

## Vedanta shares gain 44% in three months, overbought on charts; what lies ahead?

Vedanta share price: Vedanta stock reached a record high of Rs 688 on Monday against the previous close of Rs 682.95. Market cap of the firm rose to Rs 2.67 lakh crore.



Shares of metal major Vedanta Ltd hit a record high in early deals amid a correction in the benchmark indices on Monday. Vedanta stock, which has gained 44% in three months, is set for more upside, believes Kotak Institutional Equities. According to the brokerage, the Anil Agarwal-owned mining conglomerate, is best placed to ride the ongoing rally in base and precious metals.

Kotak Equities has retained its "buy" rating and raised price target to Rs 780 from Rs 650 on the stock.

The brokerage said around 85% of Vedanta's FY2027 estimated Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) is sourced from Aluminium, Zinc and Silver.

It constitutes nearly 50% from Aluminium, 20% from Zinc and 15% from Silver.

These base and precious metals are either trading at record high levels or at multi-year highs, in the global markets.

Capacity addition across business segments, ranging from Aluminium to Zinc and Power, over financial year 2027 and 2028 will be an additional driver for the stock price, Kotak Equities said.

Another brokerage Nuvama has a share price target of Rs 806 on the metal stock.

Nuvama projects Vedanta's EBITDA in financial year 2027 to reach Rs 74,000 crore. The brokerage has raised its estimates for the next two years by 17% and 8% respectively to factor in the higher commodity prices, cost reduction in aluminium backed by volume growth in international zinc and power.

EBITDA of the metal firm is likely to grow at a Compounded Annual Growth Rate of 20% over financial year 2025-2028, it added.

Meanwhile, the stock reached a record high of Rs 688 on Monday against the previous close of Rs 682.95. Market cap of the firm rose to Rs 2.67 lakh crore. A total of 6.24 lakh shares of the firm changed hands amounting to a turnover of Rs 42.54 crore. Later, the stock ended 1.19% lower at Rs 674.85 on BSE.

The metal major's shares are trading higher than the 5 day, 10 day, 20 day, 30 day, 50 day, 100 day, 150 day and 200 day moving averages.

Vedanta stock is trading in overbought zone with its RSI rising to 82.2. The stock has risen 156% in two years and gained 292% in five years.

According to Drumil Vithlani, Technical Analyst at Bonanza, Vedanta stock is approaching the Rs 690–700 resistance zone, where some short-term profit booking may emerge.

The firm is yet to announce its Q3 earnings. In its Q3 business updates, the firm reported record output across multiple businesses. In the aluminium segment, the company logged its highest-ever quarterly aluminium production at 620 kilotonnes, up 1% year-on-year, and alumina production at 794 kilotonnes, up 57%.

In its Zinc business, the company logged its highest-ever third-quarter mined metal production at 276 kilotonnes, up 4% year-on-year, and refined metal production at 270 kilotonnes, also up 4%.