

WEALTH WEEKLY

Weekly Alerts You Can Use!

Weekly View: Nifty, Bank Nifty:

Indices	CMP	Support	Resistance	50 DMA	200 DMA	Range	Preferred Trade
NIFTY	17360	16901	17749	17557	17482	17101-17675	Buy at CMP. Targets at 17551/17749/18101. Stop at 16901.
BANK NIFTY	40609	38951	41909	40738	39802	38651-41771	Buy at CMP. Targets at 41451/41909/42671. Stop at 38951.

Medium Term Pick:

Stocks	CMP	Support	Resistance	50 DMA	200 DMA	Bias	Preferred Trade
AXIS BANK	858.5	811	901	862	817	Positive	Incorporated in the year 1993, Axis Bank is the 3rd largest private sector bank in India in terms of asset size with a balance sheet size of over INR 11.75 lakhs, a network of over 4,758 branches & 5,972 cash recyclers and most importantly, as of Q3FY23, it reported a net profit of Rs 5,853.1 crore for the October-December period. AXIS Bank shall pedal higher business growth and earnings should improve considerably on backdrop of strong capitalization, strong growth in advances and deposits, lower cost of funds, and healthy cumulative provisions should continue to support the bank's coming quarters. Establish long positions at CMP, targeting 875/900 and then aggressive 1-year targets at psychological 1000 mark. Stop at 811.

CMP	859
Target Price	900
52 Week H/L	970/618
P/E	12.82
EPS	66.95
P/BV	2.24
Book Value	384.75
Market Cap (in crores)	2,64,147

Daily Chart of AXIS BANK :



AXIS BANK (CMP 859):

Incorporated in the year 1993, **Axis Bank** is the 3rd largest private sector bank in India in terms of asset size with a balance sheet size of over INR 11.75 lakhs. As on 31st March 2022, Axis Bank has achieved consistent growth and with a 5-year CAGR (2016-17 to 2021-22) of 14% each in Total Assets & Advances and 15% in Deposits.

Axis Bank has a network of over 4,758 branches with 10,990 ATMs & 5,972 cash recyclers and most importantly, as of Q3FY23, it reported a net profit of Rs 5,853.1 crore for the October-December period, marking a jump of 61.9 per cent compared with the corresponding period a year ago. Net interest income grew 32.4% YoY to Rs 11,459 crore. The capital adequacy ratio based on Basel-III regulations stood at 17.60% as on December 31, compared with 16.52% a quarter ago. Strong growth in net interest income, higher fees and moderation in operating expenses drove the bottom-line higher.

Net interest margin improved sharply in the quarter by 73 basis points YoY and 30 bps sequentially to 4.26%.

Meanwhile, acquisition of Citibank's consumer business in India should strengthen Axis Bank's balance sheet further and aid growth over the long term. Citibank's consumer business in India was transferred to Axis Bank on March 1, 2023 for Rs 11,603 crore, according to a notification to the stock exchanges on March 1, 2023. The said acquisition now elevates the position of Axis Bank to capture premium market share growth.

The acquisition is expected to add 2.4 million Citi customers to Axis Bank and the credit card customer base will rise by about 19% with an eventual addition of 1.8 million cards. Axis Bank market share in cards will increase to 16.2% from 11.4%.

High frequency indicators suggest a strong rebound in economic activities and give further impetus to economy and Axis Bank.

Key Metrics for Axis Bank are:

1. PE Ratio of Axis Bank is 12.82
2. Earnings per share of Axis Bank is 66.99
3. Price/Sales ratio of Axis Bank is 3.39
4. Price to Book ratio of Axis Bank is 2.19

Technical Outlook: Axis Bank has been amongst the top outperformers amongst the banking space with the stock price gaining generating 139.37% return as compared to Nifty Bank which gave investors 112.49% return over 3-year time period.

Preferred Strategy: Establish long positions at CMP, targeting 875/900 and then aggressive 1-year targets at psychological 1000 mark. Stop at 811

Mehta Equities

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