenue geographically.
- **Market Sentiment:** Broader market weakness (Sensex and Nifty were down this week) has contributed to the selling pressure on VBL, as investors booked profits in high-valuation stocks.
- **Institutional Activity:** Foreign Institutional Investor (FII) flows have been mixed, but domestic mutual funds remain net holders, viewing the correction as an accumulation opportunity given the company's strong earnings visibility for CY26.

4) Analyst Price Targets (Markdown Table)

Below is the summary of the latest price targets from major brokerages and consensus estimates for Varun Beverages Ltd.

Brokerage / Analyst	Rating	Target Price (INR)	Date / Status	Upside Potential*
Citi	BUY	675	Jan 2026 (Reiterated)	~42%
Motilal Oswal	BUY	665 - 680	Jan 2026 (Maintained)	~40%
Emkay Global	BUY	625	Late 2025 Update	~32%
Consensus Estimate	BUY	598	Jan 20, 2026 (Avg)	~26%
Investec	BUY	569	Jan 13, 2026 (New)	~20%
Choice Broking	BUY	554	Jan 19, 2026	~17%

*Upside potential is calculated based on the recent closing price of ~Rs 474.

Analyst View: The consensus remains **Buy/Strong Buy**. While the stock is undergoing a short-term correction, the long-term structural story remains intact, bolstered by the new South African acquisition and expected double-digit volume growth in the upcoming summer season.

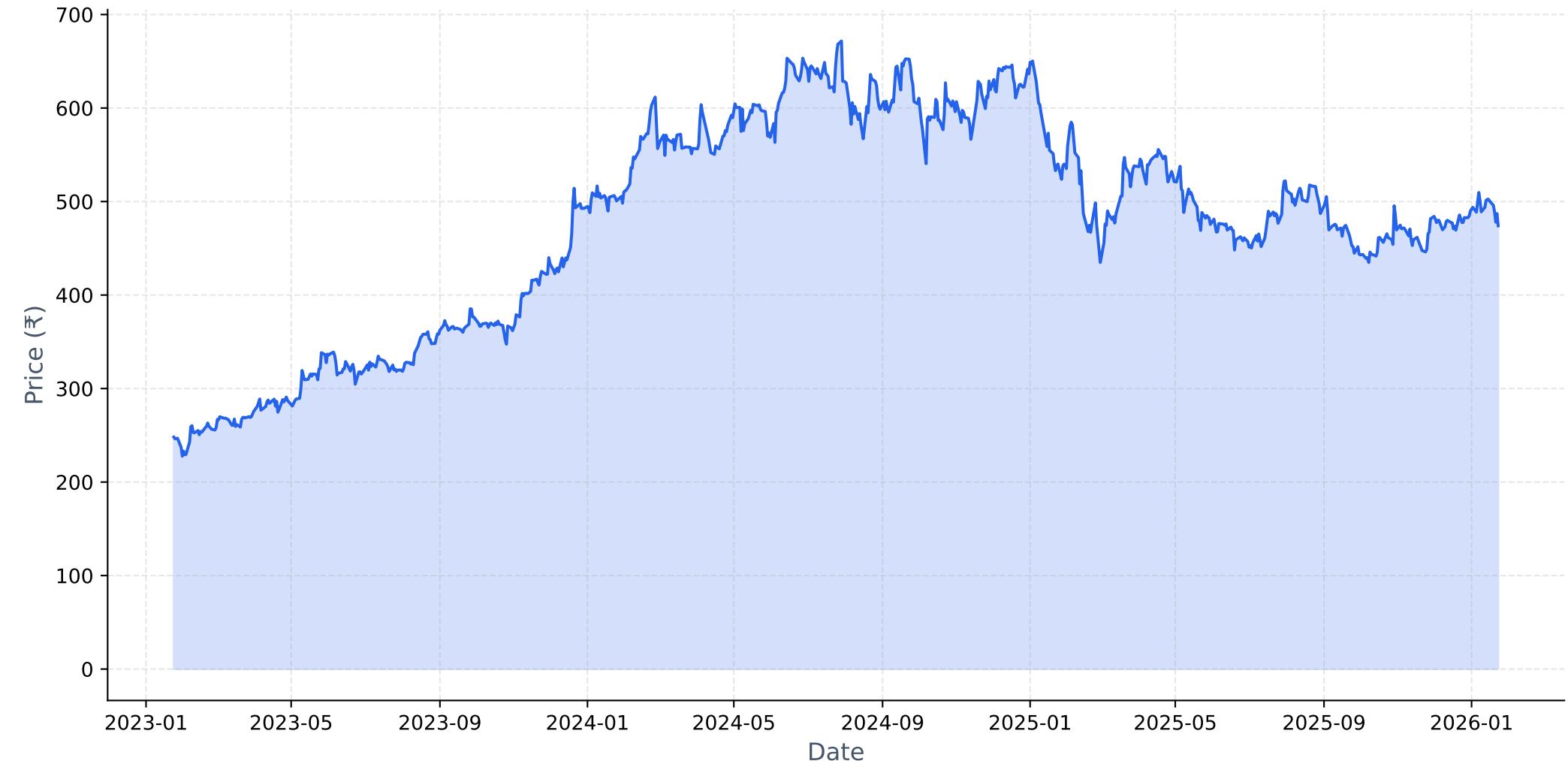
Stock Detailed Analysis Report

VBL.NS

Current Price: ₹474.10

Generated: 2026-01-24 18:21

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%	15.21%

VBL.NS - Relative Strength Analysis

== OVERVIEW ==:

