

WEEKLY WEALTH

Jan 02, 2023



Week Gone

- In the week that ended on Friday, 30 December 2022, the Sensex spurted 2,586.92 points or 4.44% to settle at 60,840.74. The Nifty 50 index advanced 751.25 points or 4.33% to settle at 18,105.30
- The BSE Mid-Cap index rose 1.38% to settle at 25,314.50
- The BSE Small-Cap index shed 1.80% to settle at 28,926.79

Week Ahead

- Indian Auto stocks will be in focus as auto companies will start announcing monthly sales numbers for December starting from 1 Jan 2023
- On the Macro front, US will announce Manufacturing PMI data for December on 4 January 2023
- US will announce ISM Non-Manufacturing PMI and Non-Farms payroll data for December on 6 January 2023

Technical View

The index opened the week on a positive note and remained strong throughout the week barring the last day, index closed the week with a gain of 1.68%. Nifty rebounded taking support at 20 WEMA, Polarity support and 50% retracement of its prior advance. Thus going ahead index has key support around 17800, failure to hold this support shall encourage a further decline towards 17620-17450. While on the flip side resistance comes at 18230-18400-18600.



DOMESTIC INDICES

Index	30-Dec-22	23-Dec-22	Weekly % Chg
Nifty 50	18,105.3	17,806.8	1.7
Nifty Next 50	42,187.7	40,753.8	3.5
Nifty 100	18,258.8	17,888.1	2.1
Nifty 500	15,448.9	15,046.0	2.7
NIFTY MIDCAP 100	31,509.1	30,157.7	4.5
S&P BSE SENSEX	60,840.7	59,845.3	1.7
S&P BSE 100	18,425.2	18,076.8	1.9
S&P BSE 200	7,852.0	7,667.9	2.4
S&P BSE 500	24,605.8	23,955.6	2.7
S&P BSE MidCap	25,314.5	24,426.8	3.6
S&P BSE SmallCap	28,926.8	27,252.7	6.1

NIFTY TOP GAINERS (WEEKLY)

Scrp	30-Dec-22	23-Dec-22	Weekly % Chg
Indiabulls Housing	154.7	130.65	18.4%
Yes Bank	20.6	17.45	18.1%
Hindalco	473.35	429.55	10.2%
Tata Steel	112.65	102.25	10.2%
Vedanta	308.4	285.2	8.1%

NIFTY TOP LOSERS (WEEKLY)

Scrp	30-Dec-22	23-Dec-22	Weekly % Chg
Cipla	1075.95	1119.15	-3.9%
Hindustan Unilever	2561.05	2621.1	-2.3%
Dr. Reddys Lab	4237.55	4310.45	-1.7%
Britannia Inds	4307.45	4331.9	-0.6%
Bharti Airtel	806.1	808.65	-0.3%

WORLD INDICES

Index	30-Dec-22	23-Dec-22	Weekly % Chg
Nikkei Index	26,094.5	26,235.3	-0.5
Hang Seng Index	19,781.4	19,593.1	1.0
Kospi Index	2,236.4	2,313.7	-3.3
Shanghai SE Composite	3,089.3	3,045.9	1.4
Strait Times Index	3,251.3	3,257.7	-0.2
Dow Jones	33,147.3	33,203.9	-0.2
NASDAQ	10,466.5	10,497.9	-0.3
FTSE	7,451.7	7,473.0	-0.3

FOREX

Currency	30-Dec-22	23-Dec-22	Weekly % Chg
US\$ (Rs.)	82.8	82.9	-0.2
GBP (Rs.)	100.0	99.8	0.2
Euro (Rs.)	88.5	87.8	0.8
Yen (Rs.) 100 Units	62.8	62.7	0.2

FII - ACTIVITY

(INR. Cr.)

