

Week Gone

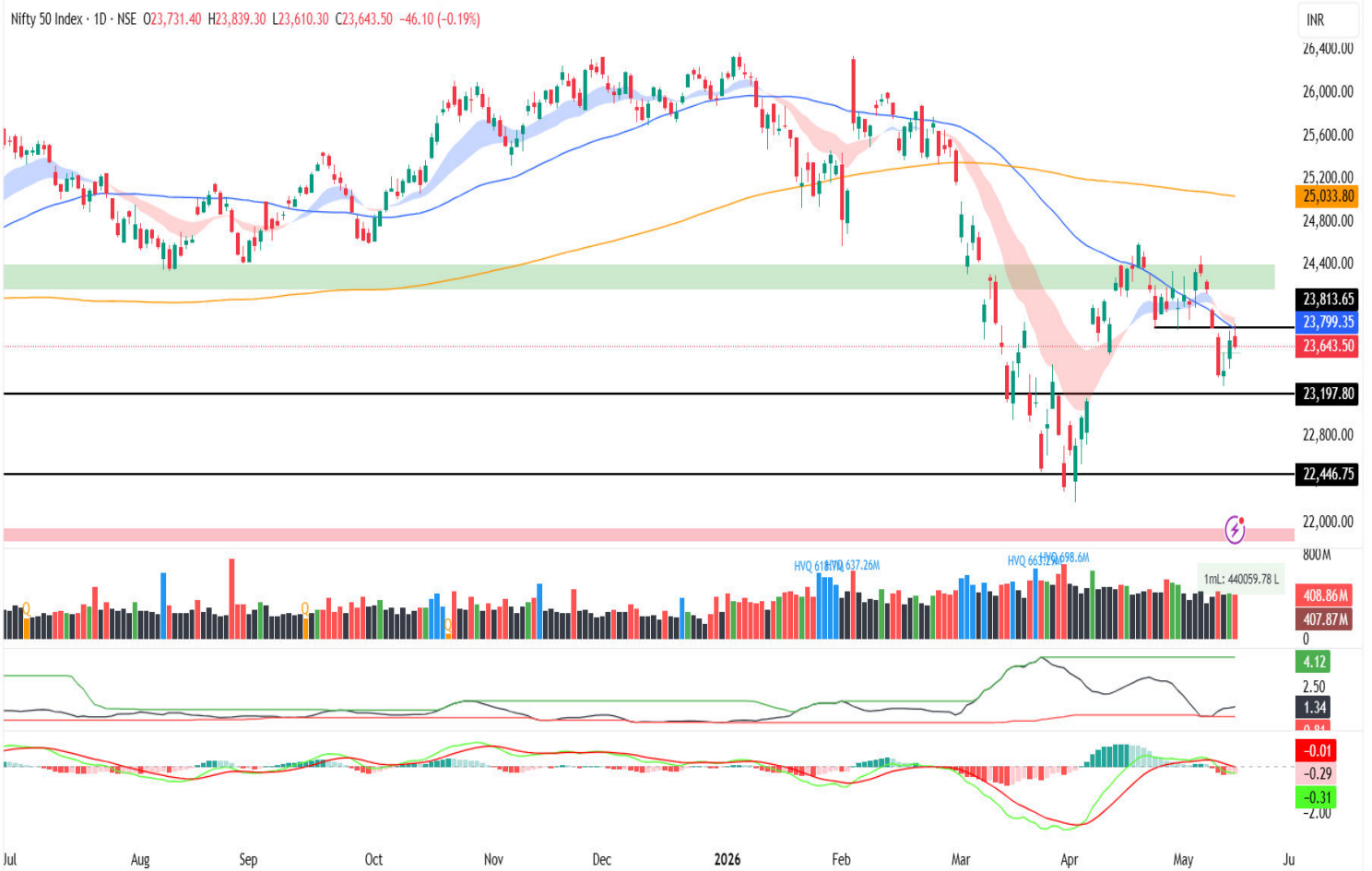
The key benchmarks indices ended the week with steep losses, snapping two-week gains after Prime Minister, Narendra Modi, urged citizens to adopt austerity measures amid the ongoing US-Iran conflict. The measures included reducing petrol and diesel consumption, avoiding non-essential gold purchases and curbing foreign travel. Investor sentiment was further dented by escalating geopolitical tensions in West Asia. The rupee weakened to 96 against the dollar, while crude oil prices surged above the \$100-per-barrel mark, fueling fears of higher inflation in medium-term. Inflationary worries also intensified after both WPI and CPI inflation edged higher due to the ongoing conflict. Going ahead, investors will closely monitor upcoming Q4 earnings reports, movement in crude oil and gold prices, and the US stance on the West Asia conflict.

