

# JSW becomes numero uno global steel firm by m-cap

**Suresh P Iyengar**  
Mumbai

Sajjan Jindal-led JSW Steel has emerged as the most valuable steel company globally with its market capitalisation touching \$30.5 billion on Tuesday. It was ranked higher than global steel majors such as US-based Nucor Corp and ArcelorMittal, whose m-cap was at \$29.4 billion and \$26.9 billion.

## WEAK DEMAND

While global companies were ravaged by weak demand and trade tariffs, Indian firms are on a better footing in terms of demand on the back of robust govern-

ment spending. Though relentless imports have capped domestic steel companies' ability to mark up prices, they benefited from a fall in raw material cost and other operational expenses.

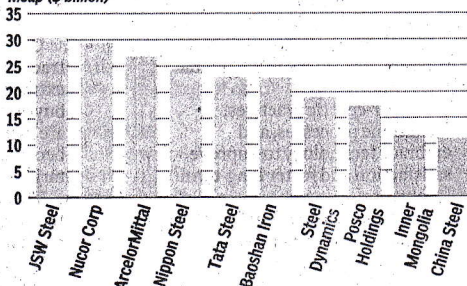
Domestic steel companies led by Tata Steel and JSW Steel have also announced major expansion to capture the expected growth in local demand. This has led to investors bet big on steel company stocks.

Shares of JSW Steel have risen 18 per cent so far this year and closed at ₹1,071 on Tuesday. The stock is also among the best performers on the Nifty this year.

Vishnu Kant Upadhyay, AVP - Research & Advisory, Master Capital Services, said

## Forging ahead

Mcap (\$ billion)



JSW Steel has an ambitious capacity expansion plan to reach 43 mt capacity by 2027 and 51 mt by 2030.

While heavy debt always involves a certain risk — particularly if market condi-

tions shift or if the company's growth does not meet expectation, he said investors seem reassured by JSW Steel's prudent financial management even as they monitor economic con-

ditions and the company's performance closely.

Prashanth KP Kota, CFA, Lead Analyst - Basic Materials sector, Choice Broking, said with an aggressive capital structure JSW Steel has not only enabled continuous capacity growth but also maintained healthy RoEs and focused on conversion cost efficiency, besides nimble sales strategy.

With the US unleashing a tariff war, there is always a risk of India becoming a dumping ground for excess steel produced globally. However, it will be nullified partially if the 12 per cent import duty recommended by DGTR (Directorate General of Trade Remedies) is implemented, he added.