



Long Term Technical Investment Pick

Monday, 25 August 2025



Varun Beverages Limited

Rating : **Buy**

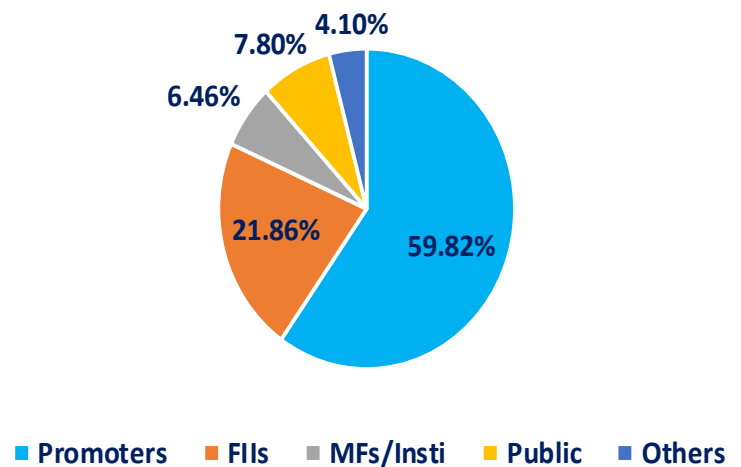
Nse Symbol : VBL

Target 1 & 2 : 630 & 660

Upside Potential : 22.09%

Holding Period: 8-12 Months

Share Holding Pattern Q1FY26 (%)



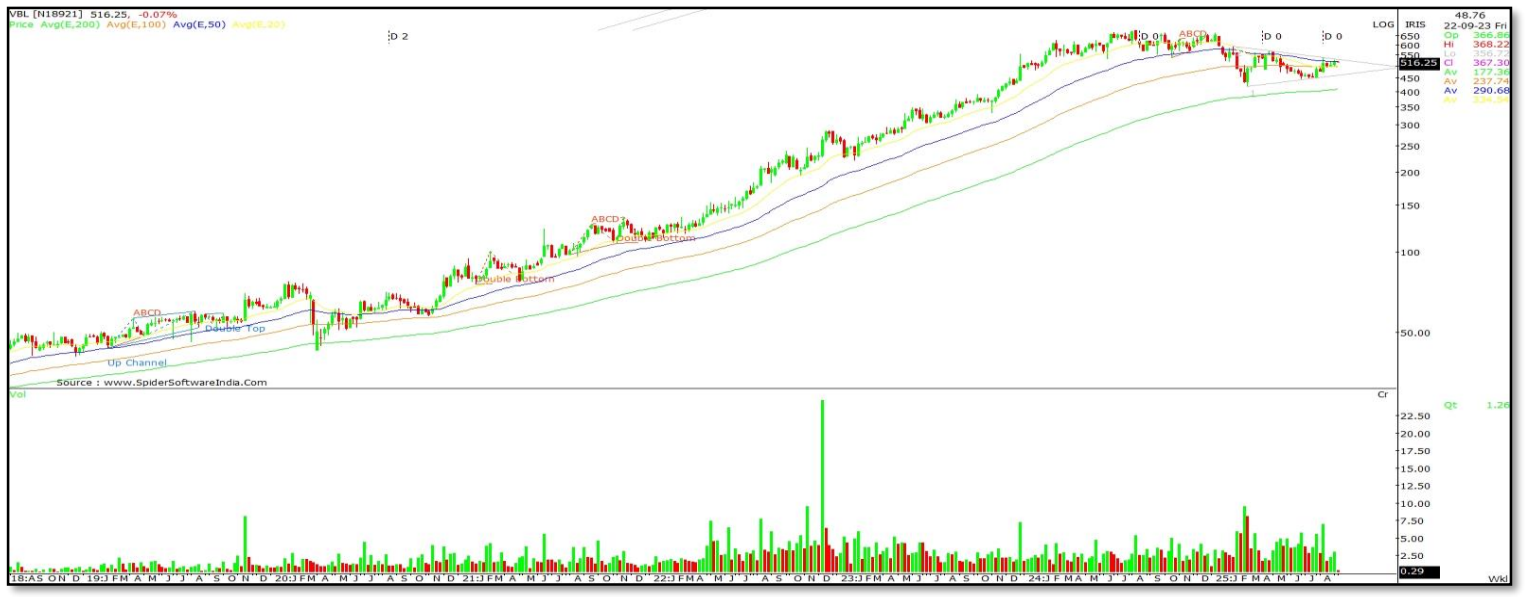
Cmp: 516.25 Rating: Buy Target 1 & 2: 630/660 Upside Potential: 22.09%