Week Ahead

Indian equities head into the next trading week on a cautious note as macro uncertainty continues to rise while geopolitical tensions remain persistent. In the US, inflationary pressures intensified, with April consumer inflation accelerating to 3.8% year-on-year from 3.3% in March, largely driven by a sharp rise in energy prices amid the ongoing Iran conflict, reinforcing expectations of a prolonged higher-for-longer interest-rate environment. Domestically, India's retail inflation edged up to 3.48% in April, while wholesale inflation surged to a 3.5-year high of 8.3%, reflecting mounting fuel and input-cost pressures from elevated crude prices. Meanwhile, in China, consumer inflation rose 1.2% year-on-year in April, even as weak credit demand persisted with new bank loans unexpectedly contracting during the month. Against this backdrop of rising inflation risks, elevated oil prices and currency volatility, Indian equities may remain cautious, with investors closely tracking global central-bank signals, crude-oil movements and foreign capital flows for near-term direction.

Nifty Outlook

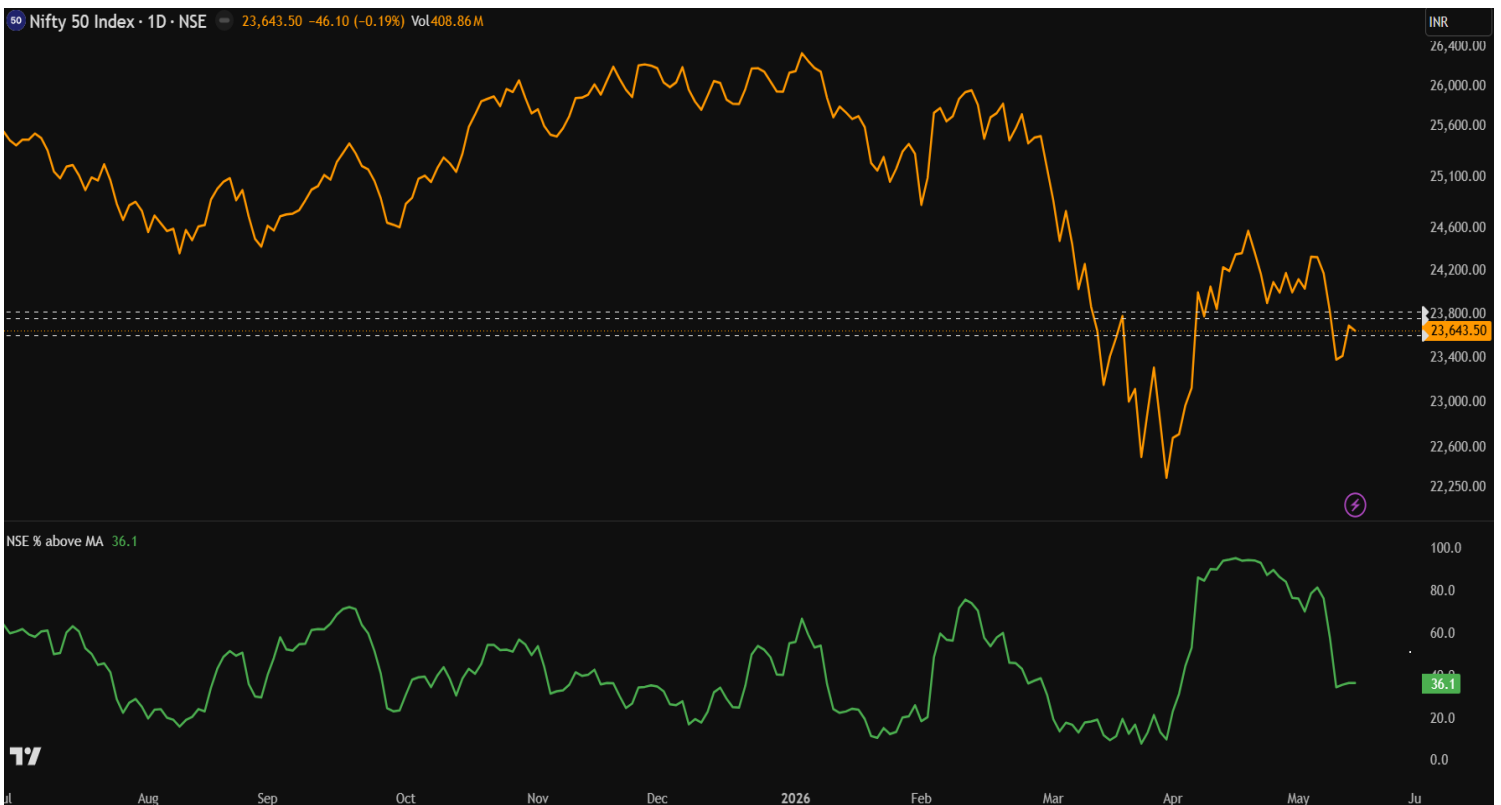
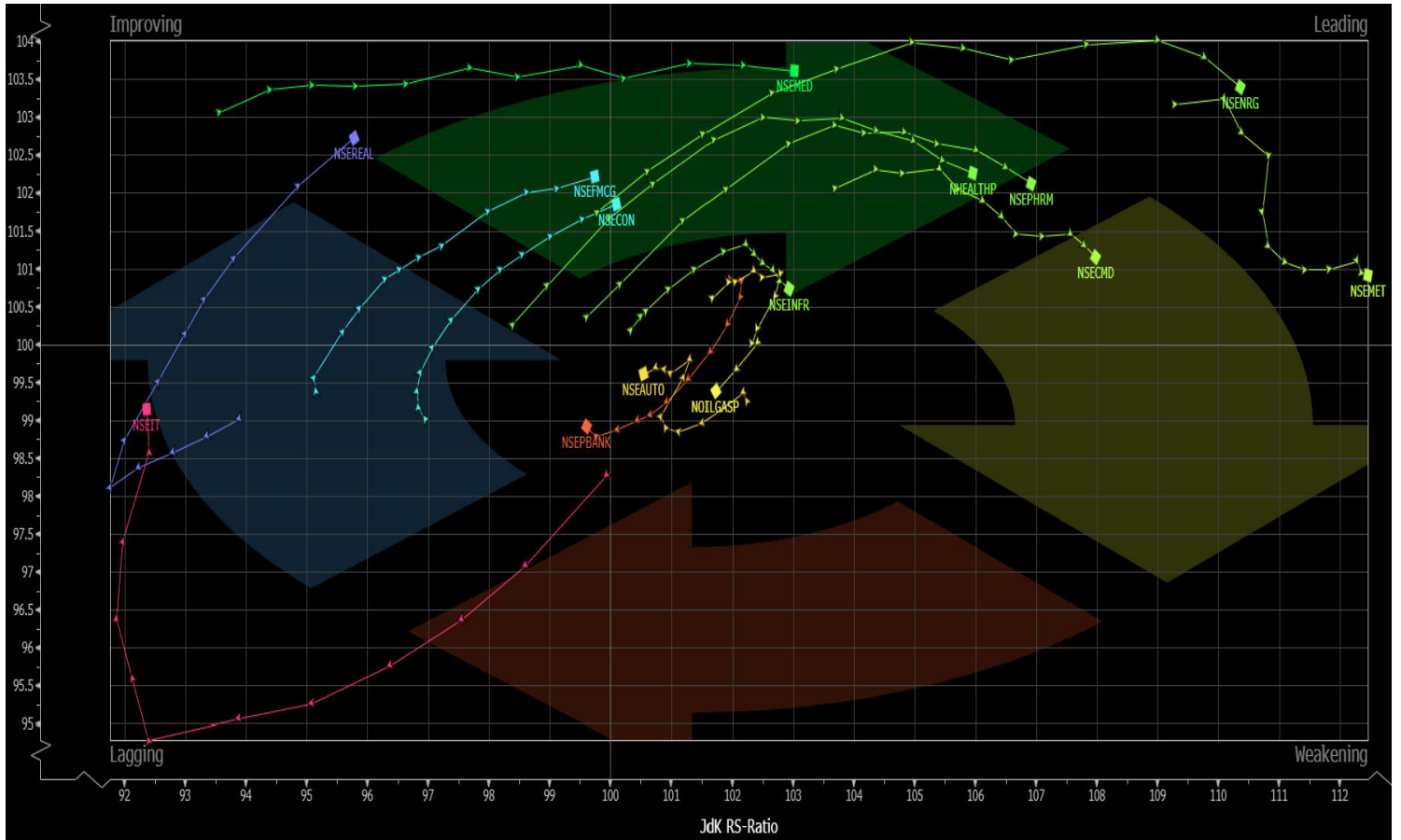
NIFTY	23644
Weekly Chg	-2.20
Trend Status	Downtrend
Breadth	Negative
Momentum	Negative
S1	23272
S2	22901
S3	22167
R1	24006
R2	24369
R3	25103



