Gladiator Stocks

ICICI direct Research

New recommendations						Time Frame: 6 Months
Date	Scrip	I-Direct Code	Buying Range	Target	Stoploss	Upside (%)
8-Jul-20	Axis Bank	AXIBAN	435.00-449.00	508.00	410.00	15.0%

Open recommendations						Time Frame: 6 Months
Date	Scrip	Avg Rec Price	Target	Stoploss	CMP	Return till date (%)
24-Jun-20	Titan Company	1,013.00	1,185.00	928.00	1,008.00	0%
24-Jun-20	Asian Paints	1,755.00	2,020.00	1,580.00	1,700.00	-3%
10-Jun-20	Lupin	916.00	1,080.00	835.00	874.00	-5%
2-Jun-20	Bata India	1,408.00	1,625.00	1,270.00	1,302.00	-8%
1-Jun-20	Proctor & Gamble Health	4,200.00	5,090.00	3,570.00	4,253.00	1%
1-Jun-20	Pidilite Industries	1,470.00	1,670.00	1,320.00	1,382.00	-6%
24-Apr-20	Ipca Laboratories	1,600.00	1,885.00	1,440.00	1,637.00	2%

All the recommendations are in Cash segment

July 8, 2020

Our Products

Open Recommendations

Momentum Picks

Scrip	Action
Escorts	Buy
Bandhan Bank	Buy
RCF	Buy
	Duration: 14 Days

Click here to know more…

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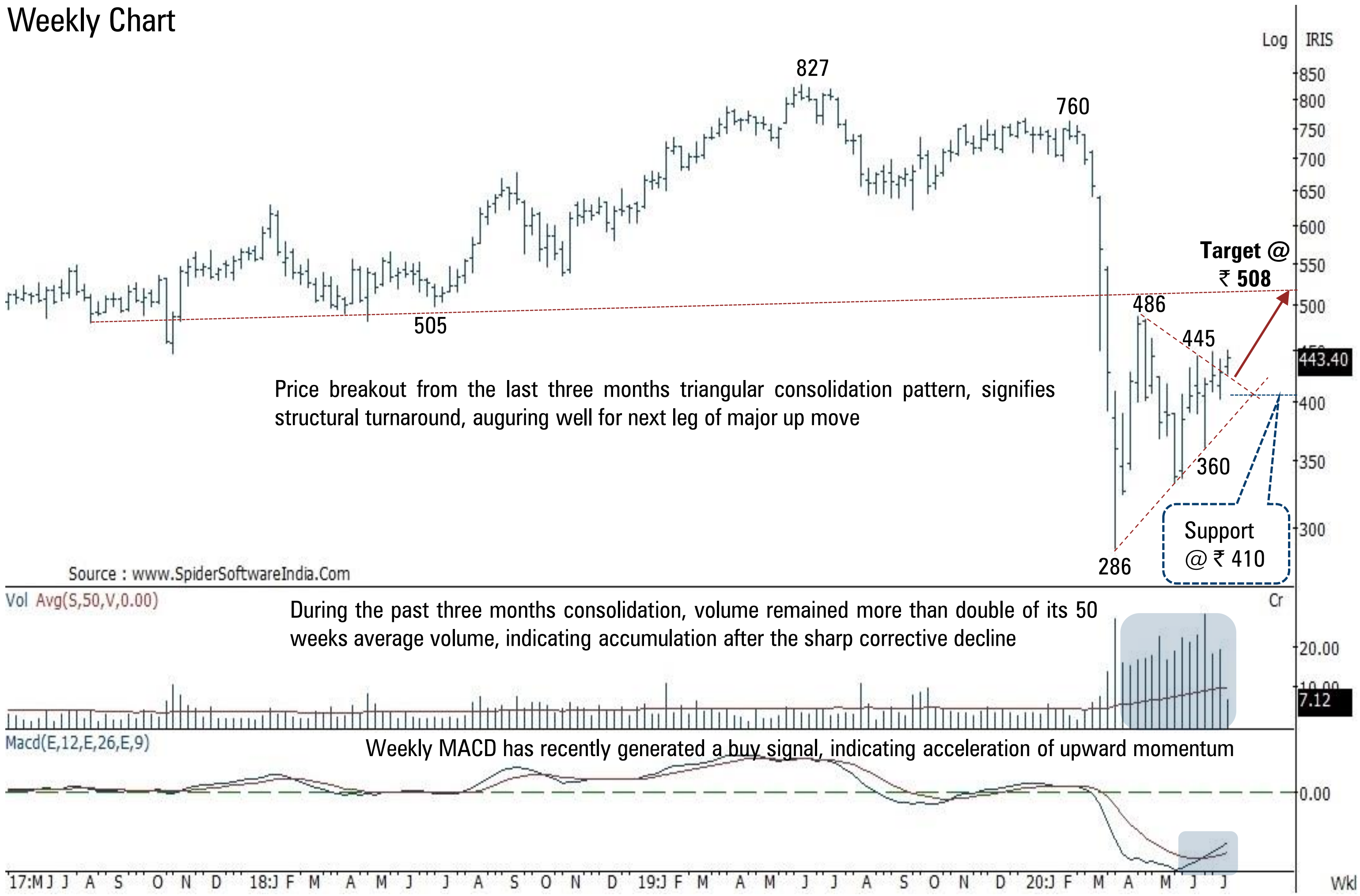
Axis Bank (AXIBAN): Breakout from three month's triangular consolidation pattern signifies structural turnaround...

