

New recommendations Time Frame: 6 Months

Date	Scrip	I-Direct Code	Buying Range	Target	Stoploss	Upside (%)
2-Feb-21	Bajaj Finance	BAJFI	5150-5300	6,070.00	4,830.00	16.00
2-Feb-21	Axis Bank	AXIBAN	715-730	820.00	674.00	14.00

Open recommendations Time Frame: 6 Months

Date	Scrip	Avg Rec Price	Target	Stoploss	CMP	Return till date (%)
1-Feb-21	Timken	1,235.00	1,465.00	1,138.00	1,290.00	4%
5-Jan-21	Marico	415.00	480.00	367.00	426.00	3%
28-Dec-20	TTK Prestige	6,000.00	6,970.00	5,490.00	6,080.00	1%
10-Dec-20	Abbott India	15,500.00	17,920.00	13,910.00	14,399.00	-7%
9-Dec-20	Godfrey Phillips	985.00	1,140.00	840.00	940.00	-5%
11-Nov-20	VST Tillers Tractors	1,892.00	2,190.00	1,720.00	1,878.00	-1%

All the recommendations are in Cash segment

February 2, 2021

Open Recommendations

Momentum Picks

Scrip	Action
Chambal Fertiliser	Buy
Duration: 14 Days	

Our Products

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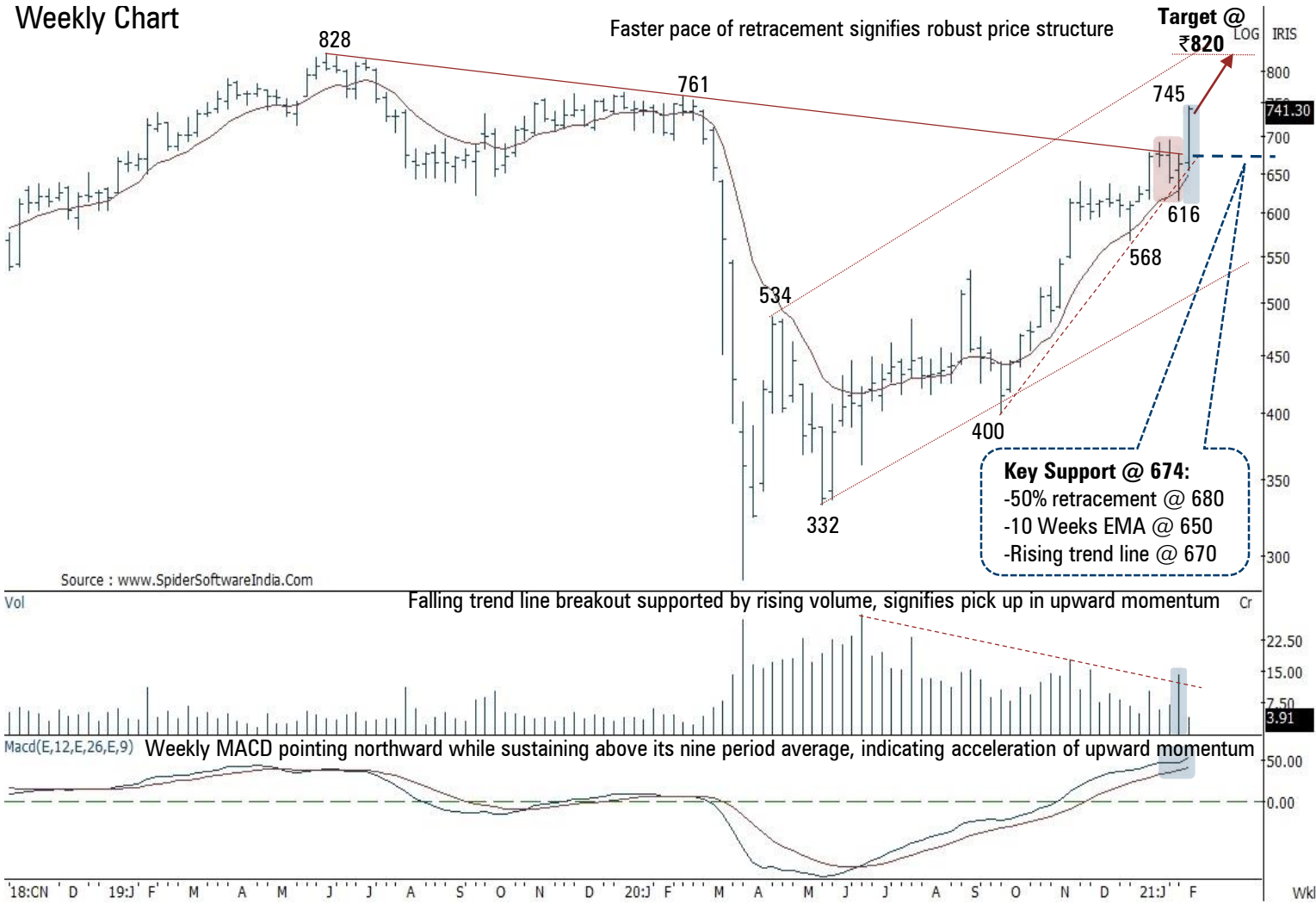
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Axis Bank (AXIBAN): Falling trend line breakout augurs well for next leg of up move...

