

Buy Around: 464.50
 SL: 445
 Target: 505
 Upside: 8.70%
 Horizon: 1 Month

VALUE PARAMETERS

| | |
|--------------------------------------|---------------|
| Price (₹) | 465.30 |
| 52 W H/L(₹) | 638.00/366.65 |
| Mkt. Cap.(₹ Cr) | 111257.96 |
| Latest Equity(Subscribed) | 478.22 |
| Latest Reserve (cons.) | 53082.19 |
| Latest EPS (cons.) -Unit Curr. | 34.90 |
| Latest P/E Ratio -cons | 13.33 |
| Latest Bookvalue (cons.) -Unit Curr. | 224.00 |
| Latest P/BV - cons | 2.08 |
| Dividend Yield -% | 0.03 |
| Face Value | 2 |

STOCK DATA

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

SHARE HOLDING PATTERN (%)

| Description as on | % of Holding 30/09/2016 |
|--------------------------|----------------------------|
| Foreign | 53.12 |
| Institutions | 9.46 |
| Govt Holding | 0.00 |
| Non Promoter Corp. Hold. | 1.03 |
| Promoters | 28.89 |
| Public & Others | 7.51 |

The management of the company is very positive towards the growth related credit, advances, expansion and SME segment. According to the management, Overall growth continues to be strong. Net Advances grew 18% to 353,170 crores YOY, led by Retail, which grew 25% YOY. With the strong operating metrics, stressed asset resolution on RBI's expected lines and robust return ratios, the stock is expected to move further.

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.

INVESTMENT RATIONALE

- The bank is focusing on card issuance, PoS terminal installations, Mobile / Internet banking and UPI for promoting a 'less cash' society after demonetization and it is already the fourth-largest credit card issuer in the country. Its year-on-year growth in credit card spends for the first half of FY17 is the highest amongst major credit card issuers and has already installed more than 50,000 PoS terminals in first the six months of FY17 and now plan to deploy even more in the second half of FY17.
- The Bank's Capital Adequacy Ratio (CAR) remains healthy. Under Basel III, Total CAR & Tier I CAR (including the net profit for H1FY17) stood at 15.20% and 12.03% respectively.
- CASA Deposits as on 30th September 2016 constituted 45% of total deposits. Savings Account balances grew at a strong 20% YOY, up from the 12% YOY growth reported for the period ended 30th September 2015. CASA, on a daily average basis, recorded a growth of 18%, in which both Savings Bank Deposits and Current Account Deposits recorded a growth of 18% YOY. The proportion of CASA on a daily average basis remained at the same level as the previous quarter and constituted 41% of total deposits and after demonetization that would strengthen further.
- The bank expects credit growth to be around 18-20% in FY 2017. Moreover, Guidance for credit cost is 125-150 basis points for FY 2017 and also expects cost to income ratio of 70% for FY 2017. The bank plans to open 350-400 new branches in FY 2017 and also bank expects SME growth to be better in FY 2017 compared to FY 2016.

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 638.00. Buy around at 464.5 with a closing below stop loss of Rs.445 levels for the target of Rs.505.

Note:

- Follow Strict Stop Loss.

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