

## Week Gone

- ⇒ In the week ended on Friday, 25 February 2022, the S&P BSE Sensex lost 1,972.1 points or 3.41% to settle at 55,858.5. The Nifty 50 index fell 617.90 points 3.57% to settle at 16,658.40.
- ⇒ Domestic equity indices declined for the fourth consecutive session on Monday, 21 February 2022.
- ⇒ The S&P BSE Sensex, fell 149.38 points or 0.26% at 57,683.05. The Nifty 50 index lost 69.65 points or 0.4% at 17,206.45.

## Week Ahead

- ⇒ On the macro front, infrastructure output data for January will be released on 28 February 2022.
- ⇒ Markit Manufacturing PMI for February will be declared on 2 March 2022. Markit Services PMI for uncertainty .
- ⇒ Market are expected to move in sync with global peers in the coming week. A close eye will be kept on the developments concerning the Russia – Ukraine crisis.

## Technical Overview

Index closed with a loss of 3.58% at 16658. Index opened with gap down and witnessed sharp selloff except last day of the week. Index has registered breakdown from the important support of 16800 and closed around 50 WEMA. Going ahead index has a support around 16460-16300-16030. Whereas resistance is seen at 16800-17000-17280.



Source: Falcon, BP Equities Research



## Weekly Wealth

## DOMESTIC INDICES

Index	25-Feb-22	18-Feb-22	Weekly % Chg
Nifty 50	16,658.4	17,276.3	-3.6
Nifty Next 50	39,609.4	40,709.2	-2.7
Nifty 100	16,872.4	17,472.9	-3.4
Nifty 500	14,187.4	14,710.7	-3.6
NIFTY MIDCAP 100	27,953.3	28,934.4	-3.4
S&P BSE SENSEX	55,858.5	57,833.0	-3.4
S&P BSE 100	16,898.0	17,513.1	-3.5
S&P BSE 200	7,187.0	7,443.5	-3.4
S&P BSE 500	22,551.9	23,386.3	-3.6
S&P BSE MidCap	23,162.5	23,772.0	-2.6
S&P BSE SmallCap	26,450.4	27,748.3	-4.7

## WORLD INDICES

Index	25-Feb-22	18-Feb-22	Weekly % Chg
Nikkei Index	26,476.5	27,122.1	-2.4
Hang Seng Index	22,767.2	24,327.7	-6.4
Kospi Index	2,676.8	2,744.5	-2.5
Shanghai SE Composite	3,451.4	3,490.8	-1.1
Strait Times Index	3,294.5	3,428.9	-3.9
Dow Jones	34,058.8	34,079.2	-0.1
NASDAQ	13,694.6	13,548.1	1.1
FTSE	7,489.5	7,513.6	-0.3

## FOREX

Currency	25-Feb-22	18-Feb-22	Weekly % Chg
US\$ (Rs.)	75.0	74.6	0.5
GBP (Rs.)	100.6	101.4	-0.8
Euro (Rs.)	84.5	84.5	0.0
Yen (Rs.) 100 Units	64.0	64.0	0.0

## NIFTY TOP GAINERS (WEEKLY)

Scrip	25-Feb-22	18-Feb-22	Weekly % Chg
Kotak Mahindra Bank	1856.7	1826.6	1.7%
Cipla	923.7	909.1	1.6%
Power Grid Corpn.	197.3	195.7	0.8%
Hindalco	533.9	529.6	0.8%

## FII - ACTIVITY

(INR. Cr.)

Date	Purchases	Sales	Net
25-Feb-22	5,690.9	10,161.6	-4,470.7
24-Feb-22	9,231.8	15,680.0	-6,448.2
23-Feb-22	4,623.6	8,040.8	-3,417.2
22-Feb-22	8,614.4	11,859.9	-3,245.5
21-Feb-22	4,160.4	6,422.3	-2,261.9
<u>MTD</u>	32,321.1	52,164.6	-19,843.5

## NIFTY TOP LOSERS (WEEKLY)

Scrip	25-Feb-22	18-Feb-22	Weekly % Chg
Indiabulls Housing	148.7	184.5	-19.4%
Zee Entertainment	231.4	261.4	-11.5%
BPCL	336.4	373.2	-9.9%
UPL	654.7	725.0	-9.7%
Grasim Industries	1567.9	1722.8	-9.0%