Rec. Price	715.00-730.00	Target	820.00	Stop loss	674.00	Upside	14%
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Weekly Chart



- The Bank Nifty clocked a fresh all-time high after witnessing faster pace of retracement, indicating acceleration of upward momentum in CY21. We expect catch up activity to be seen in Axis Bank, which has relatively underperformed the private banking space
- We expect the stock to resolve higher and gradually challenge lifetime highs around ₹ 820 in coming months as it is upper band of past five months rising channel (as shown in chart), at ₹ 830
- The share price has logged a resolute breakout from downward slating trend line backed by faster pace of retracement as it has retraced past nine session's decline (₹ 691-616) in just three sessions, indicating structural turnaround. Hence, it offers a fresh entry opportunity to ride the next leg of up move over the medium term
- The stock has formed a higher base near key support threshold of ₹ 674 as it is confluence of:
 - A) rising trend line placed at ₹ 670
 - B) 50% retracement of current up move (616-745), at ₹ 680
 - C) the stock recently bounced from 10 week's EMA that has been held since September 2020, is at ₹ 650

Source: Spider Software,, ICICI Direct Research
 February 2, 2021

Recommendation initiated on i-click to gain at 09:23 on 2nd February, 2021
 ICICI Securities Ltd. | Retail Equity Research

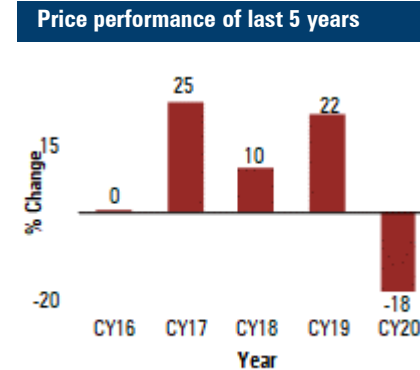
Fundamental View: Axis Bank (AXIBAN)

- Axis Bank, the third largest private bank in terms of advances, offers the entire spectrum of financial services to customers covering large and mid-corporates, MSME, agriculture and retail businesses. The long term focus is on loans offering higher return on risk-weighted basis and tight control on cost to enhance return ratios
- The bank's focus on calibrated approach on growth, balance sheet strengthening, strong liability profile along with healthy capitalisation keep it well placed to accrue earnings growth ahead. Recently the management has also indicated that they would like to avoid any asset quality spillover impact in the next fiscal, thus suggesting normalisation from FY22E onwards
- Axis has strong domestic network with 4586 branches which has been built organically enabling it to pedal business growth. Further, recent budget announcement of focus on infra push, tax deduction on affordable home loans and strengthening of NCLT framework enabling faster resolution is positive for the bank
- Pandemic and resultant lock down has impacted collection and asset quality with proforma GNPA at 4.55% in Q3FY21. However, the bank has healthy provision coverage with cumulative contingent provisions of 2.08% of standard assets, which provides comfort on smoothening earnings trajectory ahead. Therefore, earnings are expected to grow at ~55% CAGR in FY21-23E with improvement in RoE at ~15% in FY23E

Particulars	
Particulars	Amount
Market Capitalisation	₹226552 crore
52 week H/L	760 /285
Net worth	₹ 98201 crore
Face value	₹ 2
DII Holding (%)	24.4
FII Holding (%)	46.0

Financials				
₹ crore	FY20	FY21E	FY22E	FY23E
Nil	25206	29362	33086	36741
PPP	23438	25770	29755	33729
PAT	1629	7115	13457	17112
ABV (₹)	267.9	283.7	334.7	400.3
P/E	128.0	29.3	15.5	12.2
P/ABV	2.8	2.6	2.2	1.8
RoA	0.2	0.8	1.3	1.5
RoE	2.1	8.1	13.8	15.3