Source: TradingView, BP Equities Research

Market Pulse

TREND



Market Pulse

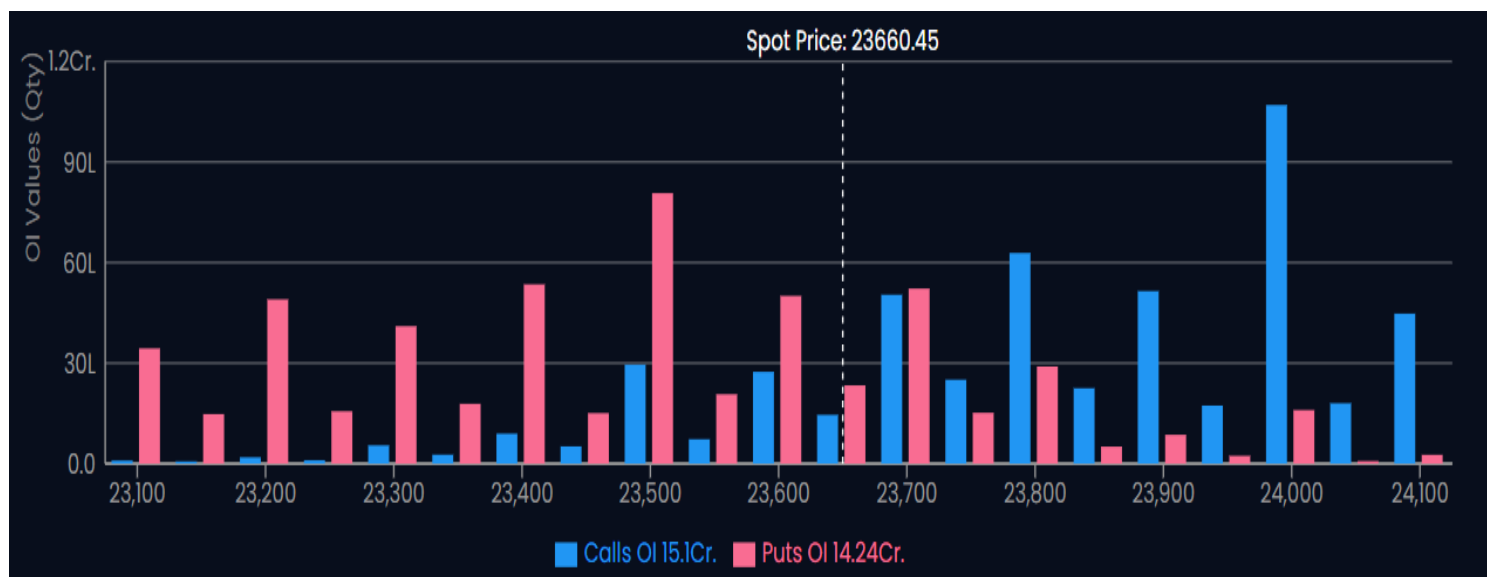
MARKET BREADTH

		NUMBER OF STOCKS TRADING ABOVE DMAs				% OF STOCKS TRADING ABOVE DMAs			
SEGMENT	DATE	10 DMA	20 DMA	50 DMA	200 DMA	10 DMA	20 DMA	50 DMA	200 DMA
NIFTY 50	15th May	20	22	27	23	39	43	53	45
	14th May	19	21	29	24	37	41	57	47
	13th May	12	16	20	23	24	31	39	45
	12th May	8	14	21	22	16	27	41	43
	11th May	20	24	31	24	39	47	61	47
NIFTY 100	15th May	20	22	27	23	20	22	27	23
	14th May	19	21	29	24	19	21	29	24
	13th May	12	16	20	23	12	16	20	23
	12th May	8	14	21	22	8	14	21	22
	11th May	20	24	31	24	20	24	31	24
NIFTY 200	15th May	65	71	121	91	33	36	61	46
	14th May	76	77	129	97	38	39	65	49
	13th May	51	63	116	91	26	32	58	46
	12th May	37	58	112	90	19	29	56	45
	11th May	84	107	139	104	42	54	70	52
NIFTY 500	15th May	150	190	345	214	30	38	69	43
	14th May	171	204	350	218	34	41	70	44
	13th May	136	193	340	208	27	39	68	42
	12th May	121	183	329	204	24	37	66	41
	11th May	254	303	389	240	51	60	78	48

