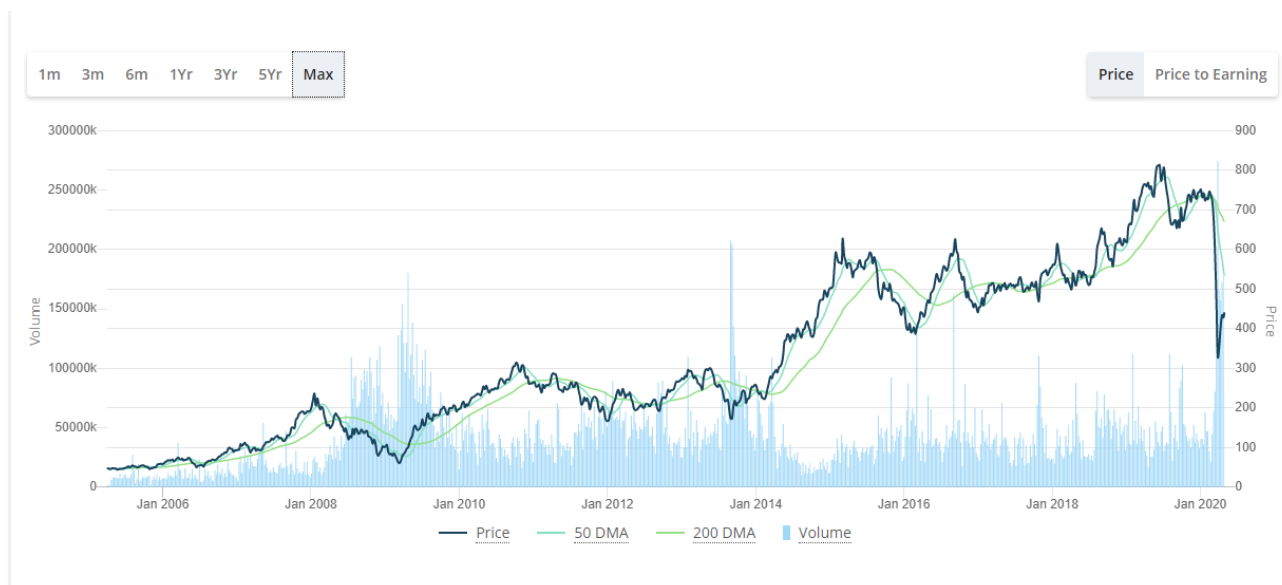


AXIS BANK

As the third largest private sector bank in one of the world's fastest-growing economies, Axis Bank offers a wide spectrum of financial solutions to a diverse range of customer segments spanning retail, small and medium enterprises, government and corporate businesses.

Overview

- Market Cap: **128,520 Cr.**
- Current Price: **455.45**
- 52 weeks High / Low **827.75 / 285.00**
- Book Value: **240.28**
- Stock P/E: **26.85**
- Dividend Yield: **0.22 %**
- ROCE: **5.70 %**
- ROE: **7.66 %**
- Sales Growth (3Yrs): **10.61 %**
- Face Value: **2.00**



Pros:

One of the fastest growing banks
Very good Management

Cons:

Company has low interest coverage ratio.
Promoter holding has decreased by -0.53% over last quarter
Promoter holding is low: 15.69%
Company has a low return on equity of 5.20% for last 3 years.
Contingent liabilities of Rs.810201.83 Cr.
Company might be capitalizing the interest cost
Earnings include an other income of Rs.15915.24 Cr.
Dividend payout has been low at 11.80% of profits over last 3 years

Fundamental Analysis

Axis bank is trading at 26.85 PE multiple which is expensive compared to Bandhan Bank and Indusind Bank however it is cheaper than HDFC BANK, KOTAK MAH BANK and ICICI BANK.