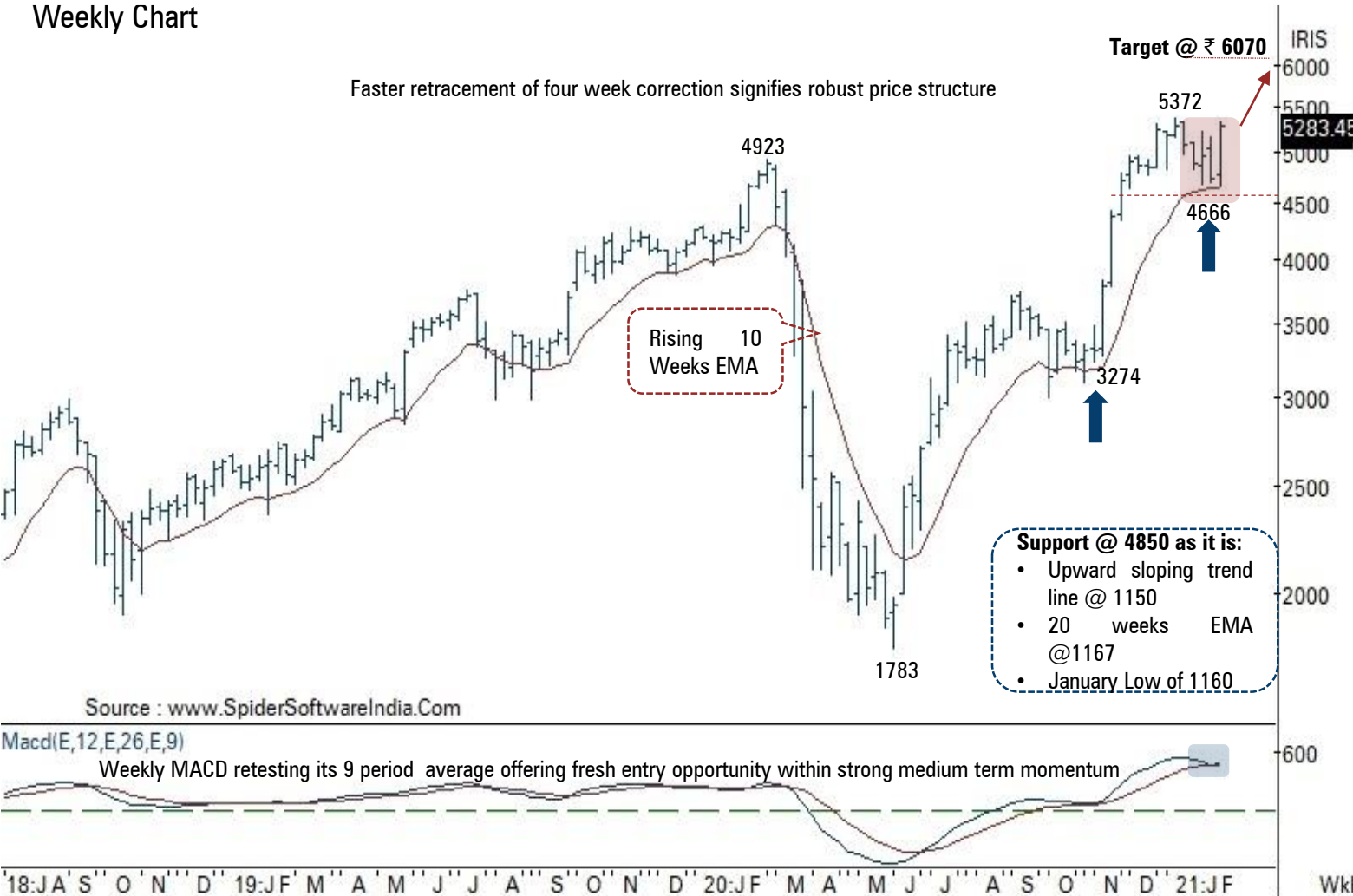
Valuation				
P/E	128.0	29.3	15.5	12.2
P/ABV	2.8	2.6	2.2	1.8
RoA	0.2	0.8	1.3	1.5
RoE	2.1	8.1	13.8	15.3



Bajaj Finance: Changing orbits after healthy consolidation

Rec. Price	5150-5300	Target	6070	Stop loss	4830	Upside	20%
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Weekly Chart



Faster retracement of four week correction signifies robust price structure

Rising 10 Weeks EMA

Support @ 4850 as it is:

- Upward sloping trend line @ 1150
- 20 weeks EMA @ 1167
- January Low of 1160

- The share price of Bajaj Finance has been key outperformer within NBFC space over the past few months and a healthy correction over four weeks ahead of Union Budget made the larger uptrend more robust
- We expect the stock to resolve higher from consolidation range (₹ 5372-4666=706 points) and head towards ₹ 6070 as it is the breakout implication projected from (5372+706)
- The share price has undergone a healthy correction over five weeks by retracing less than 38% of preceding eight week's rally (₹ 3274-5372). A shallow correction underlines strong buying demand at elevated levels
- The stock has formed a strong support base in the vicinity of ₹ 4650 as it is confluence of upward sloping trend line (drawn adjoining May and October lows of ₹ 1783-3274 and rising 10-week EMA which has been held since May 2020 lows

Fundamental View: Bajaj Finance (BAJFI)

Bajaj Finance is one of the leading asset finance NBFCs. The USP of BFL is its diversified loan book coupled with a stronghold in the consumer finance business while it also has presence in other segments like SME, mortgages, etc

Bajaj Finance has sailed through the headwinds and emerged stronger with a leaner operating model and robust growth guidance at ~25% for FY22E. RBI's new banking license review has recommended that large NBFCs with >₹ 50000 crore assets with 10 year existence can apply for banking license. Also, the management commentary to consider the same if it is favourable bodes well for the long term view of the stock

In the recent Budget, there were slew of announcements that were beneficial from a long term point of view for BFSI sector as a whole. With Budget intending to push for growth, a positive rub-off effect can also be seen for Bajaj Finance

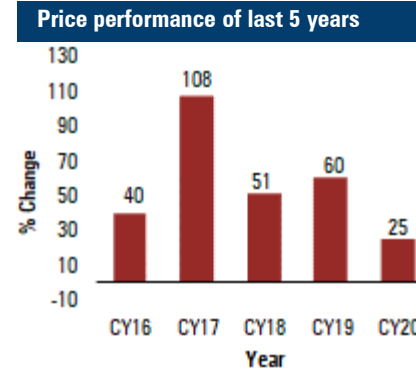
In the recent quarter, we witnessed a sequential pick-up in loan growth momentum, which is expected to be maintained, going ahead. AUM should see a CAGR of 21% in FY21E-23E while PAT growth is estimated at 36% over the same period. RoE is seen ~16% and RoA at 2.4% by FY23E

We believe that a revival in business growth and improvement in asset quality would keep premium valuations intact. Therefore, we remain positive on the business model and growth prospects

Particulars	
Particulars	Amount
Market Capitalisation	₹ 318949 crore
52 week H/L	5372 / 1783
Face Value	₹ 2
Net worth	₹ 34164 Crore
DII Holding (%)	9.1
FII Holding (%)	23.9

Financials				
₹ Crore	FY20	FY21E	FY22E	FY23E
Nil (₹ crore)	18901	16919	18480	22799
PPP (₹ crore)	11252	11899	11481	14700
PAT (₹ crore)	5284	4121	5815	7644
ABV (₹)	534	586	637	832
P/E	59	77	55	42
P/ABV	9.9	9.3	8.3	6.4
RoA	2.8	1.8	2.2	2.4
RoE	20.2	12.1	15.1	15.9

Valuation				
P/E	59	77	55	42
P/ABV	9.9	9.3	8.3	6.4
RoA	2.8	1.8	2.2	2.4
RoE	20.2	12.1	15.1	15.9



Summary Performance - Recommendations till date

Total Recommendations	602	Open	6
Closed Recommendations	596	Yield on Positive recommendations	17.0%
Positive Recommendations	444	Yield on Negative recommendations	-8.0%
Closed at cost	17		
Strike Rate	77%		

Momentum Picks open recommendations

Date	Scrip Name	Strategy	Recommendations Price	Target	Stoploss	Time Frame
21-Jan-21	Chambal Fertiliser	Buy	235-240	262.00	225.00	14 Days

All recommendations are in cash market

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Price history of past three years