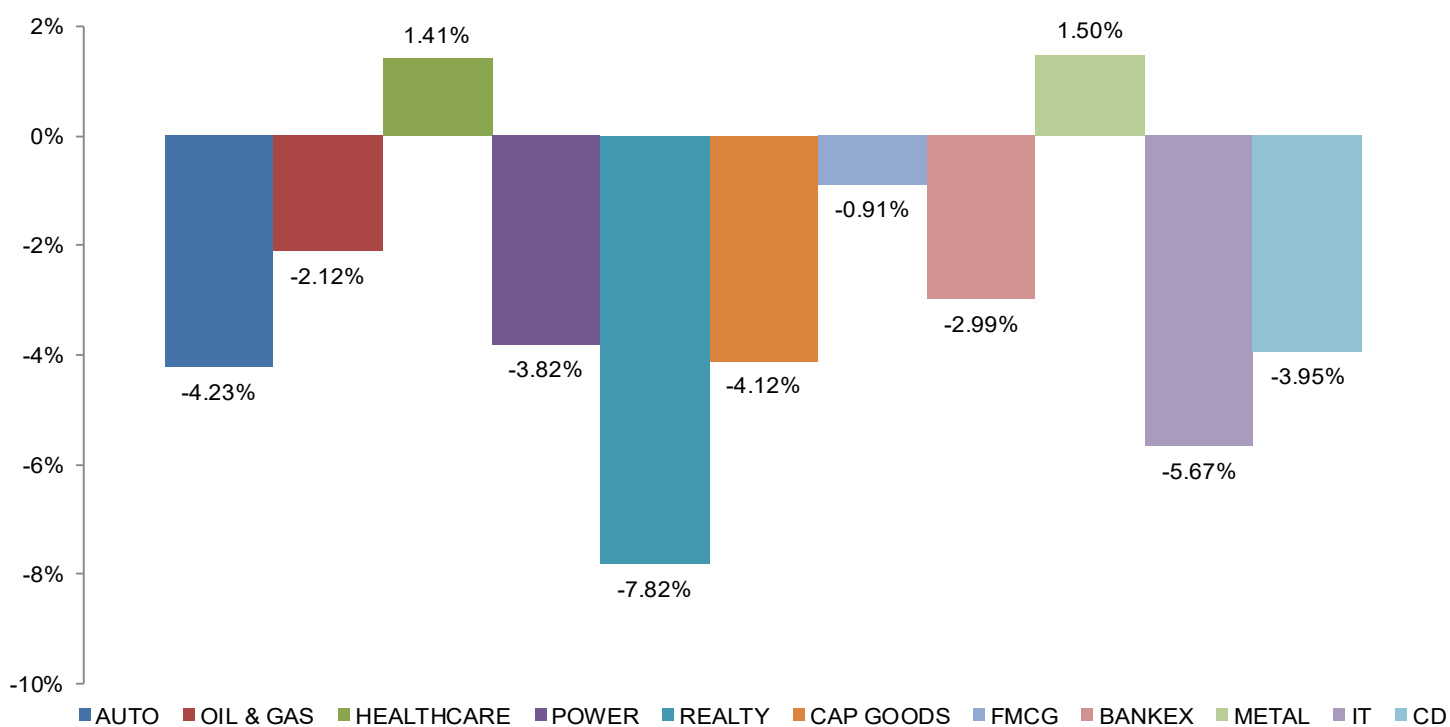


Technical Overview

- ⇒ The Nifty 50 index continues to remain in a broad corrective structure, with the recent weekly candle reflecting renewed selling pressure after a failed recovery attempt near the 24,000–23,900 resistance cluster.
- ⇒ The index is trading below the 20-week and 50-week moving averages, while the weekly moving average ribbon remains negatively aligned, confirming that the primary trend continues to favour sellers.
- ⇒ The recent weekly candle has formed a bearish rejection structure with a weak closing, highlighting that buyers are still struggling to sustain momentum at higher levels.
- ⇒ The zone around 23,800–24,000 is acting as an immediate supply area, where repeated rejection candles and lower highs are visible, indicating active distribution by stronger hands.
- ⇒ Immediate support is now placed near 23,500–23,200, followed by a stronger structural support at 22,750–22,200.
- ⇒ On the upside, only a sustainable move above 24,000–24,300 can trigger fresh short covering and open the path toward 24,800–25,000.
- ⇒ Volume activity during the recent pullback has remained relatively elevated, suggesting that the market is witnessing active participation from both sides rather than complete exhaustion.
- ⇒ The recovery from lower levels appears more like a technical pullback within a broader corrective cycle, rather than a confirmed trend reversal.
- ⇒ RSI (Weekly) has cooled down from higher levels and is now drifting near the mid-zone, reflecting loss of bullish momentum and market indecision.
- ⇒ **Conclusion:**
Nifty 50 continues to trade within a fragile recovery structure inside a broader corrective trend. The inability to reclaim and sustain above the 24,000–24,300 resistance zone keeps the overall market texture cautious. As long as the index remains below 24,300–24,500, the market is likely to witness volatile range-bound action with a negative bias. Any breakdown below 23,500 may accelerate selling pressure toward the 23,200 and 22,450 zones. For a meaningful structural reversal, the index needs a high-volume breakout above the major moving average cluster, which would confirm stronger institutional participation and shift the market back toward a bullish trajectory.