Varun Beverages Ltd, a leading player in the beverage industry, has been associated with PepsiCo since the 1990s and is among its largest global franchisees. The company manufactures and distributes a wide range of carbonated soft drinks, non-carbonated beverages, and packaged water under PepsiCo’s trademarks, including popular brands like Pepsi, 7UP, Mirinda Orange, Mountain Dew, Tropicana Juices, and more. India volumes grew 11.40% (CY 2024), reflecting the strength of distribution network and operational execution during a dynamic market environment.

Recommendation	
CMP (₹) as on 25th August, 2025	516.25
Buy on Dips till (₹)	490-480
Target 1 and 2 (₹)	630/660
Stop loss (₹)	444
Time Frame	8-12 Months

Varun Beverages Ltd (VBL) posted a 5.1% YoY rise in consolidated net profit to ₹1,317 crore in Q1 FY26, even as revenue dipped 2.3% to ₹5,306 crore. The growth was driven by margin expansion, operational efficiencies, and robust double-digit volume growth in international markets, particularly South Africa. Net profit margin improved to 18.6%, supported by streamlined operations, new plant commissioning, and a stronger balance sheet post-QIP. The company declared an interim dividend of ₹0.50 per share, with performance remaining resilient despite unseasonal rains.

Weekly Chart – VBL



Technical Observations:

Varun Beverages Ltd (VBL), a large-cap company in the FMCG sector, has demonstrated robust growth and is currently consolidating at higher levels with steady volumes, reflecting healthy participation from both buyers and sellers. The stock appears to be on the verge of a breakout, having crossed above the falling trendline, although it continues to trade within a range without establishing a decisive trend. On the broader monthly charts, the stock had previously moved within a rising channel before undergoing a minor correction toward the 435 levels. Notably, the Renko weekly chart has signalled fresh buying interest after three consecutive red candles, pointing to the likelihood of a near-term upmove. This view is further supported by the Heikin Ashi weekly chart, which highlights the emergence of a positive trend.

Key Data	
BSE Code	540180
NSE Symbol	VBL
Bloomberg Code	VBL:IN
Industry	FMCG
Market Cap (₹Lakhs)	1,74,593.75
Face Value (₹)	2
52 week High/Low	668/419.55

The weekly chart of VBL reflects the formation of a symmetrical triangle pattern, with expectations of a breakout that could trigger a strong upward rally in the medium to long term. From a technical perspective, momentum indicators are supportive of this view. The MACD is attempting to move above the zero line following a positive crossover, accompanied by a strengthening histogram after remaining below the zero line throughout the formation of the symmetrical triangle. The Relative Strength Index (RSI) continues to remain firm above the 50 mark, indicating sustained accumulation on the long side. Furthermore, the 100-day and 200-day EMAs have consistently supported the price trend, which has been on an upward trajectory since May 2017. This alignment of trend and indicators reinforces the view that the long-term structure remains positive.

The Volatility indicator Bollinger Band also supports the positive momentum, with prices trending above the midline of the Bollinger bands. A decisive move above ₹548 will be crucial to establish a clear direction for a sustained upward rally. From a resistance perspective, key levels to watch are ₹585 and ₹646; a breakout beyond these could propel the stock towards its medium-to-long-term target of around ₹660, implying potential gains of approximately 27%. On the downside, immediate support is placed at ₹477, followed by secondary support at ₹466 and a stronger support zone near ₹444. These levels provide a well-defined risk-reward framework for investors. Considering the above mentioned factors, we would remain bullish on VBL and may consider buy and accumulating VBL for potential medium-to-long-term capital appreciation.

Technical Indicators/Overlays	
Bollinger Bands	545.31/439.35
100 days & 200 Days EMA	497.12 & 408
Annualised Volatility	39.93
ADX	33.65
MACD	-8.41
RSI	52.66
Average True Range(ATR)	32.45

Share Holding Pattern	
Particulars	Q1FY26 (%)
Promoters	59.82%
FII's	21.86%
MFs/Insti	6.46%
Public	7.80%
Others	4.10%

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