Benchmark Index:	^CNXFMCG
Sector:	FMCG
Classification:	Weakening Leader
RS Score:	53.7/100
:	

== RS RATIOS ==:

1M RS:	1.058 [Leader]
3M RS:	1.144 [Leader]
6M RS:	1.082 [Leader]
1Y RS:	0.956 [Neutral]
:	

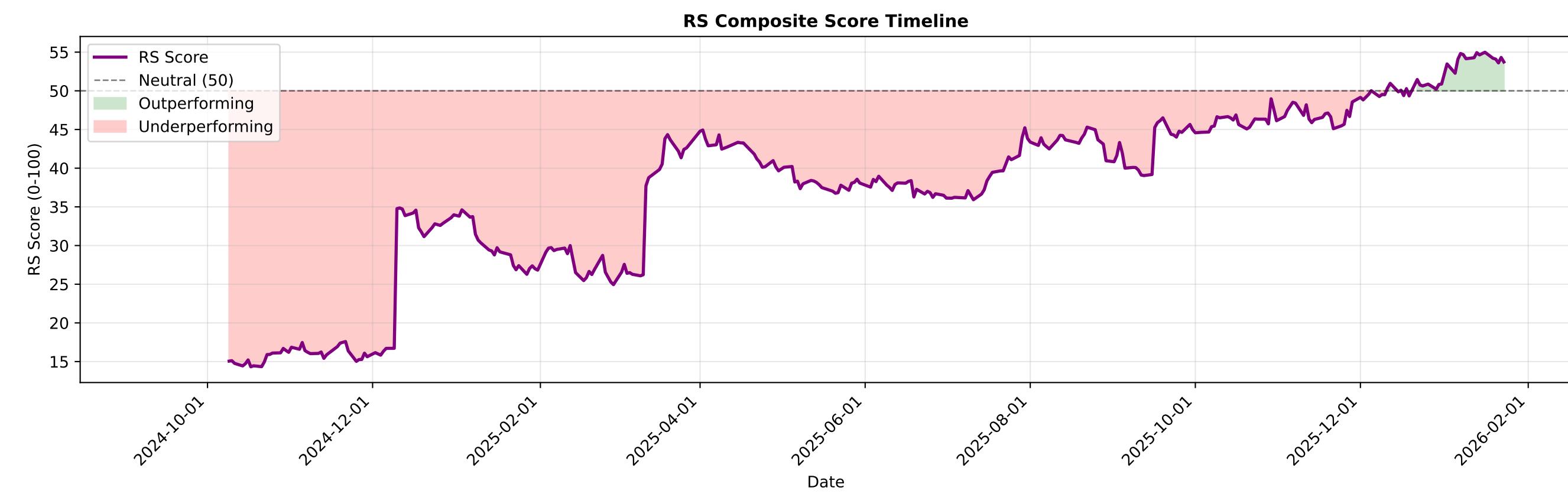
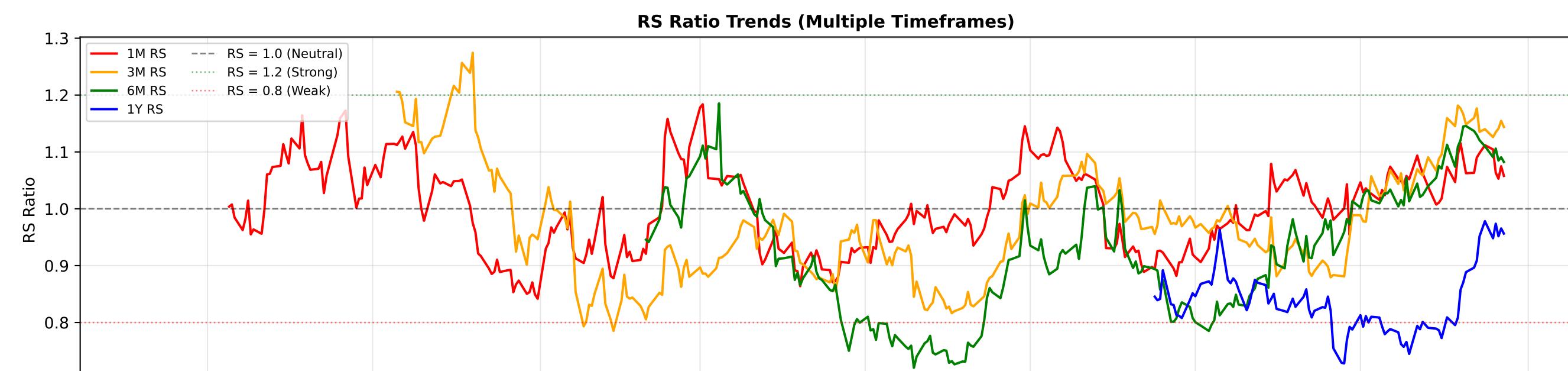
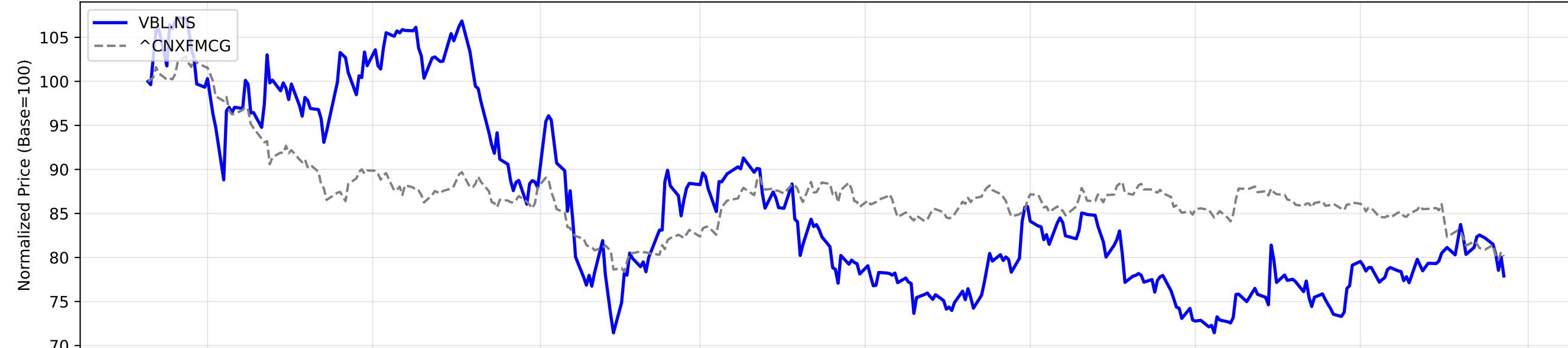
== TURNAROUND ANALYSIS ==:

Turnaround Status:	Not Detected
:	

SIGNAL CRITERIA::

✗ Emerging RS:	Not accelerating
✓ Medium-term Lagging:	1Y=0.956 (≤ 1.0)
✓ Performance Improving:	3M (+1.8%) > 6M (-2.2%)

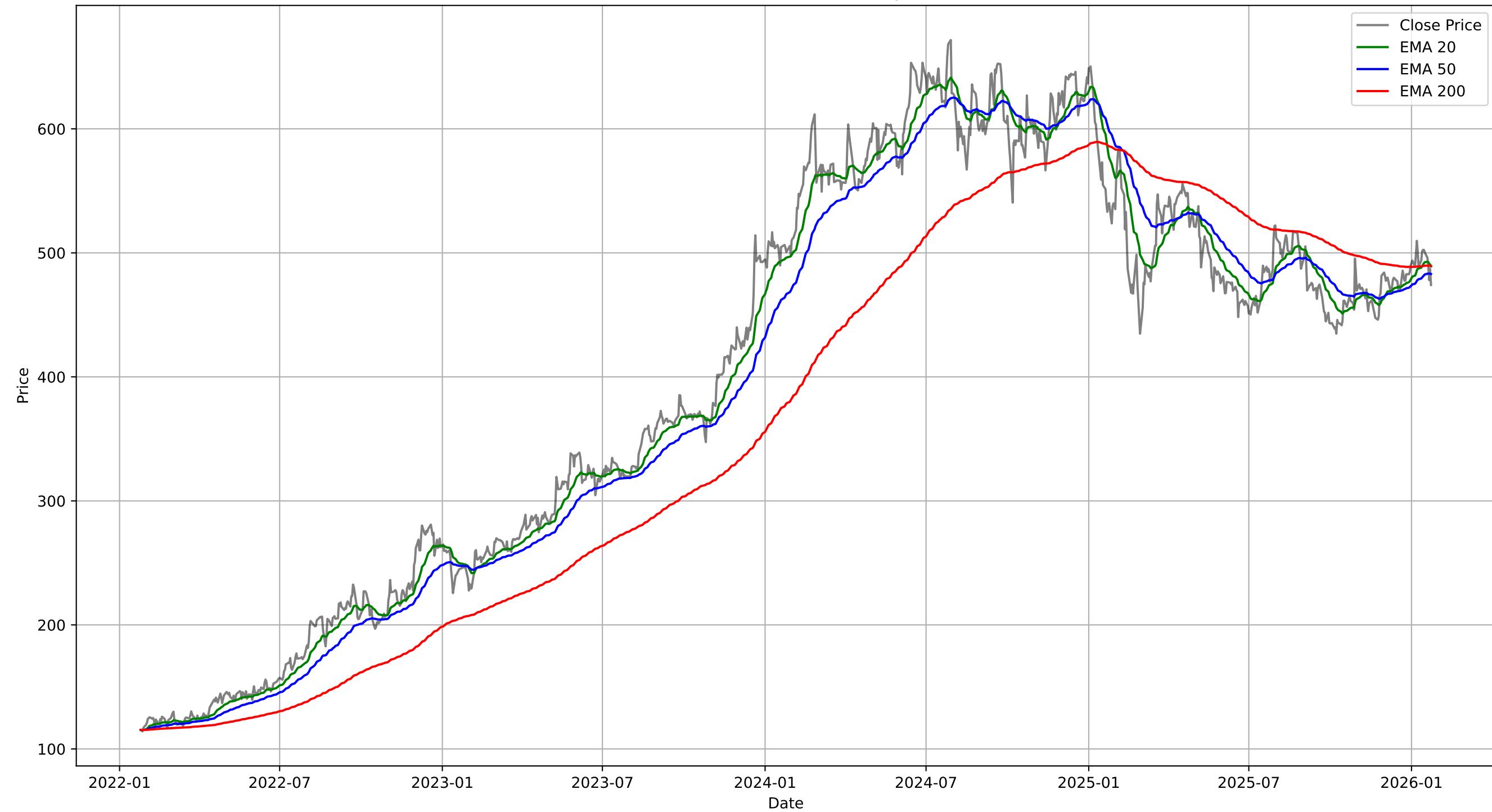
Relative Strength Analysis: VBL.NS vs ^CNXFMCG
Classification: Weakening Leader
Price Performance Comparison (Normalized)