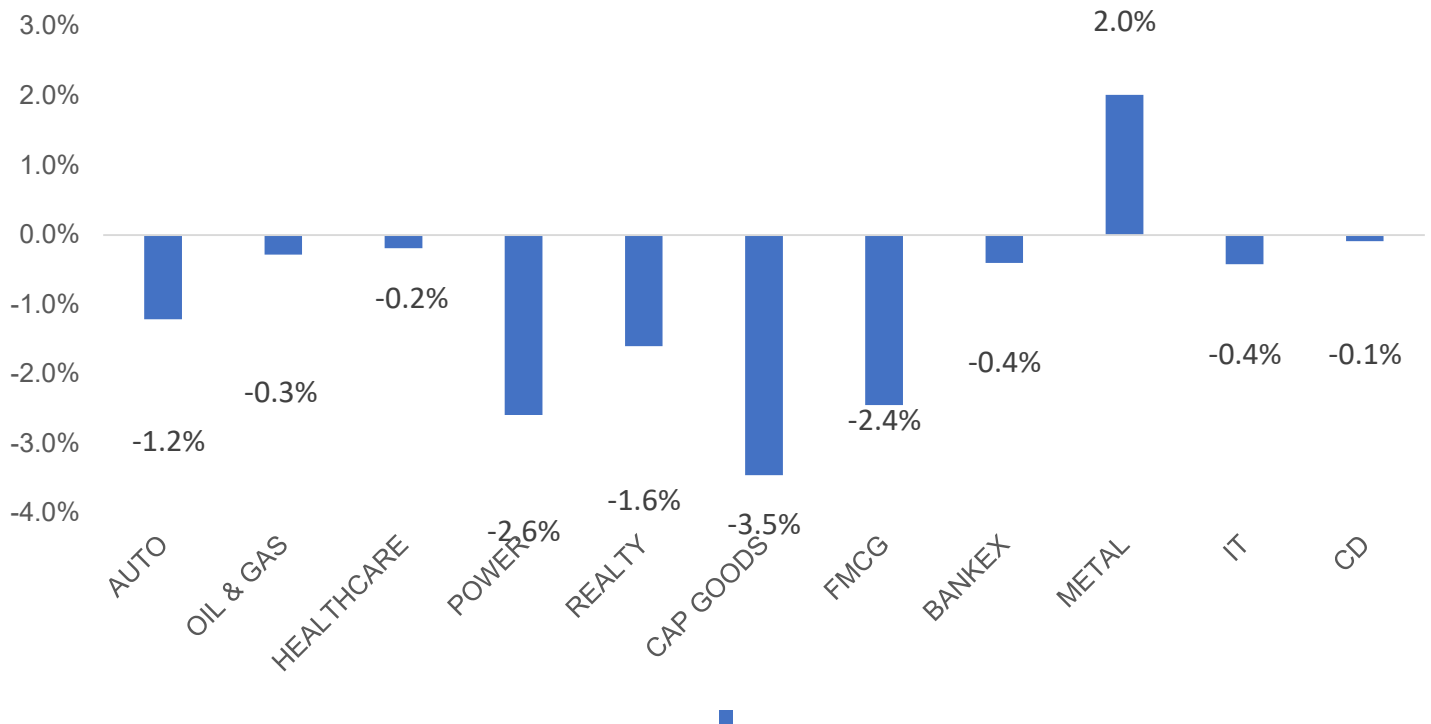
Date	Purchases	Sales	Net
30-Dec-22	2,252.7	5,203.6	-2,950.9
29-Dec-22	4,288.4	4,861.2	-572.8
28-Dec-22	4,202.7	5,075.3	-872.6
27-Dec-22	2,122.7	2,990.4	-867.7
26-Dec-22	1,769.1	2,266.7	-497.7
MTD	14,635.6	20,397.2	-5,761.6

DII - ACTIVITY

(INR. Cr.)

Date	Purchases	Sales	Net
30-Dec-22	5,715.9	3,449.7	2,266.2
29-Dec-22	9,634.5	9,118.6	515.8
28-Dec-22	4,358.4	3,985.6	372.9
27-Dec-22	4,402.9	3,781.1	621.8
26-Dec-22	5,338.8	4,053.1	1,285.7
MTD	29,450.4	24,388.0	5,062.5

BSE WEEKLY SECTORAL PERFORMANCE



TOP OPEN INTEREST GAINERS (WEEKLY)

SCRIP NAME	30/12/22 Share Price (Rs.)	23/12/22	Weekly % Chg	30/12/22 Open Interest	23/12/22	Weekly % Chg
SHRIRAMFIN	1299.75	2907.95	-55.3	4821600	1794375	168.7
MFSL	681.2	707.8	-3.8	6786000	5257850	29.1
SHREECEM	23209.35	23772.9	-2.4	267850	212450	26.1
IDEA	7.95	8.35	-4.8	607390000	499590000	21.6
DABUR	565.35	582.6	-3.0	12543750	10481250	19.7

TOP OPEN INTEREST LOSERS (WEEKLY)

SCRIP NAME	30/12/22 Share Price (Rs.)	23/12/22	Weekly % Chg	30/12/22 Open Interest	23/12/22	Weekly % Chg
SIEMENS	2842.65	2328.55	22.1	1708575	4489875	-61.9
BALRAMCHIN	398.6	395.85	0.7	6036800	9044800	-33.3
SRF	2293.6	1318.35	74.0	4327875	6274200	-31.0
COFORGE	3893.3	3929.1	-0.9	452400	608850	-25.7
NAVINFLUOR	4094.15	4152.95	-1.4	341100	456300	-25.2

Company Background

IndusInd Bank, established in 1994 by Srichand P Hinduja, is a universal bank with a widespread banking footprint with over 33 million customers, over 5,000 distribution points, and nearly 2,320 branches across the country. The bank offers a wide array of products and services for individuals and corporates including microfinance, personal loans, personal and commercial vehicle loans, credit cards, and SME loans. It is also a preferred banking partner for various government entities, PSUs, and large corporates. Over the years, the bank has grown at a robust pace and is dynamically driven by a zeal to offer its customers banking services at par with the highest quality standards in the industry.