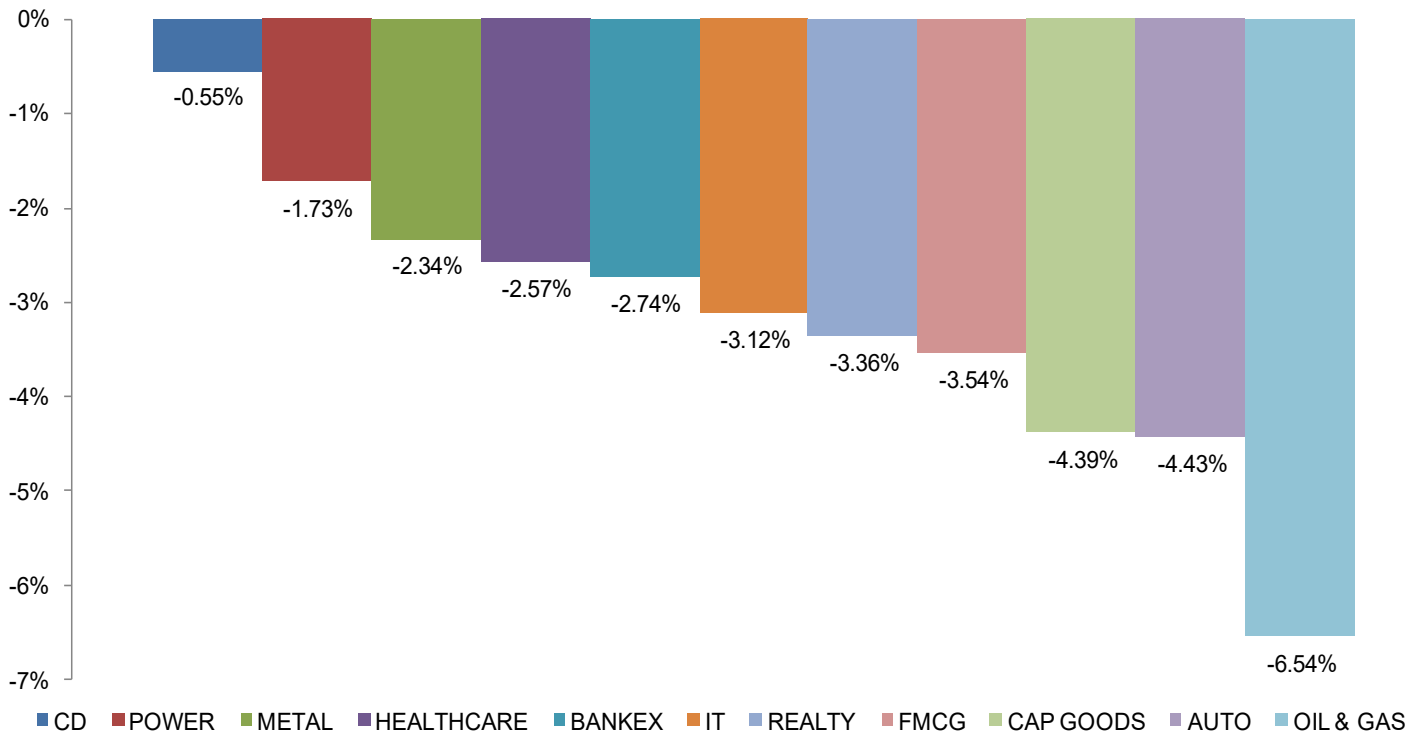
## DII - ACTIVITY

(INR. Cr.)