VBL.NS - EMA Crossover Summary

EMA 20:	489.13
EMA 50:	482.95
EMA 200:	489.39
Trend Status:	Short-term Uptrend

VBL.NS EMA Crossover Analysis



VBL.NS - Bollinger Bands Summary

Current Price:	474.10
Upper Band:	510.72
Middle Band (SMA 20):	492.71
Lower Band:	474.70
%B:	-0.0167
Band Width:	0.0731
Status:	Below Lower Band
Signal:	None

VBL.NS Bollinger Bands (20, 2) Analysis



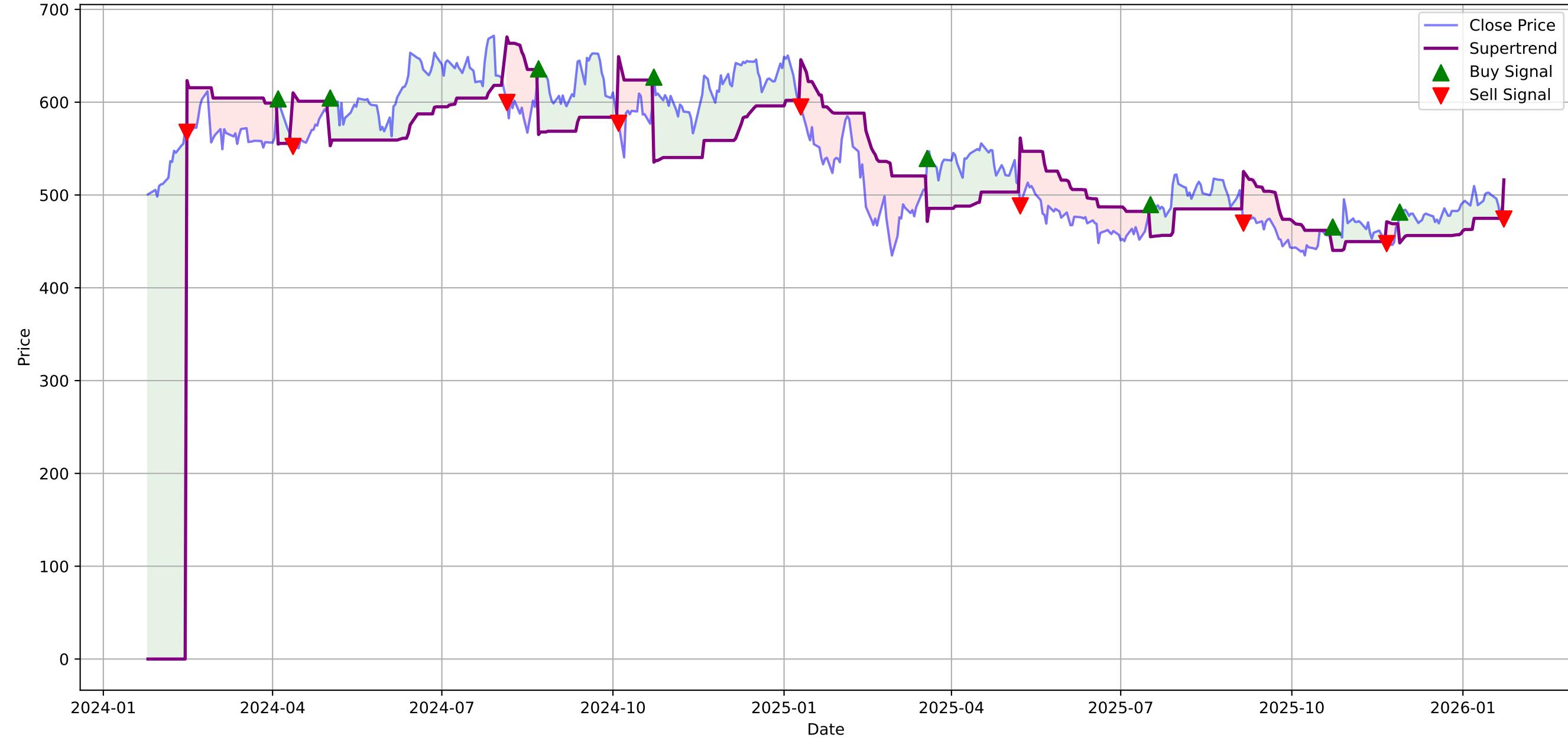
VBL.NS - Supertrend Summary

Status: DOWNTREND (Sell)

