

Week Gone

- ⇒ In the week ended on Friday, 10 June 2022, the Sensex lost 1,465.79 points or 2.63% to settle at 54,303.44. The Nifty 50 index dropped 382.50 points or 2.31% to settle at 16,201.80.
- ⇒ The BSE Mid-Cap index fell 1.25% to settle at 22,490.32.
- ⇒ The BSE Small-Cap index declined 2% to settle at 25,85.42.

Week Ahead

- ⇒ On the macro front, India's Inflation rate for May will be unveiled on 13 June 2022. India's inflation based on wholesale price index (WPI) for May will also be unveiled on the same day.
- ⇒ The US Fed Reserve will announce its interest rate decision after its two day policy meeting on 15 June 2022
- ⇒ China will announce industrial production data for May on 15 June 2022.

Technical Overview

Index opened the week on a flat note and gradually inched lower as on 4 out of 5 sessions, and ended the week near the weekly lows. Going ahead Nifty has strong support around 16000-15900 zone, sustenance below the same shall trigger further selling pressure towards 15700-15450. While on the other hand intermediate resistance is present at 16300-16500-16780



Source: Falcon, BP Equities Research

Weekly Wealth

DOMESTIC INDICES

Index	10-Jun-22	03-Jun-22	Weekly % Chg
Nifty 50	16,201.8	16,584.3	-2.3
Nifty Next 50	37,657.2	38,257.5	-1.6
Nifty 100	16,353.5	16,721.5	-2.2
Nifty 500	13,781.8	14,077.9	-2.1
NIFTY MIDCAP 100	27,575.8	28,042.2	-1.7
S&P BSE SENSEX	54,303.4	55,769.2	-2.6
S&P BSE 100	16,470.9	16,835.7	-2.2
S&P BSE 200	7,000.1	7,147.9	-2.1
S&P BSE 500	21,953.5	22,416.3	-2.1
S&P BSE MidCap	22,490.3	22,774.9	-1.2
S&P BSE SmallCap	25,857.4	26,384.1	-2.0

WORLD INDICES

Index	10-Jun-22	03-Jun-22	Weekly % Chg
Nikkei Index	27,824.3	27,761.5	0.2
Hang Seng Index	21,806.2	21,082.1	3.4
Kospi Index	2,595.9	2,670.6	-2.8
Shanghai SE Composite	3,284.3	3,195.4	2.8
Strait Times Index	3,181.7	3,231.9	-1.6
Dow Jones	31,392.8	32,942.9	-4.7
NASDAQ	11,340.0	12,016.5	-5.6
FTSE	7,317.5	7,532.9	-2.9

FOREX

Currency	10-Jun-22	03-Jun-22	Weekly % Chg
US\$ (Rs.)	78.1	77.4	0.9
GBP (Rs.)	96.3	97.2	-0.9
Euro (Rs.)	82.2	83.0	-1.0
Yen (Rs.) 100 Units	58.2	59.0	-1.4

NIFTY TOP GAINERS (WEEKLY)

Scrip	10-Jun-22	03-Jun-22	Weekly % Chg
ONGC	164.7	151.6	8.6%
Bajaj Auto	3,881.0	3,672.7	5.7%
Maruti Suzuki	7,935.1	7,705.1	3.0%
JSW Steel	572.5	562.5	1.8%
Eicher Motors	2,712.9	2,685.3	1.0%

FII - ACTIVITY

(INR. Cr.)

Date	Purchases	Sales	Net
10-Jun-22	4,287.9	8,261.9	-3,974.0
09-Jun-22	6,196.6	7,709.2	-1,512.6
08-Jun-22	5,468.8	7,953.1	-2,484.3
07-Jun-22	5,637.3	7,931.3	-2,294.0
06-Jun-22	4,546.5	6,944.2	-2,397.7
<u>MTD</u>	26,137.1	38,799.6	-12,662.5

NIFTY TOP LOSERS (WEEKLY)