Date	Purchases	Sales	Net
25-Feb-22	9,655.3	5,337.1	4,318.2
24-Feb-22	14,452.4	6,784.7	7,667.8
23-Feb-22	6,892.4	3,868.0	3,024.4
22-Feb-22	8,143.7	4,035.1	4,108.6
21-Feb-22	6,187.3	3,794.4	2,392.9
<u>MTD</u>	45,331.1	23,819.3	21,511.8

# Weekly Wealth

## BSE WEEKLY SECTORAL PERFORMANCE



Source: BSE, BP Equities Research

### TOP OPEN INTEREST GAINERS (WEEKLY)

SCRIP NAME	18/02/22			25/02/22		
	Share Price (Rs.)	Weekly % Chg	Open Interest	Share Price (Rs.)	Weekly % Chg	Open Interest
INDUSTOWER	252.8	-18.8	7450800	205.3	230.7	24642800
ADANI PORTS	728.1	-4.3	33167500	696.5	154.3	84336250
CROMPTON	391.8	6.7	2438700	418.2	76.7	4308700
BERGEPAIN	738.1	-7.0	3130600	686.8	49.2	4671700
ICICIBANK	748.4	-2.2	64989375	731.6	44.4	93821750

### TOP OPEN INTEREST LOSERS (WEEKLY)

SCRIP NAME	18/02/22			25/02/22		
	Share Price (Rs.)	Weekly % Chg	Open Interest	Share Price (Rs.)	Weekly % Chg	Open Interest
ABBOTINDIA	16382.8	6.3	54375	17410.4	-35.7	34975
ESCORTS	1858.5	-3.9	6041200	1786.1	-33.9	3993000
POWERGRID	196.2	0.4	33325917	196.9	-32.0	22670583
METROPOLIS	1997.4	-0.4	1051800	1988.6	-30.2	734600
DIXON	4083.8	5.9	565250	4325.1	-28.9	401750

### Company Background

Bharti Airtel (BAL) is a global telecommunication player in 17 countries across Asia and Africa. In India, BAL provides services such as 2G, 4G wireless services, mobile commerce, fixed line services, home broadband, DTH and enterprise (B2B) services and enjoys the second position in the Indian telecommunication sector with a wireless subscriber base of around 483mn subscribers. BAL operates in 14 countries in Africa and enjoys one of the top three positions in most geographies, with an overall subscriber base of 118mn subscribers. BAL plans to make substantial investments in networks and spectrum, giving Airtel the elbow room to roll out 5G in India. The company has the highest ARPU for India mobile services, at INR 163 during the Q3FY22.

### Investment Rationale

#### Established position in the domestic telecom industry

BAL has a healthy subscriber base and revenue market share with a Pan-India network. The company had a 355mn, 2.8mn and 125mn customer base in India, South Asia and Africa, respectively as of Q3FY22. In FY17, the company merged its Bangladesh operations with Robi Axiata Ltd, a unit of Axiata Group Berhad; the former holds a 28.2% stake in the merged entity. Going ahead, a large spectrum spread across 900 megahertz (MHz), 1,800 MHz, 2,100 MHz and 2,300 MHz bands enables to create a strong position, offering 2G, 3G and 4G data services across India. Therefore, strong brand and immediate services have helped develop an edge among its competitive peers. Google also intends to invest \$1Bn in BAL, with \$0.7Bn in the form of equity investment and \$ 0.3Bn towards implementing commercial agreements.

#### Strong geographical presence with a diversified revenue stream

The company offers various telecommunication services, including mobile services, wireline services, enterprise connectivity solutions, domestic and international long-distance services, digital television services, m-commerce, passive infrastructure services, etc. This enables them to benefit from economies of scale, cross-selling opportunities, and cost synergies. On the other hand, the company operates majorly across geographies i.e Asia and Africa. Moreover, it has a diversified presence across geographies and business verticals, with operations spread across 17 countries.

### Valuation Outlook

BAL has a strong market position and steadily growing operating performance of the domestic mobile and non-mobile segment. There is diversification across businesses, healthy operations in Africa, improving debt protection metrics through prepayment of liabilities, investments from Google and high financial flexibility with the industry consolidation, we expect BAL to benefit from economies of scale going forward and the roll out of 5G will enhance it. It has reported steady improvement in domestic and international operations performance over the past few quarters, driven by cost optimization and a rise in data usage. Considering the above factors, we recommend a BUY on this stock by assigning an EV/EBITDA multiple of 7.5x of FY24e EBITDA, implying a target price of INR 861 (an upside of 28%).