Supertrend Value: 516.26

Signal Identified On: 2026-01-23

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



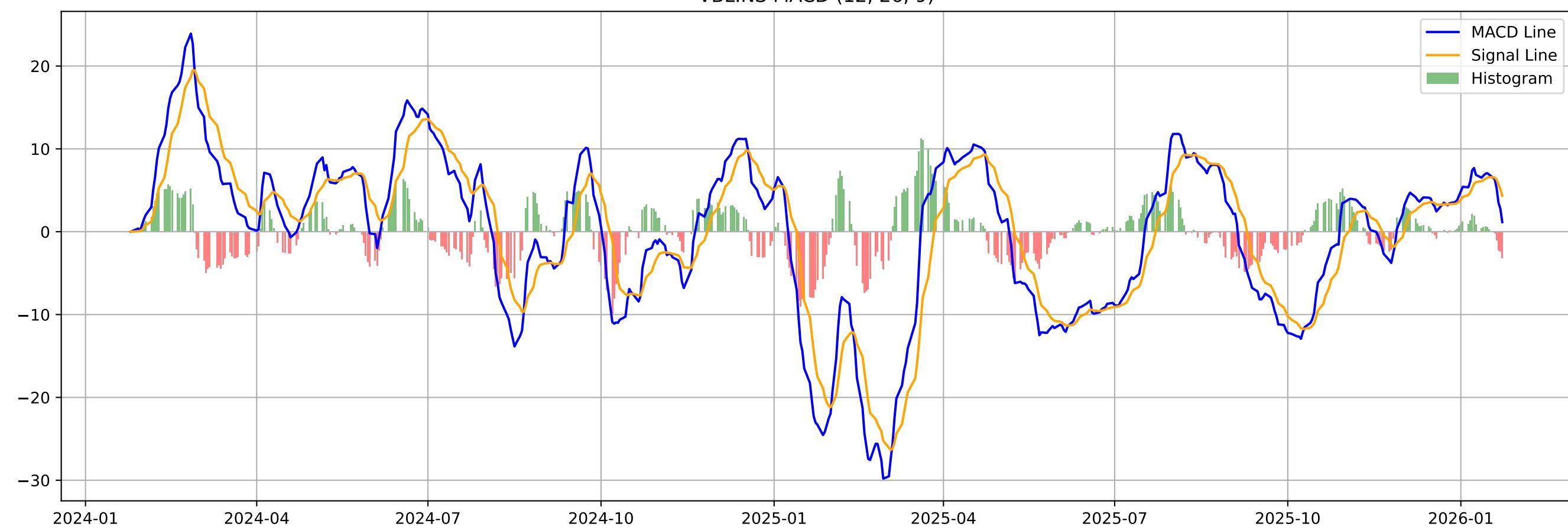
VBL.NS - MACD Summary

MACD Line:	1.16
Signal Line:	4.34
Histogram:	-3.18
Trend:	Bearish
Momentum:	Strengthening
Signal:	None

VBL.NS Price



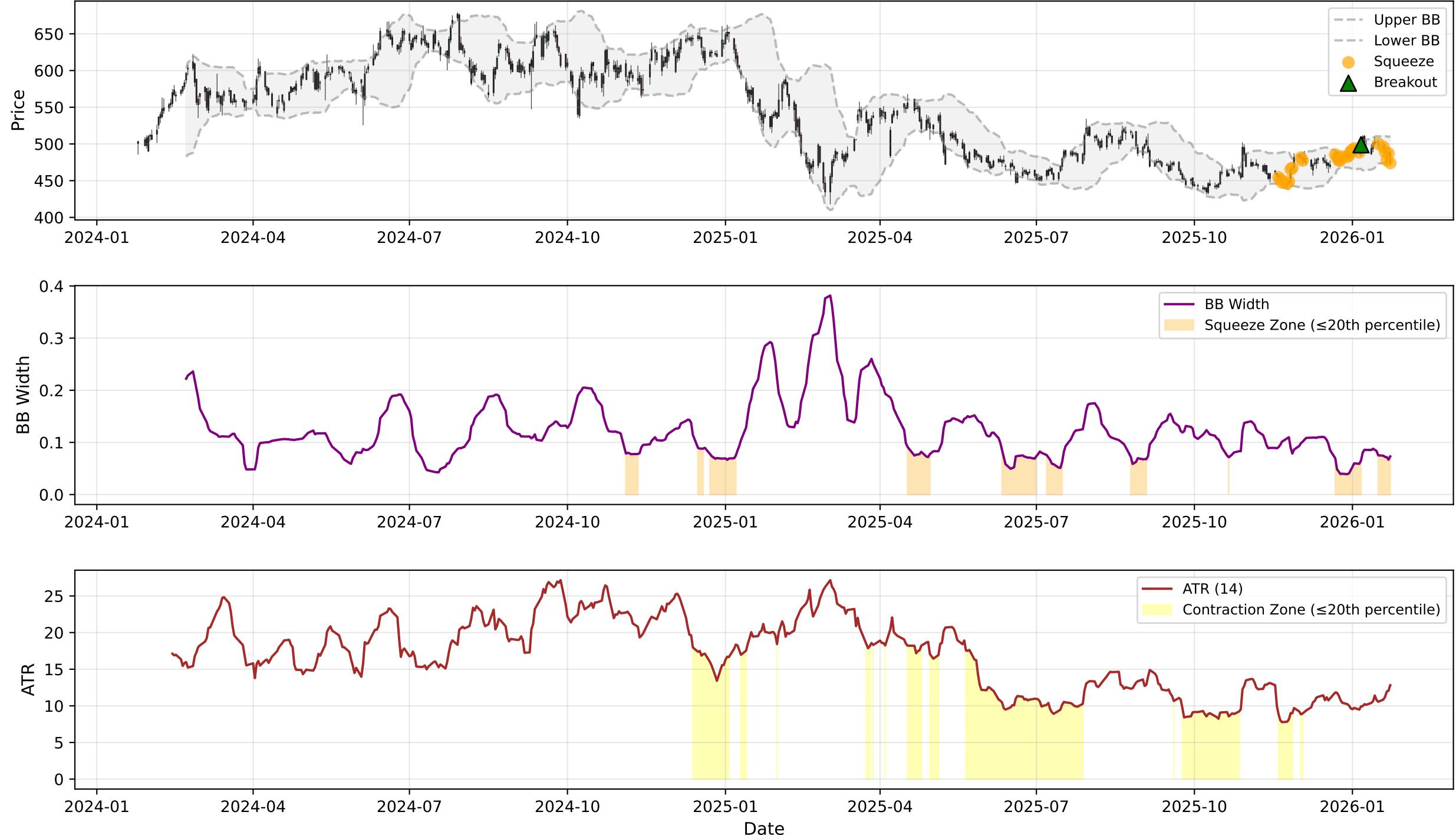
VBL.NS MACD (12, 26, 9)



