

WEALTH WEEKLY

Weekly Alerts You Can Use!

Weekly View: Nifty, Bank Nifty:

Indices	CMP	Support	Resistance	50 DMA	200 DMA	Range	Preferred Trade
NIFTY	19674	19225	20000	19627	18472	19375-19975	Sell at CMP. Targets at 19375/19225/18751. Stop at 20100.
BANK NIFTY	44612	43001	46001	44966	43088	43451-45651	Sell at CMP. Targets at 43001/42651/42001. Stop at 46001.

Medium Term Pick:

Stocks	CMP	Support	Resistance	50 DMA	200 DMA	Bias	Preferred Trade
SBIN	598	531	630	587	572	Positive	State Bank of India is a Fortune 500 company, is an Indian Multinational, 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. SBI is our preferred bet in the PSU banks on amidst is size and 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. Look to accumulate at CMP, and on dips between 540-550 zone, targeting 630/683 and then aggressive targets at 751 with stop below 531. Holding Period: 9-12 months.

CMP	598
Target Price	630
52 Week H/L	629.55/499.35
P/E	8.74
EPS	68.40
ROE	18.05%
Book Value	354.85
Market Cap (INR)	5,33,825,65 crores

Daily Chart of SBIN :



BUY SBIN (CMP 598): Targets at 630.

State Bank of India is a Fortune 500 company, is an Indian Multinational, 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.

SBI, the largest Indian Bank 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.

SBI is our preferred bet in the PSU banks on amidst is size and 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.

Healthy business growth continues to be the key positive catalyst as the business of the bank has increased 13% YoY to Rs 7834968 crore end June 2023, driven by 14% surge in advances to Rs 3303731 crore. Deposits rose 12% to Rs 4531237 crore at end June 2023.

The other key positive catalysts:

SBI reported a 178% rise in net profit at Rs 16,884 crore in the June quarter aided by healthy net interest income and loan growth.

The net interest margin (NIM) came in at 3.33%, up from 3.02% in the year-ago period. The domestic IM of the lender grew by 24 basis points to 3.47% from 3.23 last year.

The biggest positive trigger in favor of SBI is no sharp deterioration in assets quality in Q1FY24. The fresh slippages of loans stood at Rs 7872 crore in Q1FY2024 (vs Rs. 3458 crore in Q4FY23) and Rs 10115 crore in in Q1FY2023.

The recoveries and upgradations of NPAs stood at Rs 3607 crore. The write-off of loans was at Rs 3865 crore in Q1FY2024.

The standard restructured loan book of the bank stood at Rs 22666 crore (0.7% of total loans) in Q1FY24 compared to Rs 24302 crore in Q4FY23.

The CASA deposits of the bank rose 6% YoY to Rs 1866059 crore at end June 2023. The current account deposits increased 7% to Rs 258232 crore, while saving account deposits rose 5% to Rs 1607827 crore end June 2023.

The CASA ratio stood at 42.5% in the quarter ended 30th June 2023.

Technically, brace yourselves with the sequence of a higher high/low formation 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 Exponential Moving Average (EMA) of the stock on the daily chart is currently at 565 zone. The level of 565-567 zone will act as a strong support zone.

Look to accumulate at CMP, and on dips between 540-550 zone, targeting 630/683 and then aggressive targets at 751 with stop below 529. Holding Period: 9-12 months.

Mehta Equities

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