

# WEALTH WEEKLY

## Weekly Alerts You Can Use!

### Weekly View: Nifty, Bank Nifty:

Indices	CMP	Support	Resistance	50 DMA	200 DMA	Range	Preferred Trade
NIFTY	19231	18970	19451	19561	18642	19001-19441	Buy at CMP. Targets at 19451/19701/19999. Stop at 18970.
BANK NIFTY	43318	42251	45001	44313	43203	42475-44751	Buy at CMP. Targets at 44751/45251/46001. Stop at 42101.

### Medium Term Pick:

Stocks	CMP	Support	Resistance	50 DMA	200 DMA	Bias	Preferred Trade
HOME FIRST COMPANY	915	701	1057	902	783	Positive	Incorporated in 2010, <b>Home First Finance Company</b> is an Indian housing finance company in the affordable housing segment based in Mumbai and founded in 2010. It provides home loans, loan against property and home construction loans. The Company has 120 branches with presence in 13 States / UT (+7 branches from Jun'23). Total touchpoints increased to 295 (+13 from Jun'23 and +46 from Sep'22). Digital adoption continues to be strong and a key area of the firm as they grow 94% of customers are registered on their app as on Sep'23. Unique User Logins was 54% in Q2FY24. Service requests raised on app was stable at 90%. HomeFirst's QoQ disbursement momentum continues (36.6% y-o-y, 7.1% q-o-q); witnessed broad based growth across markets. Look to buy at CMP, on dips between 775-800 zone, targeting 1057/1125 and then aggressive targets at 1250 with stop below 701. Holding Period: 12-15 months.

CMP	915
Target Price	1057
52 Week H/L	984.80/652
P/E	30.32
EPS	30.19
ROE	13.62%
Book Value	220.77
Market Cap (INR)	8,071.56 crores

Daily Chart of HOME FIRST :



#### BUY HOME FIRST (CMP 915): Targets at 1057.

**Theme:** Home First Finance Company India Limited is an Indian housing finance company in the affordable housing segment based in Mumbai and founded in 2010. It provides home loans, loan against property and home construction loans. The Company has 120 branches with presence in 13 States / UT (+7 branches from Jun'23). Total touchpoints increased to 295 (+13 from Jun'23 and +46 from Sep'22). Digital adoption continues to be strong and a key area of the firm as they grow 94% of customers are registered on their app as on Sep'23. Unique User Logins was 54% in Q2FY24. Service requests raised on app was stable at 90%

Home First is young housing finance company and was founded in 2010 by former chairman and co-founder of Mphasis, Jerry Rao; former CEO and MD of Bank of Baroda, PS Jayakumar; and Manoj Viswanathan, who previously worked with Citigroup India. It commenced operations in August 2010 after registering with the National Housing Bank, the regulatory and licensing body for housing finance companies in India.

# HomeFirst's QoQ disbursement momentum continues (36.6% y-o-y, 7.1% q-o-q); witnessed broad based growth across markets.

# Strong financial results with ROE of 15.6% (+60bps q-o-q); with industry leading home loan mix of 87%.

# AUM at Rs ~84bn (33.3% y-o-y, 7.6% on q-o-q). Asset quality remains strong.

# Asset Quality: Bounce rates improved to 14.2% from 15.0% on q-o-q basis.

# 1+ DPD remained range bound at 4.5% (Q1FY24 - 4.3%, Q2FY23 - 4.7%).

# 30+ DPD is flat at 2.9% in Q2; decline of 40 bps on y-o-y basis.

# Gross Stage 3 (GNPA) range bound at 1.7% (Q1FY24 - 1.6%, Q2FY23 - 1.9%). Prior to RBI classification circular of Nov'21, it stands at 1.1% up 10 bps from Q1FY24.

# Capital Adequacy: Total CRAR at 45.5%. Tier I capital stands at 45.0% as on Sep'23.

Networth as on Sep'23 is at Rs 1,947 Crs vis-à-vis Rs 1,817 Crs as on Mar'23.

**Technical Outlook:** The stock is signaling a massive breakout on the upside after consolidating for 2-years. The stock is making higher high-low on the daily/weekly/monthly chart, and is fast approaching its psychological resistance area at 1000. Above 1000 mark, momentum buying quite likely,

**Preferred Strategy:** Look to accumulate at CMP, and on dips between 775-800 zone, targeting 1057/1125 and then aggressive targets at 1250 with stop below 701. Holding Period: 12-15 months

### Mehta Equities

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