

WEALTH WEEKLY

Weekly Alerts You Can Use!

Weekly View: Nifty, Bank Nifty:

Indices	CMP	Support	Resistance	50 DMA	200 DMA	Range	Preferred Trade
NIFTY	20969	20551	21251	19694	18891	20721-21201	Buy between 20831-20851 zone. Targets 21251/21551/22000. Stop at 20251.
BANK NIFTY	47262	45751	49001	44132	43547	46101-48351	Buy at CMP. Targets at 48351/49001/50251. Stop at 45661.

Medium Term Pick:

Stocks	CMP	Support	Resistance	50 DMA	200 DMA	Bias	Preferred Trade
SBIN	614	531	671	578	570	Positive	State Bank of India is a Fortune 500 company, is an Indian Multinational, the largest Public Sector Banking and Financial services statutory body headquartered in Mumbai. Aided by healthy net interest income and loan growth, SBI is our preferred bet in the PSU banks and amidst its size should benefit immensely from the pick-up in economic activity in the Indian economy, a favorable credit quality cycle, strong internal accruals, and excess liquidity with a sturdy PCR, healthy capitalization, a strong liability franchise, and an improved asset quality outlook. High frequency indicators suggest a strong rebound in economic activities. Expect festive season to give further impetus to economy and SBI. Preferred Strategy: Look to accumulate at CMP, and on dips between 471-475 zone, targeting 633/671 and then aggressive targets at 751 with stop below 531. Holding Period: 9-12 months.

BUY SBIN at CMP 614. Target 671

CMP	614
Target Price	151
52 Week H/L	116/60
CMP	614
Target Price	751
52 Week H/L	630/499
P/E	8.04
EPS (TTM)	68.40
Promoter Holding/DIIs/FIIs	57.49%/24.39%/10.72%
Book Value	402
Market Cap (INR)	5,48,105

Daily Chart of SBIN :



Theme: State Bank of India is a Fortune 500 company, is an Indian Multinational, the largest Public Sector Banking and Financial services statutory body headquartered in Mumbai. The rich heritage and legacy of over 200 years, accredits SBI as the most trusted Bank by Indians through generations with 1/4th market share, serves over 48 crore customers through its vast network of over 22,405 branches, 65,627 ATMs/ADWMs, 76,089 BC outlets. SBI plans to open around 300 branches in FY24.

The Bank has successfully diversified businesses through its various subsidiaries i.e SBI General Insurance, SBI Life Insurance, SBI Mutual Fund, SBI Card, etc. It has spread its presence globally and operates across time zones through 235 offices in 29 foreign countries.

Aided by healthy net interest income and loan growth, SBI is our preferred bet in the PSU banks and amidst its size should benefit immensely from the pick-up in economic activity in the Indian economy, a favorable credit quality cycle, strong internal accruals, and excess liquidity with a sturdy PCR, healthy capitalization, a strong liability franchise, and an improved asset quality outlook. High frequency indicators suggest a strong rebound in economic activities. Expect festive season to give further impetus to economy and SBI.

The other key positive catalysts:

SBIN's Q2FY24 results showcases a significant boost in its financial performance:

Profitability

Net Profit at ₹ 14,330 crores; grew by 8.03% YoY. • Operating Profit for Q2FY24 is at ₹ 19,417 crores and has declined by 8.07% YoY. • Bank's ROA and ROE for the half year stand at 1.10% and 22.57% respectively. • ROA at 1.01% for the quarter declined by 3 bps YoY. • Net Interest Income (NII) for Q2FY24 increased by 12.27% YoY. • Domestic NIM for H1FY24 increased by 6 bps YoY to 3.45%. However, Domestic NIM for Q2FY24 decreased by 12 bps YoY to 3.43%.

Balance Sheet

• Credit growth at 12.39% YoY with Domestic Advances growing by 13.21% YoY. • Foreign Offices' Advances grew by 8.11% YoY. • Domestic Advances growth driven by SME Advances (22.75% YoY) followed by Retail Personal Advances which grew by 15.68% YoY. • Foreign Office advances cross ₹5 lakh crores. • Agri and Corporate loans registered YoY growth of 14.76% and 6.62% respectively. • Whole Bank Deposits grew at 11.91% YoY, out of which CASA Deposit grew by 4.91% YoY. CASA ratio stands at 41.88% as on 30th September 23.

Asset Quality

• Gross NPA ratio at 2.55% improved by 97 bps YoY. • Net NPA ratio at 0.64% improved by 16 bps YoY. • PCR (Incl. AUCA) improved by 39 bps YoY and stands at 91.93%. Provision Coverage Ratio (PCR) at 75.45% declined by 248 bps YoY. • Slippage Ratio for H1FY24 improved by 16 bps YoY and stands at 0.70%. Slippage Ratio for Q2FY24 increased by 13 bps YoY and stands at 0.46%. • Credit Cost for Q2FY24 improved by 6 bps YoY to 0.22%. Capital Adequacy • Capital Adequacy Ratio (CAR) as at the end of Q2FY24 improved by 77 bps YoY and stands at 14.28%.

Technical Outlook: Technically, brace yourselves with an ascending triangle breakout on the monthly time frames. An impulse uptrend is seen forming on the daily time scale with positive SAR series.

Add to that a bullish divergence and a rising stochastic signal (on daily charts) with recent increase in volumes signaling a larger rebound. The 200 days. The 200 days Exponential Moving Average (EMA) of the stock on the daily chart is currently at 573 zone. The level of 573-575 zone will act as a strong support zone.

Preferred Strategy: Look to accumulate at CMP, and on dips between 471-475 zone, targeting 633/671 and then aggressive targets at 751 with stop below 531. Holding Period: 9-12 months

Mehta Equities

903 Lodha Supremus, Dr. E Moses Road, Worli Naka, Mumbai - 400 018 Board: +91-22-61507100/101 Fax: +91-22-61507102