BSE WEEKLY SECTORAL PERFORMANCE



Source: BSE, BP Equities Research

TOP OPEN INTEREST GAINERS (WEEKLY)

SCRIP NAME	15-May-26 Share Price (Rs.)	08-May-26 Share Price (Rs.)	Weekly % Chg	15-May-26 Open Interest	08-May-26 Open Interest	Weekly % Chg
KAYNES	3,082	4,500	-31%	4948800	2642200	87%
VEDL	329	297	11%	36552750	27480400	33%
GODFRYPHLP	2,427	2,426	0%	2357850	1906575	24%
TATACONSUM	1,229	1,180	4%	11326150	9281250	22%
BIOCON	431	382	13%	35737500	29302500	22%

TOP OPEN INTEREST LOSERS (WEEKLY)

SCRIP NAME	15-May-26 Share Price (Rs.)	08-May-26 Share Price (Rs.)	Weekly % Chg	15-May-26 Open Interest	08-May-26 Open Interest	Weekly % Chg
KOTAKBANK	387	381	2%	136852000	166176000	-18%
PIDILITIND	1,473	1,483	-1%	7335000	8704000	-16%
BDL	1,323	1,453	-9%	3096450	3651900	-15%
COFORGE	1,281	1,371	-7%	16143000	18726000	-14%
MCX	3,388	3,109	9%	9886250	11443750	-14%

DOMESTIC INDICES

Index	15-May-26	08-May-26	Weekly % Chg
Nifty 50	23,644	24,181	-2.2
Nifty Next 50	69,280	71,465	-3.1
Nifty 100	24,572	25,168	-2.4
Nifty 500	22,531	23,112	-2.5
NIFTY MIDCAP 100	60,567	61,873	-2.1
S&P BSE SENSEX	16,723	17,436	-4.1
S&P BSE 100	75,238	77,328	-2.7
S&P BSE 200	25,051	25,696	-2.5
S&P BSE 500	10,986	11,274	-2.6
S&P BSE MidCap	35,237	36,187	-2.6
S&P BSE SmallCap	19	17	11.1

WORLD INDICES

Index	15-May-26	08-May-26	Weekly % Chg
Nikkei Index	61,409	62,714	-2.1
Hang Seng Index	25,963	26,394	-1.6
Kospi Index	7,493	7,498	-0.1
Shanghai SE Composite	4,135	4,180	-1.1
Strait Times Index	4,923	4,923	0.0
Dow Jones	49,526	49,609	-0.2
NASDAQ	26,225	26,247	-0.1
FTSE	10,195	10,233	-0.4

FOREX

Currency	15-May-26	08-May-26	Weekly % Chg
US\$ (Rs.)	95.9	94.4	1.6
GBP (Rs.)	127.9	128.6	-0.6
Euro (Rs.)	111.5	111.1	0.4
Yen (Rs.) 100 Units	60.5	60.3	0.3

NIFTY TOP GAINERS (WEEKLY)

Scrip	15-May-26	08-May-26	Weekly % Chg
Adani Enterprises Ltd.	2,716	2,506	8.4%
Oil And Natural Gas Ltd.	299	279	7.2%
Cipla Ltd.	1,432	1,347	6.3%
Tata Consumer Products Ltd.	1,234	1,176	4.9%
Bharti Airtel Ltd.	1,905	1,834	3.9%

FII - ACTIVITY

(INR. Cr.)

Date	Purchases	Sales	Net
15-May-26	16,299.6	14,970.4	1,329.2
14-May-26	17,350.6	17,163.1	187.5
13-May-26	14,374.0	19,077.1	-4,703.2
12-May-26	16,555.3	18,514.7	-1,959.4
11-May-26	12,813.7	21,251.3	-8,437.6
MTD	1,54,987.2	1,79,643.0	-24,655.8

NIFTY TOP LOSERS (WEEKLY)

Scrip	15-May-26	08-May-26	Weekly % Chg
Titan Company Ltd.	4,169	4,507	-7.5%
Shriram Finance Ltd.	938	1,007	-6.9%
Reliance Industries Ltd.	1,336	1,435	-6.9%
Jio Financial Services Ltd.	233	249	-6.5%
Tech Mahindra Ltd.	1,371	1,463	-6.3%

DII - ACTIVITY

(INR. Cr.)

