kotak neo

Pick of the Week

BUY – JSW Steel (JSTL)

CMP: ₹**1216** as on 19 October 2026

Fair Value (FV): ₹1450 | Time Period: **12 months**

Why Invest?

- JSTL's Q1FY27 consolidated adjusted EBITDA came in ahead of estimates on higher realizations.
- We expect margins to soften due to adverse seasonality in Q2FY27 for long product prices and elevated coal costs, partly offset by stronger volumes.
- Completed the BPSL JV transaction & remains on track for ~49 mtpa capacity by FY30.
- A robust expansion pipeline and margin-accretive projects should keep earnings and margins on an uptrend.
- JSTL's net debt/EBITDA is expected to remain comfortably below stated levels of 3X.
- All driving 16%/33% CAGR EBITDA/EPS over FY2026-29E.
- Upgrade to BUY from ADD.

Maintain BUY with FV Rs-1,450

The content of this document has been derived from KIE research report. Kotak's PCG Research has summarized the report (Research Team: shrikant.chouhan@kotak.com).Readers who wish to access the complete report are kindly requested to contact their respective Relationship Manager. Further, the recipient of this material should take their own professional advice before investing.
Holding Period: 12 months

RATING SCALE (PRIVATE CLIENT GROUP)

Definitions of ratings

BUY	–	We expect the stock to deliver more than 15% returns over the next 12 months
ADD	–	We expect the stock to deliver 5% - 15% returns over the next 12 months
REDUCE	–	We expect the stock to deliver -5% - +5% returns over the next 12 months
SELL	–	We expect the stock to deliver < -5% returns over the next 12 months
NR	–	**Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
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NOTE	–	Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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