VBL.NS - Volatility Squeeze Summary

BB Width:	0.0731
ATR:	12.8179
Total Signals:	27
Signal 1:	BB Squeeze at 2026-01-19 00:00:00+05:30 (Price: 496.00)
Signal 2:	BB Squeeze at 2026-01-20 00:00:00+05:30 (Price: 489.10)
Signal 3:	BB Squeeze at 2026-01-21 00:00:00+05:30 (Price: 478.00)
Signal 4:	BB Squeeze at 2026-01-22 00:00:00+05:30 (Price: 487.10)
Signal 5:	BB Squeeze at 2026-01-23 00:00:00+05:30 (Price: 474.10)

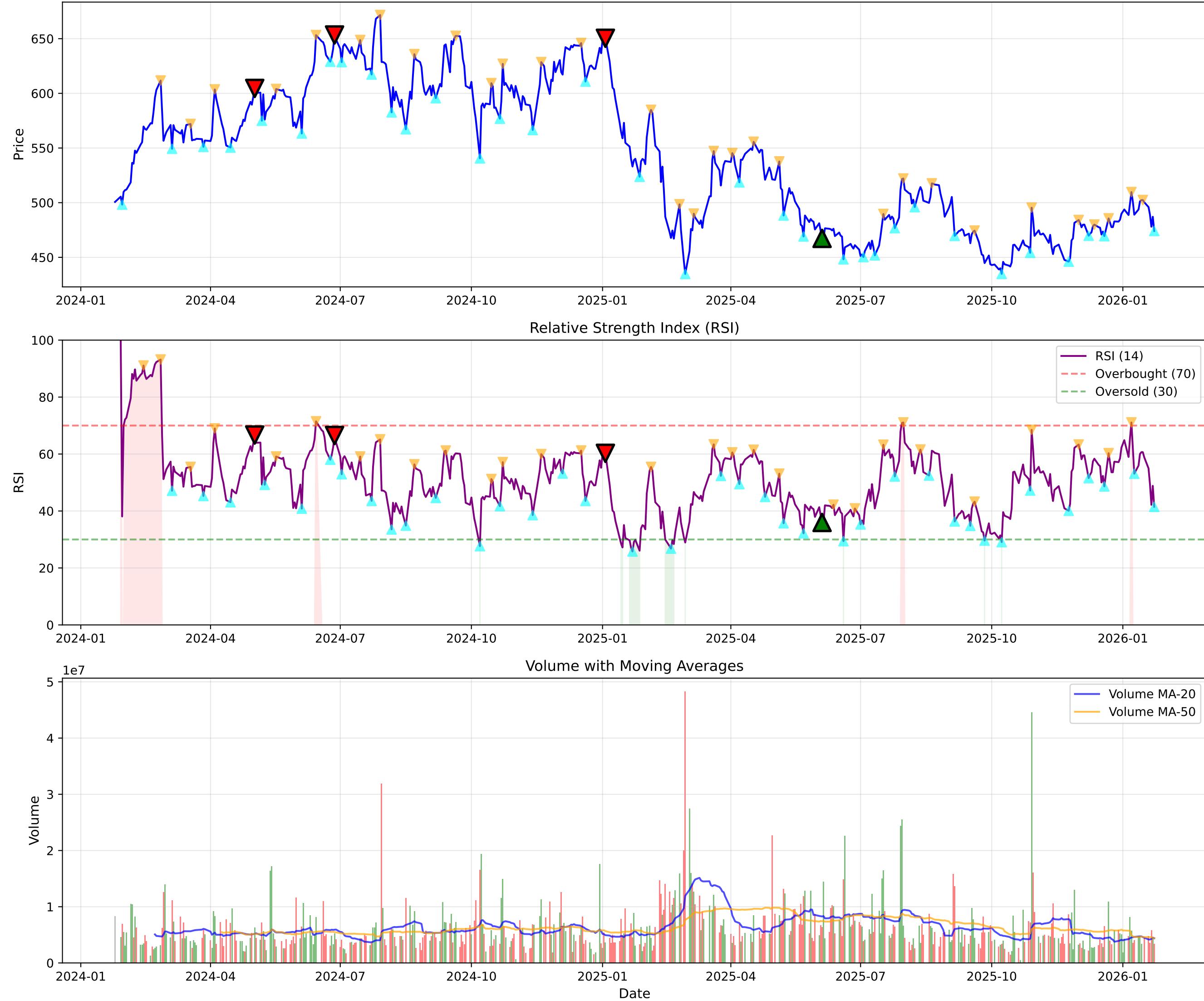
VBL.NS - Volatility Squeeze Analysis



VBL.NS - RSI-Volume Summary

Current RSI:	41.47
Current Volume:	3352354
Volume MA 20:	4391845
Bullish Divergences:	1
Bearish Divergences:	3
Bullish Div 1:	Date: 2025-06-04 00:00:00+05:30, Price: 467.35
Bearish Div 1:	Date: 2024-06-27 00:00:00+05:30, Price: 653.37
Bearish Div 2:	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: 28 Signals Detected

:

2025-12-19 [-]: Distribution Day

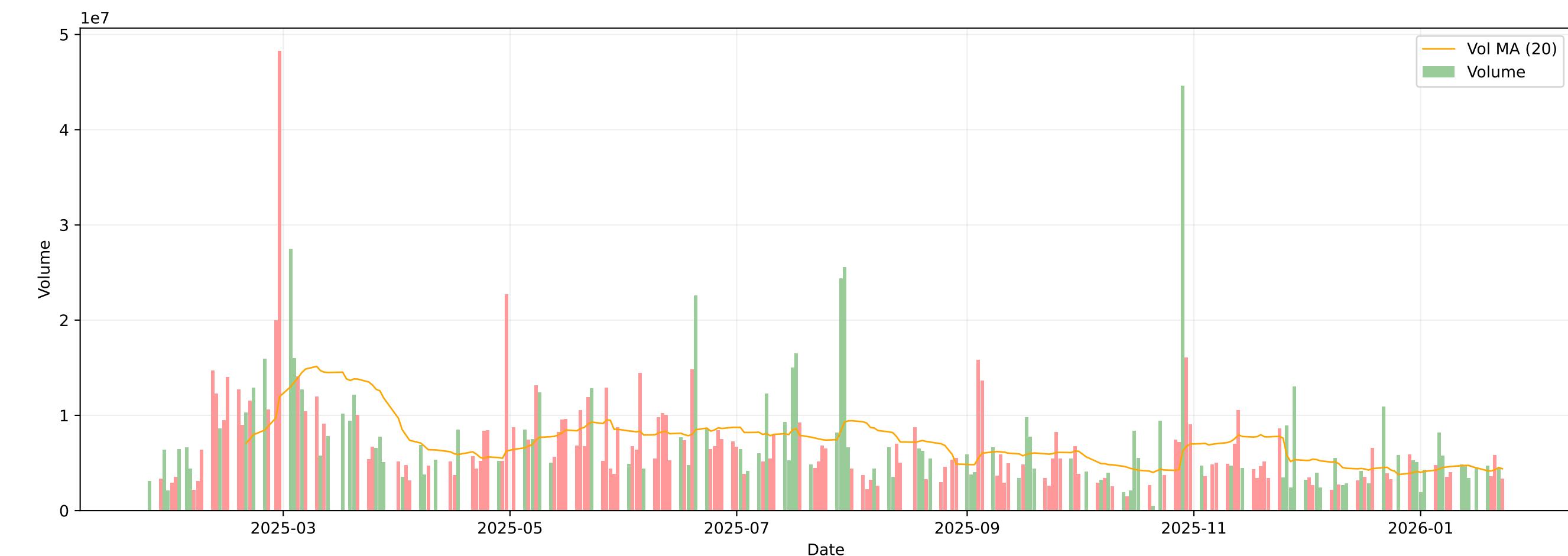
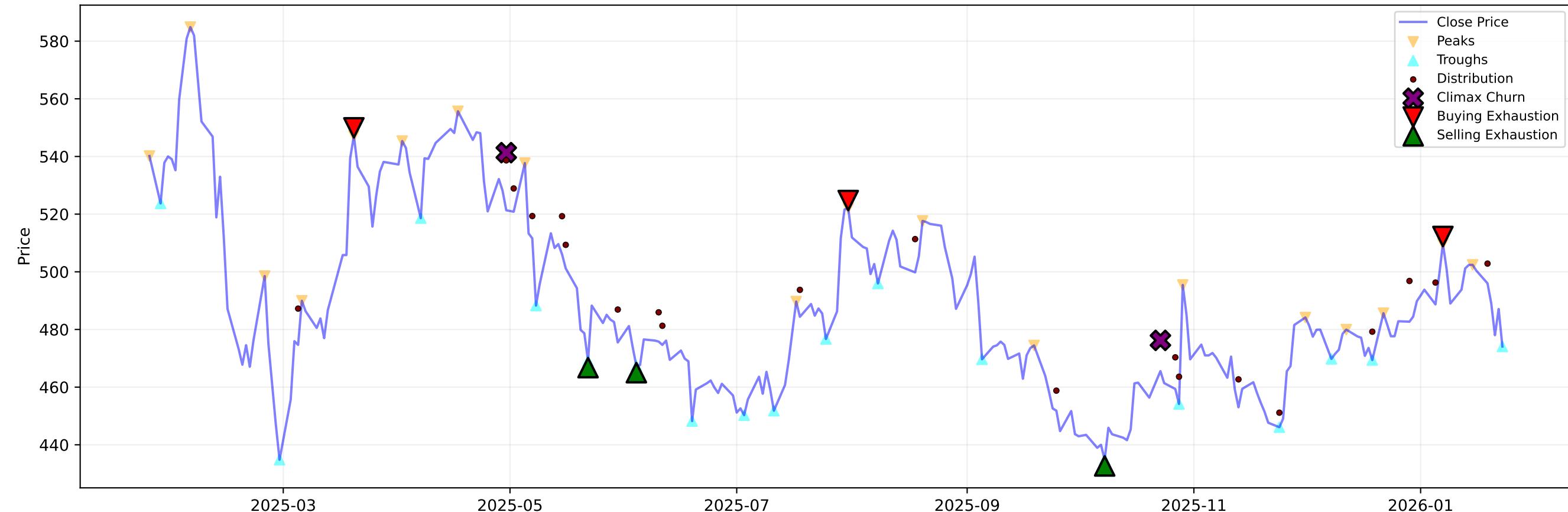
2025-12-29 [-]: Distribution Day