Peer comparison Sector: [Banks](#) // Industry: [Banks - Private Sector](#)

⚙ EDIT COLUMNS

S.No.	Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	NP Qtr Rs.Cr.	Qtr Profit Var %	Sales Qtr Rs.Cr.	Qtr Sales Var %	ROCE %
1.	HDFC Bank	931.40	18.74	510630.91	0.81	7280.22	15.54	31795.05	13.37	7.69
2.	Kotak Mah. Bank	1326.65	33.83	253705.65	0.06	2348.72	5.21	8331.98	7.95	7.92
3.	ICICI Bank	359.85	24.57	233075.40	0.28	4670.10	149.16	21622.94	16.78	4.82
4.	Axis Bank	455.45	26.85	128520.46	0.22	1875.72	6.10	15965.10	10.77	5.70
5.	Bandhan Bank	221.10	11.28	35602.58	1.36	731.03	120.67	2717.63	64.75	10.48
6.	Yes Bank	27.25		34200.04	7.34	-18564.24	-1955.37	5638.91	-29.15	6.67
7.	Indusind Bank	468.05	7.35	32465.79	1.60	301.84	-16.18	7386.57	23.29	7.62

Quarterly Results Consolidated Figures in Rs. Crores / [View Standalone](#)

[Product Segments](#)

	Jun 2018	Sep 2018	Dec 2018	Mar 2019	Jun 2019	Sep 2019	Dec 2019
Revenue	13,001	13,536	14,412	15,094	15,535	15,713	15,965
Interest	7,740	8,202	8,684	9,257	9,564	9,481	9,393
Expenses +	7,285	7,014	7,328	7,129	7,819	7,842	8,134
Financing Profit	-2,024	-1,681	-1,600	-1,292	-1,848	-1,611	-1,562
Financing Margin %	-16%	-12%	-11%	-9%	-12%	-10%	-10%
Other Income	3,125	2,987	4,221	3,856	3,874	4,174	4,011
Depreciation	0	0	0	0	0	0	0
Profit before tax	1,101	1,306	2,621	2,564	2,026	2,563	2,449
Tax %	34%	33%	33%	35%	38%	101%	23%
Net Profit	722	878	1,768	1,671	1,261	-22	1,876
EPS in Rs	2.81	3.42	6.88	6.50	4.87	-0.08	6.65
Gross NPA %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Net NPA %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Notes	Notes	Notes	Notes	Notes	Notes	Notes

Axis Bank Net Profit grew every quarter except 2019 sep as it write off bad debts and NPA also if we see Revenue then it is increasing every quarter.

Profit & Loss Consolidated Figures in Rs. Crores / [View Standalone](#)[Product Segments](#)

	Mar 2008	Mar 2009	Mar 2010	Mar 2011	Mar 2012	Mar 2013	Mar 2014	Mar 2015	Mar 2016	Mar 2017	Mar 2018	Mar 2019	TTM
Revenue	7,005	10,829	11,639	15,155	21,995	27,202	30,736	35,727	41,409	45,175	46,614	56,044	62,307
Interest	4,420	7,149	6,633	8,589	13,969	17,513	18,703	21,341	24,344	26,789	27,604	33,883	37,696
Expenses +	2,587	3,696	4,909	5,840	6,895	8,534	9,930	11,518	13,869	24,323	29,700	27,995	30,925
Financing Profit	-2	-16	97	727	1,131	1,155	2,103	2,868	3,196	-5,937	-10,689	-5,835	-6,313
Financing Margin %	-0%	-0%	1%	5%	5%	4%	7%	8%	8%	-13%	-23%	-10%	-10%
Other Income	1,796	2,989	3,960	4,664	5,487	6,828	7,752	8,834	9,955	12,418	11,846	14,164	15,915
Depreciation	159	190	238	294	348	359	375	420	461	527	591	737	0
Profit before tax	1,635	2,783	3,819	5,097	6,270	7,625	9,479	11,283	12,690	5,954	566	7,592	9,602
Tax %	35%	35%	35%	34%	33%	31%	33%	34%	34%	33%	18%	34%	
Net Profit	1,059	1,813	2,478	3,340	4,220	5,235	6,310	7,448	8,350	3,953	456	5,039	4,787
EPS in Rs	5.71	9.76	11.83	15.80	19.90	21.75	26.17	30.47	35.04	16.51	1.78	19.59	17.94
Dividend Payout %	20%	20%	20%	17%	16%	16%	15%	15%	14%	30%	0%	5%	

Axis Bank also have good CASA number which help the bank to generate excellent revenue.

* Sales is net of excise duty and discounts

Compounded Sales Growth

10 Years: **17.87%**
 5 Years: **12.77%**
 3 Years: **10.61%**
 TTM: **20.23%**

Compounded Profit Growth

10 Years: **10.76%**
 5 Years: **-4.38%**
 3 Years: **-15.40%**
 TTM: **1117.78%**

Stock Price CAGR

10 Years: **6.01%**
 5 Years: **-4.31%**
 3 Years: **-3.68%**
 1 Year: **-40.06%**

Return on Equity

10 Years: **12.09%**
 5 Years: **9.26%**
 3 Years: **5.20%**
 Last Year: **7.66%**

Return on equity makes this stock as a attractive bet.

Balance Sheet Consolidated Figures in Rs. Crores / [View Standalone](#)

	Mar 2008	Mar 2009	Mar 2010	Mar 2011	Mar 2012	Mar 2013	Mar 2014	Mar 2015	Mar 2016	Mar 2017	Mar 2018	Mar 2019
Share Capital +	358	359	405	411	413	468	470	474	477	479	513	514
Reserves	8,394	9,837	15,584	18,484	22,269	32,690	37,926	44,475	53,082	55,901	63,694	67,288
Borrowings	93,243	132,878	158,448	215,434	254,059	296,254	333,280	406,638	472,150	527,437	611,425	711,996
Other Liabilities +	7,619	4,661	6,182	8,270	8,699	11,171	14,717	15,702	20,853	27,737	28,210	34,338
Total Liabilities	109,614	147,734	180,619	242,599	285,440	340,584	386,394	467,289	546,562	611,555	703,843	814,136
Fixed Assets +	804	1,025	1,179	2,270	2,204	2,245	2,346	2,447	3,358	3,518	3,697	3,842
CWIP	128	58	57	23	80	142	102	105	216	292	352	288
Investments	33,865	46,272	55,877	71,788	92,921	113,378	113,093	118,527	131,399	129,018	153,037	174,056
Other Assets +	74,817	100,380	123,507	168,519	190,234	224,819	270,854	346,210	411,590	478,727	546,757	635,950
Total Assets	109,614	147,734	180,619	242,599	285,440	340,584	386,394	467,289	546,562	611,555	703,843	814,136

Assets of the company are increasing in satisfactory rate which shows that company have good expansion.

Cash Flows Consolidated Figures in Rs. Crores / [View Standalone](#)

	Mar 2008	Mar 2009	Mar 2010	Mar 2011	Mar 2012	Mar 2013	Mar 2014	Mar 2015	Mar 2016	Mar 2017	Mar 2018	Mar 2019
Cash from Operating Activity -	6,142	10,346	150	11,328	-9,904	2,573	14,464	-15,162	-34,495	32,209	-38,390	37,125
Profit from operations	2486.89	4013.27	5533.55	6738.59	7804.86	9811.28	12056.87	14113.66	16934.4	18738.43	16969.02	20705.34
Working Capital Changes	4341.56	7430.13	-3876.74	6526.04	-15365.72	-4571.96	5912.88	-29276.16	-46888.92	18791.8	-52076.7	19541.54
Taxes paid	-688.56	-1107.71	-1506.93	-1936.95	-2343.42	-2665.94	-3506.15	0	-4540.16	-5321.61	-3282.62	-3121.63
Cash from Investing Activity -	-4,881	-9,525	-5,096	-13,894	-4,840	-10,939	-14,166	-7,972	9,211	-12,458	-10,007	-18,674
Fixed Assets Purchased	-441.74	-388.33	-414.94	-1371.13	-396.57	-483.82	-607.79	-538.56	-1494.4	-773.71	-854.98	-880.37
Fixed Assets Sold	12.64	39.99	18.97	13.37	76.3	22.67	169.64	10.04	19.27	6.52	12.05	54.72
Investments purchased	-4451.58	-9176.45	-4679.31	-12532.04	-4720.46	-10870.92	-13619.16	-7383.63	0	-11675.96	-8808.54	-17865.85
Investments sold	0	0	0	0	0	0	0	0	10700.43	0	0	0
Cash from Financing Activity -	4,326	1,692	5,132	8,770	7,270	14,931	7,785	31,045	22,495	-2,487	41,342	5,643
Proceeds from Shares	4546.68	38.86	3903.17	240.77	136.34	5675.63	137.57	481.15	305.34	328.07	8832.96	171.71
Proceeds from Borrowings	0	0	0	9260.92	4222.95	8067.95	0	0	0	0	0	0
Dividends Paid	-148.81	-251.6	-420.55	-569.53	-669.94	-790.19	-987.59	-1108.81	-1336.8	-1444.26	-1457.4	-26.95
Net Cash Flow	5,587	2,514	186	6,203	-7,474	6,566	8,082	7,910	-2,789	17,263	-7,055	24,094