Scrip	10-Jun-22	03-Jun-22	Weekly % Chg
Indiabulls Housing	112.3	122.6	-8.4%
Asian Paints	2,708.8	2,886.9	-6.2%
Zee Entertainment	236.2	251.5	-6.1%
Bajaj Finance	5,667.5	6,028.2	-6.0%
Hindalco	385.8	406.8	-5.2%

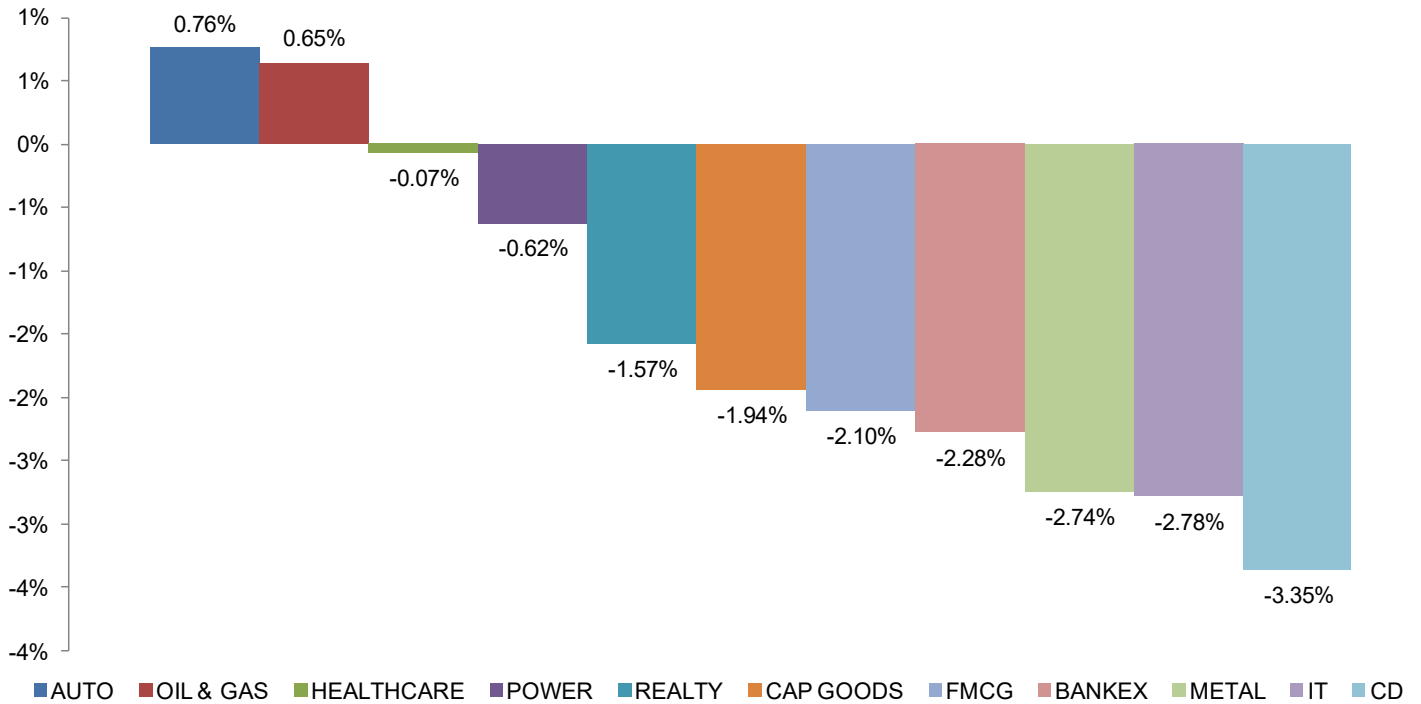
DII - ACTIVITY

(INR. Cr.)