Date	Purchases	Sales	Net
15-May-26	14,961.9	16,920.7	-1,958.8
14-May-26	18,256.0	17,571.6	684.3
13-May-26	18,872.7	13,003.6	5,869.1
12-May-26	20,684.8	12,694.5	7,990.3
11-May-26	21,626.4	15,686.8	5,939.7
MTD	1,91,369.2	1,51,451.9	39,917.4

Stock Idea Note - Vedanta Ltd

Company Overview

Vedanta, led by promoter Anil Agarwal, is one of India's largest natural resources companies with operations across zinc, silver, copper, ferrochrome and critical minerals. The company supplies to industries such as infrastructure, construction, automobiles, renewable energy, electronics, defence and manufacturing across both domestic and global markets. India contributes 65% of revenues, while the balance comes from international operations and exports across markets such as China, UAE, Malaysia, Korea and Japan. Zinc is primarily used for galvanising steel in buildings, bridges and automobiles. Silver demand is increasingly coming from solar panels, electronics and electrification, while copper products are supplied to cable and wire manufacturers and ferrochrome is used in stainless steel production. The core of the business is its 61% stake in Hindustan Zinc, one of the world's largest integrated zinc-lead-silver producers with over 1.2 million tonnes of annual mined metal capacity and 1 million tonnes of refined zinc capacity. Vedanta operates ~170kt copper cathode capacity along with copper rod manufacturing facilities across India and Fujairah, UAE. Internationally, the company also operates zinc mining assets in South Africa. Effective 1st May 2026, Vedanta completed a landmark demerger into five independent companies. The residual Vedanta entity now becomes a focused zinc-silver-copper-critical minerals business, while the Aluminium, Oil & Gas, Power and Iron & Steel businesses will list separately by Q1FY27. The restructuring simplifies the business, improves capital allocation flexibility and creates clearer earnings visibility going forward.

Investment Rationale

Demerger removes conglomerate discount and improves margin visibility

Vedanta historically has traded at a persistent conglomerate discount because investors buying exposure to one commodity cycle simultaneously had exposure to several unrelated businesses with different risk profiles, leverage levels and capital requirements. An investor bullish on aluminium also had to take exposure to oil & gas, power and iron ore, while investors wanting exposure to zinc and silver had to carry lower-margin businesses like copper. The demerger effective 1st May 2026 fundamentally changes this structure, with each of the five entities now operating independently with its own management, capital structure and dividend policy. The residual Vedanta entity becomes a focused zinc-silver-copper-critical minerals business anchored by Hindustan Zinc. The restructuring also improves profitability visibility and capital allocation flexibility. Earlier, Vedanta's copper business had to pay a 3% fee to the group's parent company. This worked for high-profit businesses like zinc, but weighted on low-margin business like copper. So a large part of copper profits was getting eaten away by this fee. After the demerger, the fee for the copper business has been reduced to 0.75%, which should significantly improve copper profitability going forward. Also earlier, a large part of the cash generated had to be transferred to the parent level within a fixed time period within the group level obligations. Post the demerger, this requirement has been removed, giving management more flexibility to use cash flows for dividends, expansion plans and debt reduction based on business needs. More importantly, once the four demerged entities list separately by Q1FY27, each business is expected to attract its own investor base and valuation framework, which could unlock meaningful value compared to the earlier conglomerate structure.

Elevated commodity prices and demand dynamics could drive sustained margin expansion

The setup for residual Vedanta remains favourable as silver, zinc and copper prices have already seen a strong rally and the key drivers behind this remain intact. Silver prices continue to benefit from rising demand from solar panels, electronics and electrification, while zinc prices remain supported by strong galvanising demand and limited global concentrate supply. Copper demand is also steadily rising due to transmission, renewable energy and EV-related investments. As these sectors continue to expand globally, metal realizations are expected to remain supportive over the medium term, which should directly benefit Vedanta's earnings and profitability. More importantly, Vedanta's integrated business model allows a large part of higher metal realizations to directly flow into margins and profitability. With captive mines, smelters and power assets already in place, operating leverage remains strong when commodity prices stay elevated. This was visible during FY26 where continuing operations revenue grew 47% YoY in Q4FY26, while EBITDA grew faster at 51% YoY, reflecting the strong operating leverage in the business. Margins in Vedanta's India zinc operations remained among the strongest globally, supported by integrated operations and one of the lowest production cost structures in the industry. The setup is expected to improve further as the Gamsberg mine expansion in South Africa ramps up over the next few years. The project is expected to significantly increase volumes while lowering unit costs through scale benefits. Additional zinc expansions and declining financing costs should further support margin expansion and earnings growth going forward.