2026-01-05 [-]: Distribution Day

2026-01-07 [+]: Buying Exhaustion (Bearish Div)

2026-01-19 [-]: Distribution Day

VBL.NS - Volume Analysis



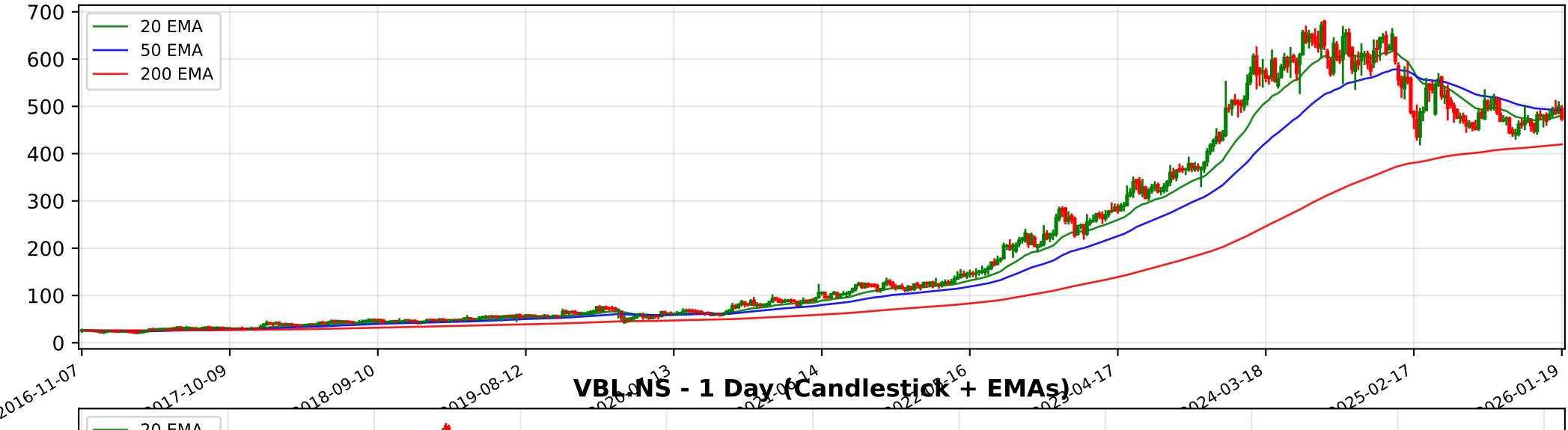
Multi-Timeframe Supertrend Analysis

Timeframe	Status	Value	Last Price	Signal Date
1 Week	UPTREND (Buy)	453.4	474.1	2025-12-29
1 Day	DOWNTREND (Sell)	516.26	474.1	2026-01-23
15 Min	DOWNTREND (Sell)	480.59	473.7	2026-01-23

Multi-Timeframe MACD Analysis

Timeframe	Trend	Momentum	Signal
1 Week	Bullish	Weakening	No Signal
1 Day	Bearish	Strengthening	No Signal
15 Min	Bearish	Weakening	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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Varun Beverages Ltd.

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

Expensive Performer In 3 Starfolio Baskets

474.10 -13.00 (-2.67%)

3.8M NSE+BSE Volume
NSE 23 Jan, 2026 3:31 PM (IST)

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Durability score **60.0 /100**
High Financial Strength

Valuation Score **28.5 /100**
Expensive Valuation

Momentum Score **47.0 /100**
Technically Neutral

Analyst Price Target **598**
1Yr Price target upside is 26%

FORECASTER

Expensive Performer These stocks are strong in quality but with mid-range technicals. Their valuations are expensive

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DVM

Key Metrics

Price Chart

Forecaster

Financials

Technical

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Documents

Corporate actions

Company Profile X

Check Before You Buy

Medium rank 10 Positive * 13 Negative
43.5% Pass in checklist

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PE Valuation Check

Right Now Undervalued 49%
1 Year Forward Undervalued 51.7%

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

Varun Beverages Key Metrics

ROE Ann. % > **15.6** Broker Average Target > **588.42** Market Capitalization > **160,340.1** Price to Book >
Below industry Median 24.11% upside Market Leader High in industry

Preset Metrics Preset Metrics ▾

Trendlyne Snapshot - VBL_forecaster

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Varun Beverages Ltd.

NSE: VBL | BSE: 540180 In 3 Starfolio Baskets

474.10 -13.00 (-2.67%) **3.8M** NSE+BSE Volume NSE 23 Jan, 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 598, revenue growth forecast of 7.9%, and profit growth estimate of 15.0% for FY25, based on top 26 analyst calls.

Varun Beverages FORECASTER - Analyst Estimates

[FORECASTER DASHBOARD](#)

