

WEEKLY COMPASS

Weekly Alerts You Can Use!

CORPORATE ACTIONS

Stocks	Ex-Date	Purpose	Amount (Rs)	Record Date
Indo Us Bio-Tech Ltd	29 Nov 2021	Bonus issue 1:5	-	30 Nov 2021
KOTHARI INDUSTRIAL CORPORATION LTD.	29 Nov 2021	E.G.M.	-	-
Rail Vikas Nigam Ltd	30 Nov 2021	Final Dividend	0.44	-
SHEETAL DIAMONDS LTD.	01 Dec 2021	E.G.M.	-	-
Tiger Logistics (India) Ltd	01 Dec 2021	Interim Dividend	1.00	02 Dec 2021
Apollo Pipes Ltd	02 Dec 2021	Bonus issue 2:1	-	04 Dec 2021
BAJAJ STEEL INDUSTRIES LTD.	02 Dec 2021	Final Dividend	3.00	-
GRATEX INDUSTRIES LTD.	02 Dec 2021	E.G.M.	-	-
NCL RESEARCH & FINANCIAL SERVICES LTD.	02 Dec 2021	Bonus issue 1:1	-	03 Dec 2021
NCL RESEARCH & FINANCIAL SERVICES LTD.	02 Dec 2021	Stock Split From Rs.2/- to Rs.1/-	-	03 Dec 2021
Nova Publications India Ltd	02 Dec 2021	E.G.M.	-	-
Indian Energy Exchange Ltd	03 Dec 2021	Bonus issue 2:1	-	06 Dec 2021

OFFER TO BUY

Company name	Start Date	Close Date	Offer Price (Rs.)	Proposed Acquisition (No. of shares)	CMP (Rs.)
GOLDIAM INTERNATIONAL LTD.	26-Nov-21	09-Dec-21	1200.00	3,80,000	871.45
GENESIS EXPORTS LTD.	24-Nov-21	30-Nov-21	945.00	1,35,269	-

Weekly View: Nifty, Bank Nifty:

Indices	CMP	Support	Resistance	50 DMA	200 DMA	Range	Preferred Trade
NIFTY	17026	16376	18133	17852	16081	16651-17400	Sell at CMP. Targets at 16651/16376. Stop at 17501.
BANK NIFTY	36026	34651	38001	38480	35704	34651-37251	Sell at CMP. Targets at 35451/4651. Stop at 38301.

Medium Term Pick:

Stocks	CMP	Support	Resistance	50 DMA	200 DMA	Bias	Preferred Trade
AU SMALL FINANCE BANK	1128	1051	1227	1189	1143	Negative	AU BANK has witnessed a sharp fall in Friday's trade, down 5.29%. The stock is now signaling a down-move towards its intermediate 30th August 2021 support at 1051. Momentum oscillators signaling major weakness on backdrop of overbought technical conditions + bearish engulfing pattern on the monthly charts. Also, the stock is signaling a major breakdown on the daily charts. Establishing short positions at CMP should be the preferred trading strategy, targeting 1051/1000 and then aggressive targets at 911-925 zone. Stop above 1227.05. Holding Period: 1-2 Months.

Incorporated in the year 1996, **AU SMALL FINANCE BANK** was started by Mr. Sanjay Agarwal, a merit holder Chartered Accountant and a first-generation entrepreneur. The bank provides secured funding to customers largely in Vehicle Loan, Business Loan and Housing Loan segments while organically spreading its geographical presence. The Bank now commands a market capitalization of Rs. 35352 crore and bank has presence in 15 states and 2 union territories, with 794 branches, 470 ATMs, 31 asset centers and ~6,59,904 loan accounts. The bank offers a comprehensive and tailor made range of products (both asset and liability) and services to cater to the needs of various businessmen (SME and MSME) and other middle and low income customers. Loan book of the bank grew at a CAGR of 36% over FY12 to FY20 and stood at ₹380bn as of 2QFY22 with a deposit base of ₹390bn.

The bank has a promising management team which has a proven history of execution.

That said, the key negative catalyst in near term could be steadily rising asset-quality concerns on backdrop of the Covid-induced disruption. Also as per media reports, the series of resignations in the audit/risk functions and delayed disclosure of these resignations have irked investors. Rising competition may also put pressure on yields; asset quality deterioration owing to higher share of riskier segments; state specific issues may have greater impact owing to regional concentration.

Technically, AU SMALL FINANCE BANK stock price pattern appears ugly at current levels.

Technically speaking, the biggest negative catalyst is prevailing overbought technical conditions as the recent sharp run up in the stock price could trigger corrective declines and also there is limited room for upside.

The street will also spy with one big eye on the uncertainty evolving around Indian economy amidst general concerns about a new strain of COVID-19 – B.1.1.529, which is assigned the Greek letter "Omicron" by the World Health Organization (WHO) – possesses several deadly mutations and was identified recently in Africa, with cases detected in Hong Kong and Europe as well. Risk likely to prevail amidst the latest Covid-19 outbreak and fears of volume losses on backdrop of renewed lockdown are likely to dent on sentiments.

We believe, in near term, the stock is likely to underperform on the bourses primarily on backdrop of concerns on macros; hence, we initiate a 'SELL'.

Firstly, overbought technical conditions prevail on the daily charts on backdrop of a probable dark cloud cover pattern on the monthly charts. The momentum oscillators are seen shifting in sell mode signaling further sharp corrective down move. The stock price is has already signaled a break down from a "higher consolidation zone" on the daily — confirmation of the same below 1051 mark. Aggressive downside risk below a 1051 close is at 915-925 zone.

The 200-DMA of the stock is around 1143 levels.

Establishing short positions at CMP should be the preferred trading strategy, targeting 1051/1000 and then aggressive targets at 911-925 zone. Stop above 1227.05. Holding Period: 1-2 Months.

Daily Chart of AU SMALL FINANCE BANK:

