

Axis Bank

Techno - Funda Stock Outlook

Company Details

NSE Scrip code	AXISBANK
BSE Scrip code	532215
Current Market Price (as on 19.07.2022)	NSE: Rs 699.90 / BSE: Rs 700.55
Market cap (in Cr)	Rs 212913.3
52-week High / Low	866.9 / 618.2
DIV yield (%)	0.15

Business Description

Axis Bank is a full service bank operating mostly in India. It operates under four segments – Treasury, Corporate, retail and other banking with majority of its revenues coming from the retail banking services

Industry Overview and Competitive Positioning

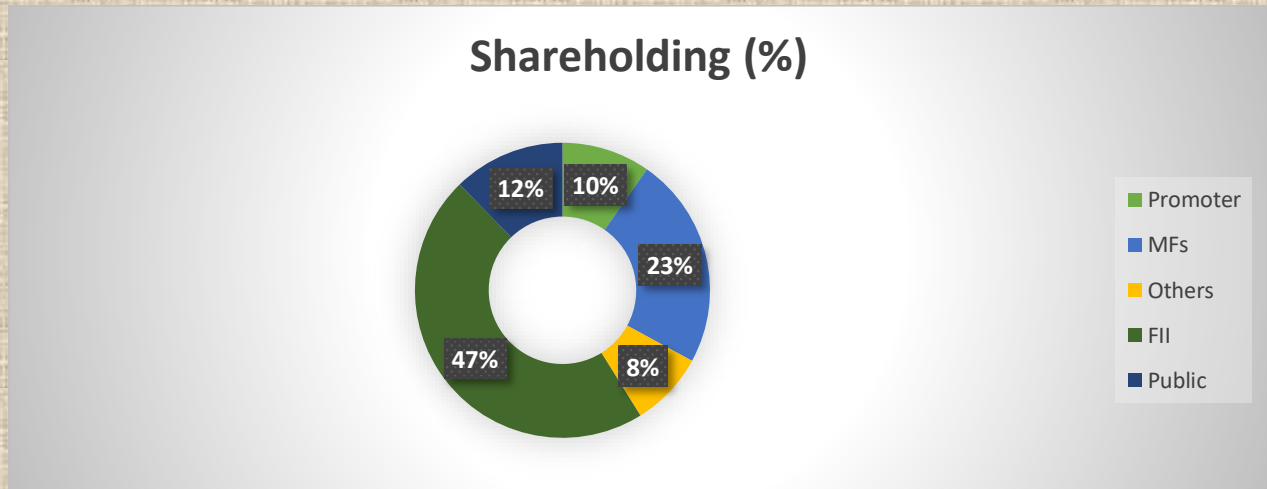
Axis Bank is the third largest private sector bank in terms of asset size in India. The Bank has a large footprint of 4,758 domestic branches (including extension counters) with 10,990 ATMs & 5,972 cash recyclers spread across the country as of 31st March 2022.

The Overseas operations of the Bank are spread over eight international offices with branches in Singapore, Dubai (at DIFC), and Gift City-IBU; representative offices in Dhaka, Dubai, Abu Dhabi, Sharjah and an overseas subsidiary in London, UK.

% Market Share



Shareholding Pattern



Consolidated Financials

Quarterly (Rs. Cr)

	Mar-21	Dec-21	Mar-22	Y-O-Y	Q-O-Q
Sales	15,789.78	17,653.35	18,208.52	15%	3.1%
Expenses	7,815.87	7,994.47	7,935.71	2%	-0.7%
Operating Profit	7,973.91	9,658.88	10,272.81	29%	6.4%
Other Income	4,060.33	4,437.84	4,792.17	18%	8.0%
Depreciation	-	-	-		
Interest	8,077.04	8,795.33	9,162.29	13%	4.2%
Profit before tax	3,957.20	5,301.39	5,902.69	49%	11.3%
Tax	996.80	1,328.32	1,468.69	47%	10.6%
Net profit	2,941.41	3,956.95	4,417.73	50%	11.6%
OPM	51%	55%	56%		

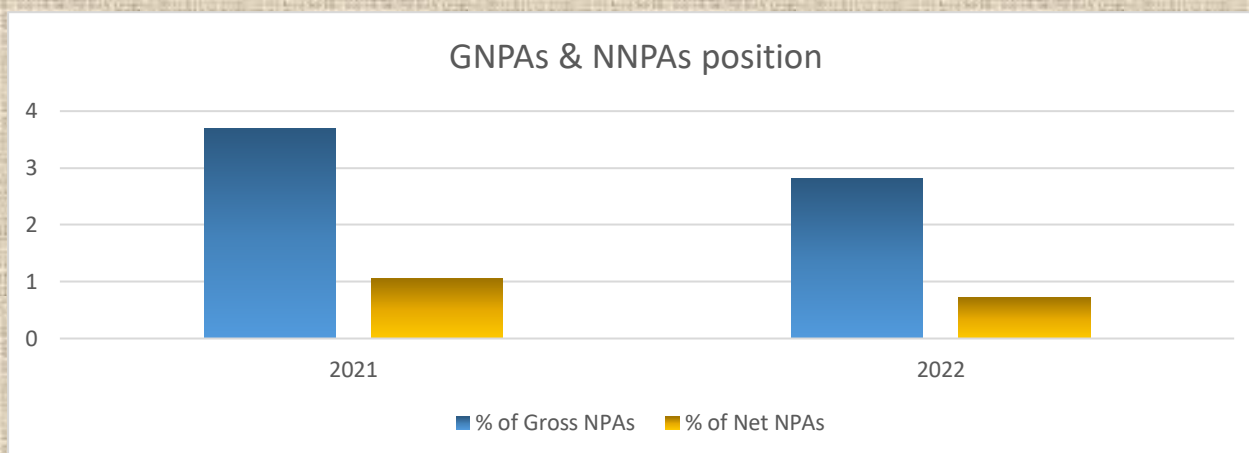
Annual (Rs Cr.)

	Mar-21	Mar-22	Y-O-Y	Mar-23 E
Sales	64,397.36	68,846.06	6.90%	76,442.90
Expenses	32,617.43	31,213.08	-4.30%	36,738.18
Operating Profit	31,779.93	37,632.98	18.40%	41,653.94
Other Income	13,576.92	17,268.13	27.20%	
Depreciation	979.39	1,048.99	7.10%	1,183.53
Interest	34,627.38	34,922.66	0.90%	37,830.07
Profit before tax	9,750.08	18,929.46	94.10%	22,531.55
Tax	2,497.69	4,765.11	90.80%	
Net profit	7,195.50	14,119.29	96.20%	16,665.14
EPS	23.49	46	95.80%	53.80
Price to earning	29.7	16.55	-44.30%	
Price	697.45	761.15	9.10%	

Key measures and Outlook

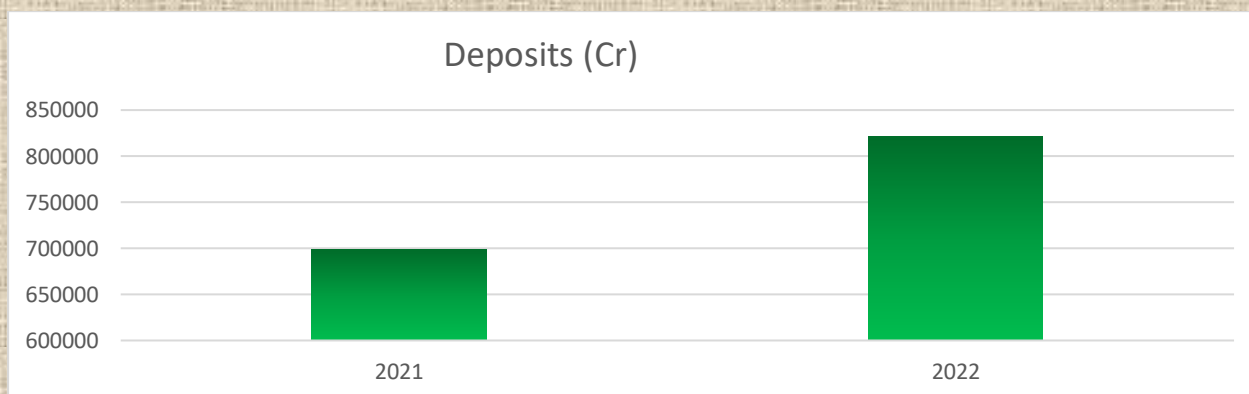
GNPA & NNPA Trend

There has been improvement in asset quality with a constant reduction in NPA's from the previous year



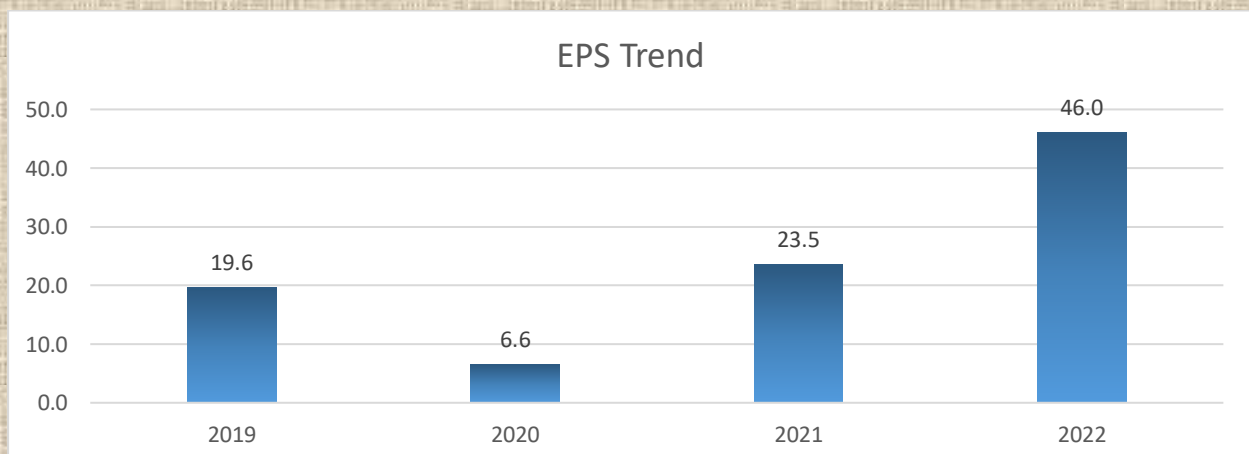
Deposit Trend

Growth in deposits – There has been significant growth in deposits over the last year



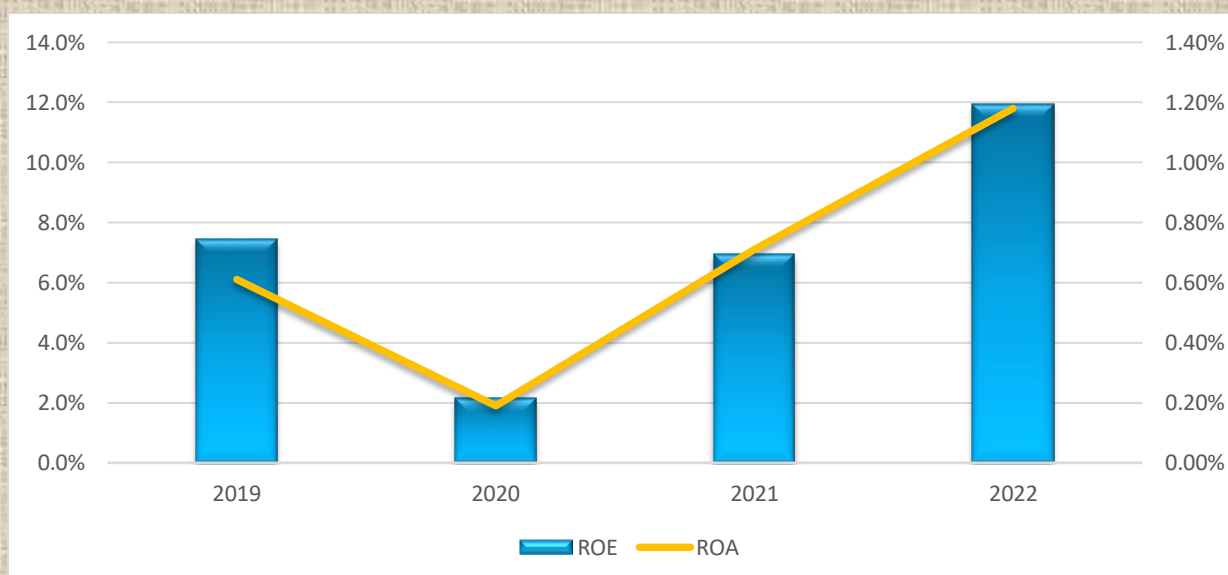
EPS Trend

Bank's EPS has been on the rise for the last four years



ROE AND ROA Trend

Bank's ROE and ROA have constantly been growing for the last four years



The outlook on banking sector depends upon the dynamic geopolitical scenario and its impact on global economy. However, the opening of economic activity has reduced the need for a new stimulus package, and the current momentum can be sustained without large scale disruption. In FY23, it is expected that both deposits and credit will continue to see growth.

Summary

- 96.2% growth in net profit on y-o-y basis.
- 6.9% growth in interest income over 2021.
- GNPA have come down to 2.82 from 3.7 in 2021 & NNPA have dropped to 0.73 from 1.05 in 2021.
- Mutual Funds have increased holdings from 22.71% to 23.22% as of Jun 2022 qtr.
- Growth prospects for banking sector looks bright with the opening of the economy.

Investment recommendation

Based on simple moving averages and recent bullish trend we recommend an entry price of 695 for the stock.

Entry	695
Stop loss	655
Target	765
Potential Upside	10%

Technical Outlook



Analysing Price volume trend of last fifteen trading sessions in the stock, the stock is showing signs of bullish reversal. We recommend an entry price in the range of 690-695 levels with SL at 655. Stock has key short term resistance at 200 DMA which is around 720 levels. A decisive break above this level can take the stock towards 740-760 levels. Our target price for the stock is 760 in the short term.

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