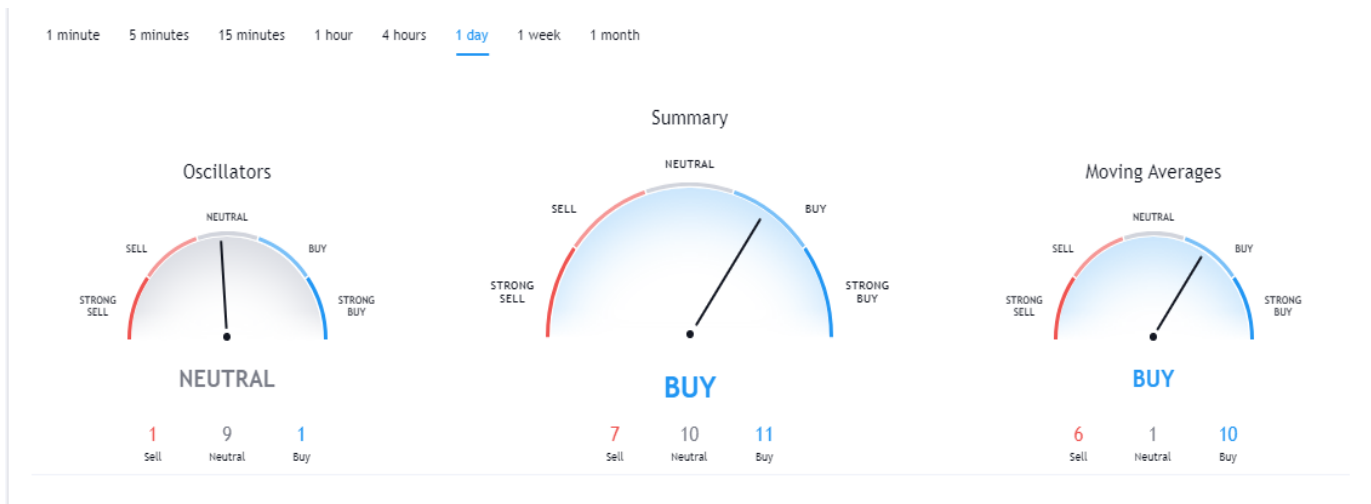
Bank Cash flow is negative in investing activity because bank keeps on investing its profit.

Ratios Consolidated Figures in Rs. Crores / [View Standalone](#)

	Mar 2008	Mar 2009	Mar 2010	Mar 2011	Mar 2012	Mar 2013	Mar 2014	Mar 2015	Mar 2016	Mar 2017	Mar 2018	Mar 2019
ROE %	18%	19%	19%	19%	20%	19%	18%	18%	17%	7%	1%	8%

ROE% of Axis Bank is above 16% in several years however in 2018 and 2019 it was low so it is very good opportunity for enter for long term portfolio.

Technical analysis



OSCILLATORS

Name	Value	Action
Relative Strength Index (14)	51.34	Neutral
Stochastic %K (14, 3, 3)	63.99	Neutral
Commodity Channel Index (20)	103.65	Neutral
Average Directional Index (14)	31.69	Neutral
Awesome Oscillator	-18.68	Neutral
Momentum (10)	36.50	Sell
MACD Level (12, 26)	-18.21	Buy
Stochastic RSI Fast (3, 3, 14, 14)	75.30	Neutral
Williams Percent Range (14)	-21.21	Neutral
Bull Bear Power	39.77	Neutral
Ultimate Oscillator (7, 14, 28)	48.41	Neutral