Investment Rationale

Stable asset quality with a conservative provisioning approach

In Q2FY23 IndusInd Bank's GNPA reduced to 2.11% from 2.35% in Q1FY23 and NNPA reduced to 0.61% in Q2FY23 from 0.67% in Q1FY23, showing signs of a reduction in stressed assets. The GNPA of the bank is one of the lowest in the industry, with adequate provision coverage of 72%. There was an improvement in GNPA majorly due to a decline in the consumer segment whose GNPA declined to 2.36% in Q2FY23 from 2.54%. The liquidity coverage ratio (LCR) at 125% is also well above the regulatory requirement. The bank's restructured book now stands at 1.5% of the book (vs 2.1% Q1FY23) with SMA1 and SMA2 books at 15 bps and 43 bps, respectively. The bank maintains 3% loan-related provisions which provide a cushion from the adverse impact on the P&L. Additionally, gross slippages were reduced by 30% QoQ in Q2FY23 led by a reduction in both standard as well as restructured slippages by 25% and 37% QoQ, respectively. Thus, tight control over stressed assets and good credit underwriting standards makes the bank a favorable player in the banking space.

One of the highest growth in profitability in the industry

The bank's NII for Q2FY23 stood at Rs. 43,021 million, a growth of 17.6% YoY/ 4.3% QoQ. This was in line with the company's credit growth which stood at 17.8% YoY in Q2FY23. The yield on overall assets improved by 30 bps to 8.65% in Q2FY23 due to a lower rate from the excess liquidity and the growth in the loan book. NIMs in Q2FY23 remained stable at 4.24% due to the restructuring of the assets. The core fee income reported strong traction growing at 24.0% YoY/ 4.0% QoQ, mainly on account of double-digit growth in foreign exchange income followed by cards and distribution fees. On the provisions front, the bank reported a decline of 33.2% YoY/ 8.8% QoQ, led by lower slippages & improvement in asset quality, which led to strong earnings in Q2FY23.

Stock Rating

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

Stock Details

CMP (INR)	1,219
Target Price (INR)	1,425
NSE Symbol	INDUSINDBK
BSE Code	532187
Bloomberg	IIB IN
Reuters	INBK.BO

Key Data

NIFTY	18,105
52Week H/L (INR)	1,276/763
O/s shares (mn)	775
Market Cap (INR bn)	948
Face Value (INR)	10

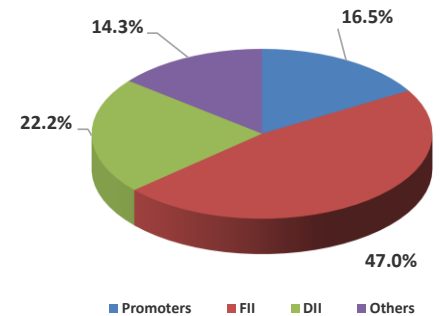
Average Volume

3 months	35,59,870
6 months	39,11,350
12 months	39,70,720

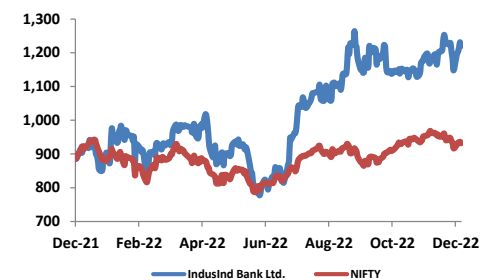
Valuation and Outlook

Due to robust credit growth in the Indian economy, IndusInd Bank is banking upon the momentum and the management expects high teen growth in FY23 and more than 20% growth in FY24. Also, the bank expects its liquidity position to be comfortable as it is highly nimble to increase deposit rates compared to other large banks. The bank's strategic focus on affluent and NRI businesses also saw an acceleration in deposit mobilization during Q2FY23. The bank's healthy capital adequacy, stable asset quality with conservative provisioning, and continuous expansion in return on assets and NIMs will enhance business growth. IndusInd Bank is continuously focusing to invest in physical and digital resources and has added 55 branches this year along with 2,700 employees in banking and 3,650 employees in vehicles and microfinance and distribution. On the valuation front, we assign a P/BV multiple of 1.8x of FY24E book value and arrive at a target price of Rs.1,425 (Upside 17%). We, thus, have a Buy rating on the stock.