ICICI direct Research

Rec. Price	435.00-449.00	Target	508.00	Stop loss	410.00	Upside	15%

Weekly Chart



- The share price logged a resolute breakout from the last three month's triangular consolidation pattern, indicating conclusion of corrective trend. This augurs well for structural turnaround. Hence, this offers a fresh entry opportunity
- Over the past three month's consolidation phase, the stock has seen strong volume of more than double the 50 week's average volume of 9 crore share per week highlighting accumulation and larger participation at support area
- The stock has already taken 12 weeks to retrace less then 80% of the preceding four weeks up move (₹ 286-486). A slower retracement signals a higher base formation
- The weekly MACD has recently generated a buy signal moving above its nine periods average, thus validating positive bias in the stock
- Based on the above technical observations, we expect the stock to resume its up move and head towards ₹ 508 levels in coming months. This is the confluence of the previous major breakdown area and 50% retracement of the February–March decline (₹ 760-286) around ₹ ₹ 520

Source: Bloomberg, ICICI Direct Research

Recommended on I-click to gain on 08th July 2020 at 11:30

Fundamental View: Axis Bank

- 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. In a bid to gain traction in the life insurance sector, Axis Bank has entered into a transaction with Max Financial, which post completion will become 70:30 JV in Max Life Insurance

- The bank has delivered credit growth at 15.5% YoY to ~₹ 571424 crore as on March 2020, above industry growth rate with major traction towards the retail book. Deposit growth remained healthy at 16.7% YoY to ~₹ 640105 crore as on Q4FY20. Led by superior network of 4528 branches, the bank has built a strong retail liability franchise

- Covid-19 would lead business growth to moderate in the medium term. However, we expect normalisation to return soon post easing of lockdown. Due to the nationwide lockdown, asset quality is expected to stay stable due to standstill asset classification norms. In addition, a lower moratorium book at ~28% coupled with unutilised provisions from previous quarters provides respite against delinquency shocks post moratorium period

- Covid-19 and related lockdown would delay a revival in RoE. However, given healthy asset mix, liability strength, adequate capital and superior customer profile, we believe the bank is poised to face near term challenges and benefit in the phase of normalisation. Hence, we remain positive on the fundamentals of the stock

Particulars

Perticulars	Amount
Market Capitalisation	₹123534 Crore
GNPA (Q4FY20)	₹ 302338 Crore
NNPA (Q4FY20)	₹ 93604 Crore
NIM (Q4FY20)	3.55
52 Weeks H/L	827/286
Net Worth	₹84004 Crore
Face Value	₹ 2
DII Holding (%)	24.9
FII Holding (%)	45.5

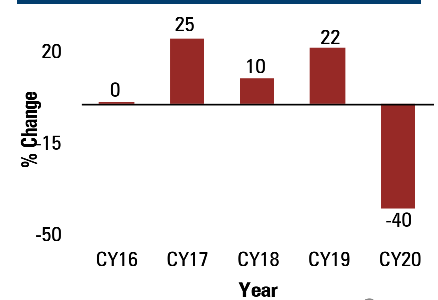
Financials

	FY 20	FY 21E	FY22E
NII	25206	24507	26016
PPP	23988	23022	23506
PAT	1627	4830	7729

Valuation

	FY 20	FY 21E	FY22E
BV (I)	298	317	341
ABV (I)	252	260	281
P/BV	1.03	0.97	0.9
P/ABV	1.22	1.18	1.09

Price performance of last 5 years



Source: Bloomberg, ICICI Direct Research

Follow up summary of Gladiator Stocks

Summary Performance - Recommendations till date			
Total Recommendations	536	Open	7
Closed Recommendations	529	Yield on Positive recommendations	17.0%
Positive Recommendations	387	Yield on Negative recommendations	-8.0%
Closed at cost	16		
Strike Rate	75%		

Source: ICICI Direct Research

Momentum Picks open recommendations

Date	Scrip Name	Strategy	Recommendations Price	Target	Stoploss	Time Frame
7-Jul-20	Escorts	ESCORT	1085-1105	1210.00	1045.00	14 Days
7-Jul-20	Bandhan Bank	BANBAN	370-380	422.00	344.00	14 Days
7-Jul-20	RCF	RCF	48-50	55.80	47.50	14 Days
1-Jul-20	Dhanuka Agritrech	DHAAG	710-725	790.00	678.00	14 Days

All the recomedations are in Cash segment

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Price history of past three years

Axis Bank

Source: Spider Software. ICICI Direct Research

Product Guidelines……

- 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

Source: ICICI Direct Research

Recommended product wise trading portfolio allocation

Product	Allocations: Product wise allocation	Max allocation In 1 Stock	Number of Calls	Return Objective	Duration
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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Source: ICICI Direct Research

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