Axis Bank

AXISBANK [N5900] 665.00, 744.95, 654.35, 721.95, 43028528 8.91%
Price

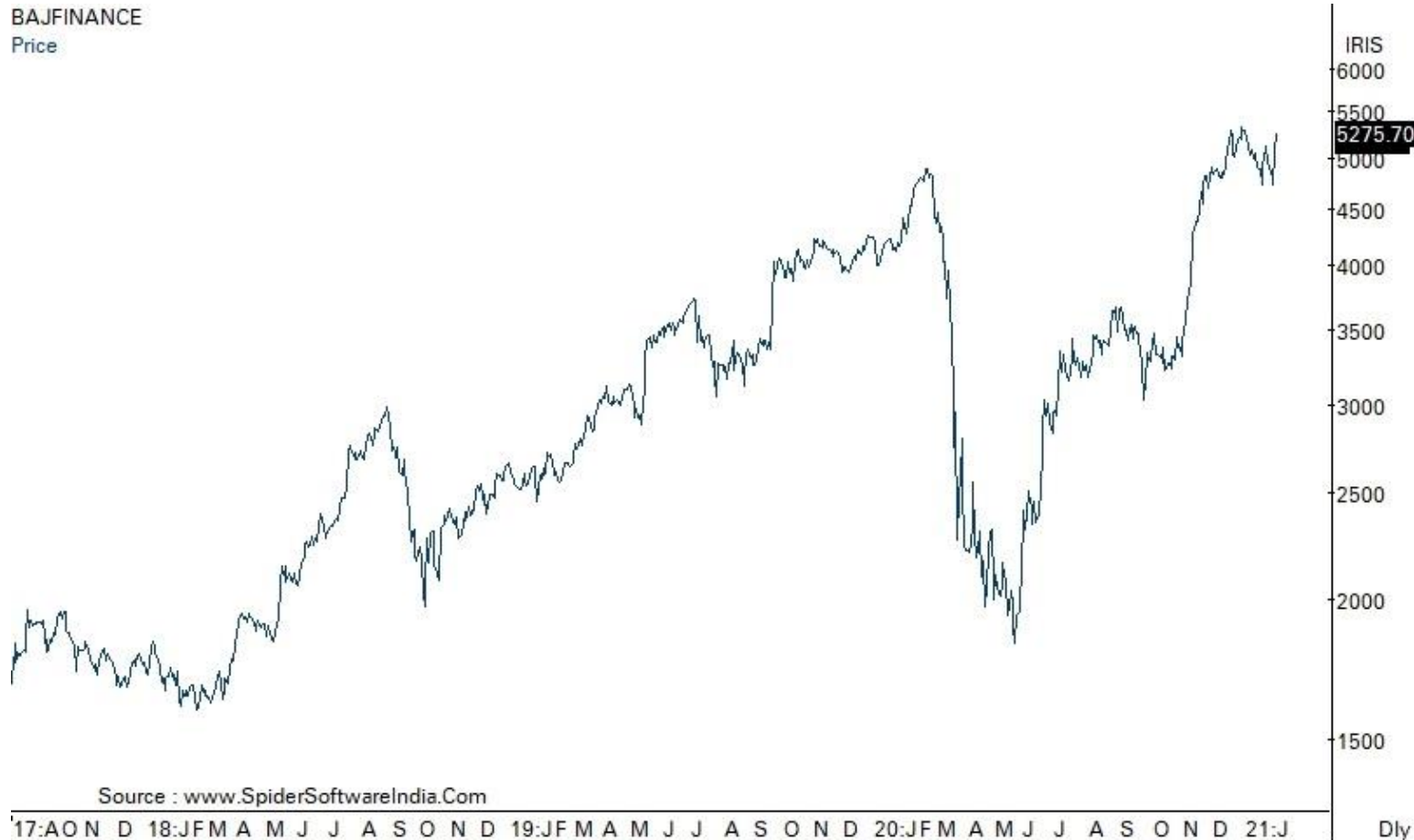


Source : www.SpiderSoftwareIndia.Com

Price history of past three years

Bajaj Finance

BAJFINANCE
Price



Source : www.SpiderSoftwareIndia.Com

- It is recommended to enter in a staggered manner within the prescribed range provided in the report
- Once the recommendation is executed, it is advisable to keep strict stop loss as provided in the report on closing basis
- The recommendations are valid for six months and in case we intend to carry forward the position, it will be communicated through separate mail

Trading portfolio allocation

- It is recommended to spread out the trading corpus in a proportionate manner between the various technical research products
- Please avoid allocating the entire trading corpus to a single stock or a single product segment
- Within each product segment it is advisable to allocate equal amount to each recommendation
- For example: The 'Momentum Picks' product carries 2 intraday recommendations. It is advisable to allocate equal amount to each recommendation

Recommended product wise trading portfolio allocation

Product	Allocations		Number of Calls	Return Objective	Duration
	Product wise allocation	Max allocation In 1 Stock			
Momentum Picks-Intraday	10%	30-50%	2 Stocks	1-2%	Intraday
Momentum Picks-Positional	25%	8-10%	8-10 Per Month	5-8%	14 Days
Gladiator Stocks	35%	10-13%	Opportunity Based	15-20%	6 Months
Yearly Technical	25%	12-15%	7-9 Per Year	20-30%	1 Year
Cash	5%				
	100%				



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