Stock Rating

BUY	HOLD	SELL
> 15%	-5% to 15%	< -5%

Sector Outlook

Positive

Stock

CMP (INR)	331
Target Price (INR)	387
NSE Symbol	VEDL
BSE Code	500295
Bloomberg	VEDL IN
Reuters	SESA.BO

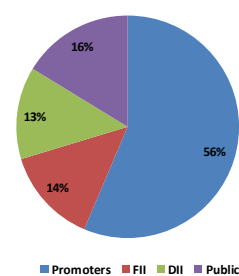
Key Data

Nifty	23,643
52WeekH/L(Rs.)	314/152
O/s Shares (Cr.)	391
Market Cap (Rs, Cr.)	1,29,453
Face Value (Rs.)	1

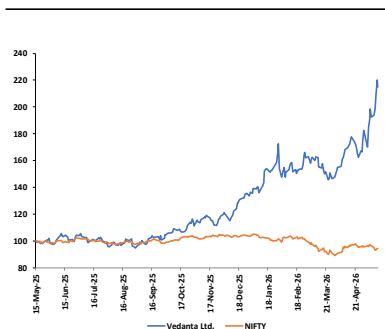
Average volume

3 months	2,57,74,162
6 months	2,12,02,400
1 year	1,52,50,890

Share Holding Pattern (%)



Relative Price Chart



Stock Idea Note - Vedanta Ltd

Valuation and Outlook

Vedanta's continuing operations now represent a focused zinc-silver-copper business where profitability visibility has improved materially after the demerger. Commodity prices across silver, zinc and copper are expected to remain supportive due to continued demand from electrification, renewable energy, infrastructure and EV-related investments, although the sharp rally seen during FY26 is unlikely to repeat at the same pace and therefore our revenue growth assumptions remain relatively moderate over FY27-FY29. However, earnings growth is expected to remain stronger than revenue growth as margins benefit from lower zinc production costs, improving scale efficiencies from the Gamsberg expansion in South Africa, improving copper profitability following the reduction in internal brand fees and lower financing costs. The company also benefits from integrated operations with captive mines and smelters already in place, allowing a larger part of higher metal realizations to directly flow into profitability. Strong internal cash generation should continue to support ongoing capex and gradual deleveraging without materially stretching the balance sheet. **Thus, we assign the stock a "BUY" rating. On the valuation front, we value Vedanta's continuing operations business at 9x FY27E earnings and arrive at a target price of Rs. 387, implying 17% upside from the current market price, with a 12-month investment horizon. Further reduction in the conglomerate discount following the demerger-led simplification of the business structure also supports our constructive outlook on the stock.**

Key Financials					
YE March (INR. Mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	62,717	78,437	90,203	1,01,929	1,14,160
<i>Revenue Growth (Y-o-Y)</i>	-	25.1%	15.0%	13.0%	12.0%
EBITDA	18,578	23,184	28,865	33,127	37,445
<i>EBIT Growth (Y-o-Y)</i>	-	24.8%	24.5%	14.8%	13.0%
Net Profit	9,276	12,480	16,236	18,857	21,462
<i>Net Profit Growth (Y-o-Y)</i>	-	34.5%	30.1%	16.1%	13.8%
Diluted EPS	23.72	31.92	41.53	48.23	54.89
<i>Diluted EPS Growth (Y-o-Y)</i>	-	34.5%	30.1%	16.1%	13.8%
Key Ratios					
EBITDA margin (%)	29.6%	29.6%	32.0%	32.5%	32.8%
NPM (%)	14.8%	15.9%	18.0%	18.5%	18.8%
RoE (%)	17.3%	18.2%	19.1%	18.2%	19.0%
RoCE (%)	11.2%	19.2%	20.2%	19.2%	20.0%
Valuation Ratios					
P/E (x)	14.0x	10.4x	8.0x	6.9x	6.0x
EV/EBITDA (x)	10.6x	6.6x	6.5x	6.3x	6.0x
P/BV (x)	2.4x	1.9x	1.5x	1.2x	1.0x

Note: FY25 and FY26 financials represent only Vedanta's Continuing Operations post the demerger and exclude all discontinued operations/businesses. Similarly, FY27E-FY29E projections are also based solely on the Continuing Operations business of Vedanta.

Source: Company Reports, BP Equities Research



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Analyst (s) holding in the Stock : Nil

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