MOVING AVERAGES

Name	Value	Action
Exponential Moving Average (5)	434.66	Buy
Simple Moving Average (5)	429.58	Buy
Exponential Moving Average (10)	428.55	Buy
Simple Moving Average (10)	434.31	Buy
Exponential Moving Average (20)	432.92	Buy
Simple Moving Average (20)	404.74	Buy
Exponential Moving Average (30)	455.38	Buy
Simple Moving Average (30)	415.74	Buy
Exponential Moving Average (50)	505.23	Sell
Simple Moving Average (50)	533.36	Sell
Exponential Moving Average (100)	582.52	Sell
Simple Moving Average (100)	634.16	Sell
Exponential Moving Average (200)	637.69	Sell
Simple Moving Average (200)	670.39	Sell
Ichimoku Cloud Base Line (9, 26, 52, 26)	396.02	Neutral
Volume Weighted Moving Average (20)	401.30	Buy
Hull Moving Average (9)	423.24	Buy

As per Daily Chart Analysis Axis Bank is at good spot for buy however on weekly and Monthly Charts it is still on Sell territory.

Data Analysis:

Futures & Options of Axis Bank Ltd.				Put Call Ratio - 30/04/2020	
Near Expiry date	30/04/2020	Lot Size	1200	Put Open Interest	6628.80 K
Stock Close Price	455.45	Trade Date	28/04/2020	Call Open Interest	8757.60 K
Futures Summary				PCR Open Interest	0.757
Closing Price	456.45	Premium/Discount	1.00	PCR OI Reading	Neutral
Previous Close	428.25	Change %	6.58	Put Contracts Traded	15549.00
Futures OI	15974.40 K	Change %	-29.74	Call Contracts Traded	32773.00
Futures Contracts	36.86 K	Change %	-4.76	PCR Volume	0.474
Call Summary				PCR Vol Reading	Bullish
Max Traded Strike Price	460.00	Contracts	10.64 K	Put Call Ratio AXISBANK ...	
Cumulative Call OI	8757.60 K	% Change	17.86		
Put Summary					
Max Traded Strike Price	400.00	Contracts	4527.00		
Cumulative Put OI	6628.80 K	% Change	29.61		

As per April Contract Open Interest PCR is 0.757 which indicates that Buyers are in control for current contract however breakout still awaits as put writer are increasing to we can see sharp profit booking in May contract.

March 2020 Result update:

Axis Bank Ltd posted a surprise fourth-quarter loss of 13.88 billion rupees (\$182.96 million), as it set aside more funds to cover a potential rise in bad loans in a corona virus-hit economy.

The pandemic has dealt a heavy blow to the economy, worsening problems at Indian banks that were already laden with tremendous amounts of bad loans due to their exposure to troubled sectors such as real estate, infrastructure and shadow banking.

Mumbai-based Axis Bank booked provisions of 77.30 billion rupees for the quarter, or nearly three times higher than the year-ago period, including 30 billion rupees towards COVID-19. we expected a profit of more than 15.56 billion rupees.

Separately on Tuesday, Axis Bank said it would buy a 29% stake in insurer Max Life Insurance for about 15.90 billion rupees, giving the lender a seat among rival banks who already have a foothold in the country's life insurance industry.

Axis Bank, which already holds a minority stake in Max Life, will buy shares from the insurer's majority owner Max Financial Services Ltd to raise its stake to 30%, while Max Financial will hold a 70% stake in the joint venture partnership.

Axis shares closed up 6.6% after the deal announcement, in a broader Mumbai market that ended 1.06% higher.

Net interest income grew 19% to 68.08 billion rupees, while net interest margin rose to 3.55% from 3.44% last year.

Gross bad loans as a percentage of total loans, a measure of asset quality, eased to 4.86% at March-end from 5% in the previous quarter.

Recommendation :

Axis Bank Ltd, India's third biggest private-sector lender bank has proven itself in history for its provision and outstanding performance. Currently Govt. Package in line and proactive provision makes this bank good bet for short term trading we recommend following strategy:

1. Buy between 435-440 Target 560 stoploss 429 for very short term trader.
2. Buy above 466 Target 570 stop loss of 429 and trail for every 10 point up move.
3. Buy AXISBANK MAY FUT @ 439 and also BUY AXISBANK 340 PE @5 Rs.

Long Term trader can invest in the form of SIP on monthly basis.