### Stock Rating

BUY	HOLD	SELL
> 15%	-5% to 15%	< -5%

### Sector Outlook

Positive

### Stock

CMP (INR)	688
Target Price (INR)	861
NSE Symbol	BHARTIARTL
BSE Code	532454
Bloomberg	BHARTI IN
Reuters	BRTI.BO

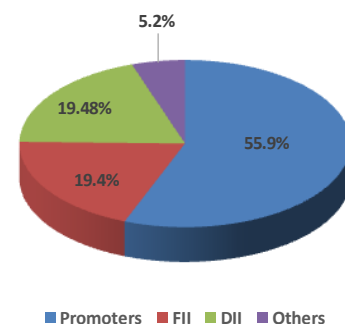
### Key Data

Nifty	16,658
52WeekH/L(INR)	781/489
O/s Shares (Mn)	5,884
Market Cap (INR bn)	3,946
Face Value (INR)	5

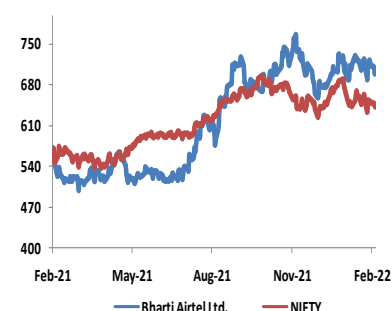
### Average volume

3 months	9,022,410
6 months	12,903,760
1 year	14,025,200

### Share Holding Pattern (%)



### Relative Price Chart



## Weekly Wealth

### Key Financials

YE March (Rs. millions)	FY19	FY20	FY21	FY22E	FY23E	FY24E
<b>Revenue</b>	<b>808</b>	<b>879</b>	<b>1,025</b>	<b>1,192</b>	<b>1,377</b>	<b>1,595</b>
<i>Revenue Growth (Y-o-Y)</i>	(2.2%)	8.9%	16.6%	16.3%	15.5%	15.8%
<b>EBIDTA</b>	<b>242</b>	<b>362</b>	<b>465</b>	<b>590</b>	<b>700</b>	<b>821</b>
<i>EBIDTA Growth (Y-o-Y)</i>	(19.6%)	50.0%	28.4%	26.9%	18.5%	17.4%
<b>Net Profit</b>	<b>4</b>	<b>-322</b>	<b>-151</b>	<b>52</b>	<b>135</b>	<b>207</b>
<i>Net Profit Growth (Y-o-Y)</i>	(62.7%)	(7959.1%)	(53.1%)	(134.8%)	157.3%	53.6%
<b>Diluted EPS</b>	<b>0.7</b>	<b>(54.7)</b>	<b>(25.6)</b>	<b>8.9</b>	<b>22.9</b>	<b>35.2</b>
<i>Diluted EPS Growth (Y-o-Y)</i>	(62.7%)	(7959.1%)	(53.1%)	(134.8%)	157.3%	53.6%

### Key Ratios

<b>EBIDTA margin (%)</b>	<b>29.9%</b>	<b>41.2%</b>	<b>45.4%</b>	<b>49.5%</b>	<b>50.8%</b>	<b>51.5%</b>
<b>NPM (%)</b>	0.5%	-36.6%	-14.7%	4.4%	9.8%	13.0%
<b>RoE (%)</b>	<b>0.6%</b>	<b>-41.7%</b>	<b>-25.6%</b>	<b>8.2%</b>	<b>17.4%</b>	<b>21.1%</b>
<b>RoCE (%)</b>	12.2%	16.6%	21.3%	27.7%	32.3%	36.1%

### Valuation Ratios

<b>P/E (x)</b>	<b>988.6x</b>	<b>-12.6x</b>	<b>-26.8x</b>	<b>77.2x</b>	<b>30.0x</b>	<b>19.5x</b>
<b>EV/EBITDA</b>	21.7x	14.6x	11.8x	9.1x	7.5x	6.3x
<b>P/BV (x)</b>	<b>5.7x</b>	<b>5.2x</b>	<b>6.9x</b>	<b>6.3x</b>	<b>5.2x</b>	<b>4.1x</b>
<b>Market Cap. / Sales (x)</b>	5.0x	4.6x	3.9x	3.4x	2.9x	2.5x

Source: Company, BP Equities Research



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**Analyst (s) holding in the Stock : Nil****Analyst (s) Certification:**

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