

July 07, 2016

Buy Around: ₹ 543-545
SL: ₹ 518
Target: ₹ 615
Upside: 12%
Horizon: 1 Month

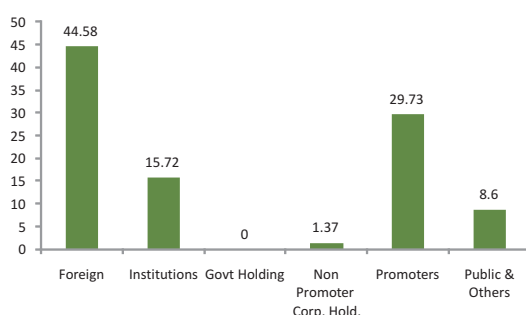
VALUE PARAMETERS

Current Mkt.Price (Rs.)	539.60
Face Value (Rs.)	2.00
52 Week High/Low	613.40/366.65
M.Cap (Rs. in Cr.)	128817.48
EPS (Rs.)	35.00
P/E Ratio (times)	15.42
P/B Ratio (times)	2.40
Dividend Yield (%)	0.02
Stock Exchange	BSE

STOCK DATA

BSE Code	532215
NSE Symbol	AXISBANK
Reuters	AXBK.BO
Bloomberg	AXSB IN

SHAREHOLDING PATTERN (MARCH 2016)



With the strong operating metrics, stressed asset resolution on RBI's expected lines and robust return ratios, the stock is expected to move further.

INVESTMENT ARGUMENTS

- During Q4 FY16, Business Earnings quality reported well with the Bank showing a healthy financial performance in terms of growth in core revenues for the quarter and full year ended. The Bank's Core Operating Profit for Q4FY16 grew 15% to Rs 4,134 crore, and for FY16 grew by a robust 21% to Rs 14,612 crore.
- Overall performance of the bank has reported good and bank's Balance Sheet grew 14% to Rs 525468 crore, Advances grew 21% to Rs 3,38,774 crore, Retail Advances grew 24% and stood at Rs 1,38,521 crore and accounted for 41% of the Net Advances of the Bank as on 31st March 2016.
- Retail segment: If it were to include SME loans that qualify as regulatory retail, the share of retail loans to total loans would be 45% and SME Advances grew 8% and stood at Rs 44,869 crore.
- Current Account Saving Account (CASA) and Retail Term Deposits constituted 81% of Total Deposits as on March 2016 compared to 78% as on March 2015
- Gross NPA stood at Rs 6087.51 crore as of March 2016 against Rs 5724.05 crore in December 2015 quarter and Rs 4110.19 crore as of March 2015. Outlook on asset quality remains cautious. Some of the asset quality pressure increases that it saw this quarter would continue to sustain. Credit costs for the bank is likely to increase to 125 basis points in fiscal year 2017 from 111 bps for the current fiscal year.
- The Bank has fully recognized the necessary impairment and the resultant provisioning impact of the asset reclassification as per Reserve Bank of India (RBI) assessment in the Mar.'16 quarter itself.

BUSINESS PROFILE

Axis Bank Limited provides a suite of corporate and retail banking products. The Bank operates through four segments: Treasury, Retail Banking, Corporate/Wholesale Banking and Other Banking Business. Its Treasury operations include investments in sovereign and corporate debt, equity and mutual funds, trading operations, derivative trading and foreign exchange operations on the proprietary account and for customers. Its Other Banking Business includes para banking activities, such as third-party product distribution and other banking transactions.

TECHNICAL TRENDS



We recommend a buy in the stock of AXIS BANK Limited for a short-term perspective. The stock is trading at its good support level with good fundamental records and is expected to move up from this level. It made a 52 week low Rs366.65 and 52 week high of Rs 613.40. Buy around at 543-545 with a closing below stop loss of Rs.518 levels for the target of Rs.615.

Note:

- Follow Strict Stop Loss.

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