Date	Purchases	Sales	Net
10-Jun-22	6,105.6	3,274.5	2,831.1
09-Jun-22	5,297.5	3,672.6	1,624.9
08-Jun-22	5,508.6	3,604.2	1,904.3
07-Jun-22	5,062.4	3,751.3	1,311.1
06-Jun-22	5,593.2	3,653.2	1,940.0
<u>MTD</u>	27,567.2	17,955.8	9,611.4

Weekly Wealth

BSE WEEKLY SECTORAL PERFORMANCE



Source: BSE, BP Equities Research

TOP OPEN INTEREST GAINERS (WEEKLY)

SCRIP NAME	10/06/22 Share Price (Rs.)	03/06/22 Share Price (Rs.)	Weekly % Chg	10/06/22 Open Interest	03/06/22 Open Interest	Weekly % Chg
APOLLOTYRE	197.4	216.1	9.5	10295000	12877500	25.1
TATACOMM	948.7	938.9	-1.0	3463600	3978400	14.9
IGL	361.0	358.0	-0.8	10940875	12446500	13.8
TATACHEM	933.7	927.3	-0.7	4291000	4823000	12.4
VOLTAS	992.0	1,010.1	1.8	2792500	3122500	11.8

TOP OPEN INTEREST LOSERS (WEEKLY)

SCRIP NAME	10/06/22 Share Price (Rs.)	03/06/22 Share Price (Rs.)	Weekly % Chg	10/06/22 Open Interest	03/06/22 Open Interest	Weekly % Chg
GUJGASLTD	473.4	559.2	18.1	5251250	2075000	-60.5
AUBANK	602.1	1,263.9	109.9	5638000	3117000	-44.7
ICICIGI	1,126.5	1,224.0	8.7	3814375	2500275	-34.5
IOC	117.8	118.3	0.4	44876000	33176000	-26.1
METROPOLIS	1,589.9	1,645.6	3.5	899000	690800	-23.2

Company Background

Oberoi Realty Ltd. (ORL) incorporated on May 08, 1998, is into real estate development majorly in the Mumbai Metropolitan Region. The company operates in residential, commercial, hospitality, and social infrastructure business segments through its subsidiaries/associates. ORL follows a Customer-centric approach to ensure customer satisfaction which enables it to determine the right product mix and configuration. It has engaged with reputed international and domestic design firms and architects for environment-friendly designs. The company has a very strong presence in MMR – one of India’s costliest and strongest real estate markets with 50-55% of the inventory skewed towards mid-high income ticket sizes. The company’s healthy portfolio has brands such as Esquire, Exquisite, Sky-city, and Three Sixty West – independent brands across MMR and addresses customer requirements at every price point.

Investment Rationale

Proven and scalable business model with strategic execution

ORL has a flexible land acquisition strategy across various models including outright purchase, JVs, joint developments, and development management. It emphasises on location, clear titles and transparent acquisitions. ORL’s monitoring teams ensure on-time, on-spec and on-budget execution with high standards of quality and safety. It has appointed leading International Property Consultancies (IPCs) for quality upkeep and maintenance driving tenant/customer satisfaction. ORL has taken periodic preventive maintenance to enhance the longevity of assets. The Sales and Marketing team at ORL has adopted innovative and flexible marketing strategies to address a broader market. Its transparent and customer-friendly processes have enhanced customer experience thus leading it to be one of the preferred developers in the Industry.

Strong order book and stable cash flows

Booking value in FY22 of Rs. 3,886 Crore (an increase of 18.5% over FY21) is the best ever annual booking achieved by the Company. Cash flow stability from Rental and Hospitality properties has been an advantage to the company from external borrowings. Although there is a commodity price increase, price points of the Company’s property are much higher and the contribution of construction cost (approx. 20%-25%) is significantly lower compared to many other developers. ORL introduced projects with higher pricing and price increase of 5%-10% had no resistance among customers.

Valuation and Outlook

Oberoi Realty is one of India’s leading real estate development companies focusing on the Mumbai metropolitan region (MMR). It is promoted by Mr Vikas Oberoi, who has over 3 decades of experience in executing several residential, commercial and hospitality projects. The company has a robust project pipeline and is also looking to diversify outside the MMR. Well-established brand, strong track record and stable balance sheet bode well for the company. However, high geographic concentration with presence in a single city remains a risk concern. On the valuation front, we valued the company based on 20x of FY24e earnings and arrived at a target price of INR 1005 (27% upside from CMP) with a 12 months investment horizon.

Stock Rating

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

Sector Outlook

Positive

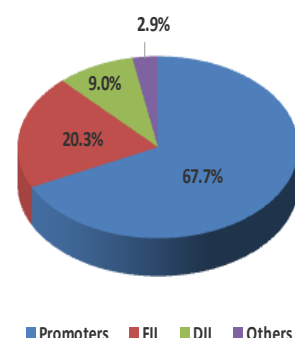
Stock

CMP (INR)	793
Target Price (INR)	1,005
NSE Symbol	OBEROIREALTY
BSE Code	533273
Bloomberg	OBER IN
Reuters	OEBO.BO

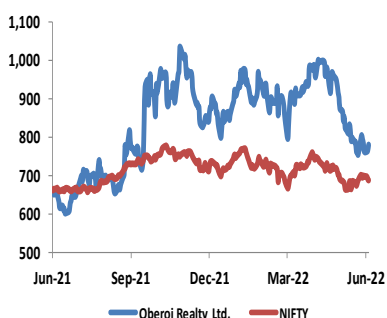
Key Data

Nifty	16,202
52WeekH/L(INR)	1,052/586
O/s Shares (Mn)	363
Market Cap (INR bn)	288
Face Value (INR)	10
Average volume	
3 months	9,16,050
6 months	9,91,070
1 year	12,41,770

Share Holding Pattern (%)



Relative Price Chart



Weekly Wealth

Key Financials

YE March (INR. Mn)	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Revenue	14,160	11,136	12,654	25,825	22,376	20,526	26,940	41,972	46,967
<i>Revenue Growth (Y-o-Y)</i>		(21.4%)	13.6%	104.1%	(13.4%)	(8.3%)	31.2%	55.8%	11.9%
EBIDTA	6,428	5,596	6,753	11,553	10,480	10,004	11,813	19,265	21,605
<i>EBIDTA Growth (Y-o-Y)</i>		(13.0%)	20.7%	71.1%	(9.3%)	4.5%	(18.1%)	63.1%	12.1%
Net Profit	4,356	3,786	4,588	8,169	6,893	7,393	10,471	18,762	18,270
<i>Net Profit Growth (Y-o-Y)</i>		(13.1%)	21.2%	78.1%	(15.6%)	7.2%	41.6%	79.2%	(2.6%)
Diluted EPS	12.0	10.4	12.6	22.5	19.0	20.3	28.8	51.6	50.2
<i>Diluted EPS Growth (Y-o-Y)</i>		(13.1%)	21.2%	78.1%	(15.6%)	7.2%	41.6%	79.2%	(2.6%)

Key Ratios

EBIDTA margin (%)	45.4%	50.2%	53.4%	44.7%	46.8%	48.7%	43.9%	45.9%	46.0%
NPM (%)	30.8%	34.0%	36.3%	31.6%	30.8%	36.0%	38.9%	44.7%	38.9%
RoE (%)	8.2%	6.6%	7.5%	10.2%	8.0%	7.9%	10.1%	15.4%	13.1%
RoCE (%)	11.1%	8.5%	9.6%	13.0%	10.7%	9.2%	8.9%	13.2%	13.6%

Valuation Ratios

P/E (x)	66.1x	76.1x	62.8x	35.2x	41.8x	38.9x	27.5x	15.3x	15.8x
EV/EBITDA	45.0x	52.4x	43.9x	25.3x	28.5x	30.2x	26.5x	16.1x	13.9x
P/BV (x)	5.4x	5.0x	4.7x	3.6x	3.3x	3.1x	2.8x	2.4x	2.1x
Market Cap. / Sales (x)	20.3x	25.9x	22.8x	11.1x	12.9x	14.0x	10.7x	6.9x	6.1x

Source: Company, BP Equities Research



Research Desk

Tel: +91 22 61596406

Institutional Sales Desk

Tel: +91 22 61596403/04/05

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.

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

Registered Office:

24/26, 1st Floor, Cama Building,
Dalal street, Fort,
Mumbai-400001

BP Wealth Management Pvt. Ltd.
CIN No: U67190MH2005PTC154591

BP Equities Pvt. Ltd.
CIN No: U67120MH1997PTC107392