Shareholding Pattern (%)



Relative Price Chart



Key Financials

YE March (Rs. millions)	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Net Interest Income	74,974	88,462	1,20,587	1,35,279	1,50,008	1,78,545	2,14,565
<i>Growth (Y-o-Y)</i>		18.0%	36.3%	12.2%	10.9%	19.0%	20.2%
Operating Income	1,22,475	1,44,929	1,90,101	2,00,865	2,23,979	2,71,452	2,98,474
<i>Growth (Y-o-Y)</i>		18.3%	31.2%	5.7%	11.5%	21.2%	10.0%
Net Profit	36,060	33,011	44,179	28,364	46,111	58,543	74,256
<i>Growth (Y-o-Y)</i>		(8.5%)	33.8%	(35.8%)	62.6%	27.0%	26.8%
EPS	60.1	54.8	63.7	36.7	59.5	75.5	95.8
<i>Growth (Y-o-Y)</i>		(8.8%)	16.3%	(42.4%)	62.3%	26.8%	26.8%

Key Ratios

NIM (%)	11.1%	3.5%	4.1%	2.8%	2.9%	2.9%	2.9%
ROAA (%)	3.3%	1.3%	1.5%	0.8%	1.2%	0.8%	0.9%
RoAE (%)	15.1%	13.1%	14.4%	7.3%	10.1%	13.3%	10.5%
BV per Share (INR.)	307	344	448	559	615	690	786

Valuation Ratios

P/E (x)	20.3x	22.3x	19.1x	33.2x	20.5x	16.1x	12.7x
P/BV (x)	3.1x	2.8x	2.5x	2.2x	2.0x	1.8x	1.6x

Source: Ace Equity, Stoxbox Research

Disclaimer Appendix

Analyst (s) holding in the Stock : Nil

Analyst (s) Certification :

We analysts and the authors of this report, hereby certify that all of the views expressed in this research report accurately reflect our personal views about any and all of the subject issuer (s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation (s) or view (s) in this report. Analysts aren't registered as research analysts by FINRA and might not be an associated person of the BP Equities Pvt. Ltd. (Institutional Equities).

General Disclaimer :

This report has been prepared by the research department of BP EQUITIES Pvt. Ltd, is for information purposes only. This report is not construed as an offer to sell or the solicitation of an offer to buy or sell any security in any jurisdiction where such an offer or solicitation would be illegal.

BP EQUITIES Pvt. Ltd have exercised due diligence in checking the correctness and authenticity of the information contained herein, so far as it relates to current and historical information, but do not guarantee its accuracy or completeness. The opinions expressed are our current opinions as of the date appearing in the material and may be subject to change from time to time. Prospective investors are cautioned that any forward looking statement are not predictions and are subject to change without prior notice.

Recipients of this material should rely on their own investigations and take their own professional advice.

BP EQUITIES Pvt. Ltd or any of its affiliates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report.

BP EQUITIES Pvt. Ltd. or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The recipients of this report should rely on their own investigations. BP EQUITIES Pvt. Ltd and/or its affiliates and/or employees may have interests/ positions, financial or otherwise in the securities mentioned in this report. Opinions expressed are our current opinions as of the date appearing on this material only. While we endeavor to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance, or other reasons that prevent us from doing so.

This report is not directed to or intended for display, downloading, printing, reproducing or for distribution to or use by any person in any locality, state and country or other jurisdiction where such distribution, publication or use would be contrary to the law or regulation or would subject to BP EQUITIES Pvt. Ltd or any of its affiliates to any registration or licensing requirement within such jurisdiction.

Stobox is a brand of BP Equities Pvt Ltd and BP Equities Pvt Ltd is a SEBI Registered broker.

BP Equities Pvt Ltd – SEBI Regn No: INZ000176539 (BSE/NSE), INZ000030431 (MCX/NCDEX), IN-DP-CDSL-183-2002 (CDSL), INH000000974 (Research Analyst) CIN: U45200MH1994PTC081564BP Comtrade Pvt Ltd – SEBI Regn No: INZ000030431 CIN: U45200MH1994PTC081564

For complaints, send email on investor@bpwealth.com.

Corporate Office :

4th floor, Rustom Bldg, 29, Veer Nariman Road, Fort, Mumbai-400001

Phone- +91 22 6159 6464 | Fax+91 22 6159 6160 | Website- www.bpwealth.com

Corporate Office :

24/26, 1st floor, , Cama Building, Dalal street, Fort, Mumbai-40000



Download the App Now!



Follow us on

