

New recommendations						Time Frame: 6 Months
Date	Scrip	I-Direct Code	Buying Range	Target	Stoploss	Upside (%)
30-Apr-20	Bharti Airtel	BHAAIR	495.00-510.00	575.00	465.00	14.0%

Open recommendations						Time Frame: 6 Months
Date	Scrip	Avg Rec Price	Target	Stoploss	CMP	Return till date (%)
30-Apr-20	City Union Bank	138.00	165.00	115.00	144.00	4%
28-Apr-20	Bayer CropScience	4,300.00	4,850.00	3,870.00	4,323.00	1%
24-Apr-20	Ipca Laboratories	1,600.00	1,885.00	1,440.00	1,615.00	1%
16-Apr-20	Dabur India	497.00	560.00	465.00	492.00	-1%

All the recommendations are in Cash segment

May 4, 2020

## Open Recommendations

### Momentum Picks

Scrip	Action
JB Chemical	Buy
Duration: 14 Days	

Our Products

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# Bharti Airtel (BHAAIR): Relative outperformance signifies inherent strength, auguring well for next leg of up move...

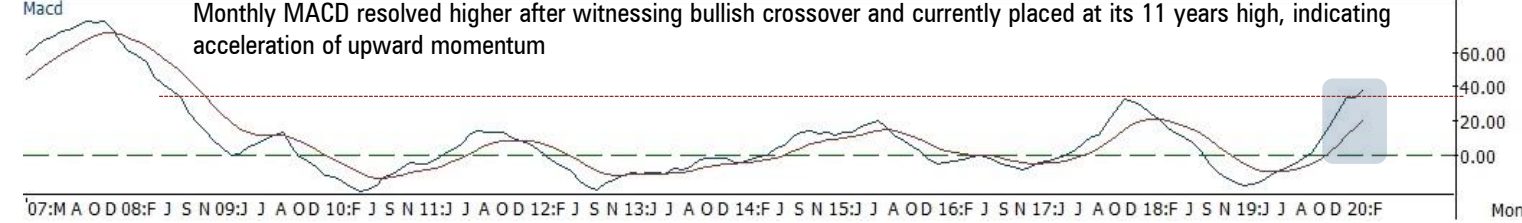
Rec. Price	495.00-510.00	Target	575.00	Stop loss	465.00	Upside	14%
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## Monthly Chart

**Higher base formation at multi year high of ₹ 500 signifies elevated buying demand that bodes well to challenge life high placed near ₹ 575 in coming months**



- The share price has seen a sharp recovery in the month of April after arresting intermediate correction at key support threshold of ₹ 375 being confluence of 61.8% retracement of last major up move seen during 2018-20 (₹ 254 – 569), at ₹ 374 coinciding with 52 weeks SMA which was placed at ₹ 376. Currently, the higher base formation at multi year high of ₹ 500 signifies elevated buying demand, auguring well for next leg of up move in coming months. Thereby offering fresh entry opportunity with favourable risk reward
- Key point to highlight during past three months corrective phase is that the share price has relatively outperformed the benchmarks, as currently benchmark index Nifty is 21% away from its life high of 12430, whereas stock price shown resilience and now it is merely 14% away from life high of ₹ 569, Indicating inherent strength, that bodes well for next leg of up move
- In nutshell, we expect stock to endure its relative outperformance by resolving further higher and head towards our target of ₹ 575 levels in coming months as it is the 123.6% external retracement of 2017-18 decline (₹ 518-254), placed at ₹ 580



Monthly MACD resolved higher after witnessing bullish crossover and currently placed at its 11 years high, indicating acceleration of upward momentum

Source: Spider Software, ICICI Direct Research

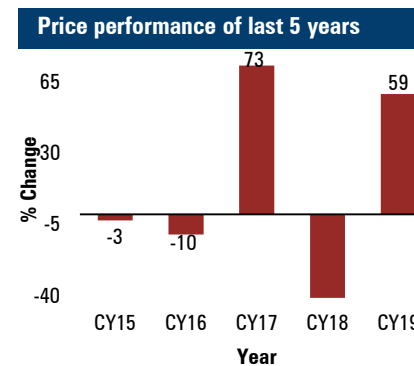
Recommended on I-click to gain on 30<sup>th</sup> April 2020 at 13:17

- Bharti Airtel (Airtel) is India's second largest telecom operator with a revenue market share of 30% (vs. new operator's revenue market share of ~32% and Vodafone Idea ~28%) as on Q2FY20. The company has 28 crore wireless customers in India and ~9.9 crore subscribers across operations in 14 African countries
- The recent tariff hike has been a shot in the arm for the industry, which was operating at sub optimal ARPUs post the new player's entry three years back. We highlight that Airtel has raised tariffs by ~15-47% across packs from December, 2019. The hike in tariff is likely to translate into FY21E revenue and EBITDA upgrade of ~9% and 17%, respectively. We expect the price hike to result in an increase in the monthly ARPU to ₹ 155 vs. current levels of ₹ 135 in Q3FY20
- The company has also raised US\$3 billion through a mix of debt and equity. We believe that the same is to meet the AGR dues demand within the stipulated time in case there is no final relief from the Supreme Court/government. The fund raising assures that Airtel will survive given the availability of funds coupled with price hike. In case of no final relief, Airtel will also get the optionality value of market share grab from Vodafone Idea, which will have to shut shop
- To sum up, Airtel has reported a relatively stronger retention of its revenue market share with stable KPI across and also enjoys comfortable leverage vis-à-vis peers. With a resilient performance amid challenging times, we remain constructive on the company

Stock Data	
Particulars	Amount
Market Capitalisation (₹ Crore)	280,606
Total Debt (₹ Crore)	125,428
Cash (₹ Crore)	8,106
EV (₹ Crore)	401,846
52 week H/L	531/ 277
Equity capital	1,998.7
Face value	5.0

Financial Highlights				
₹ Crore	FY18	FY19	FY20E	FY21E
Net Sales	83,688	80,780	88,333	103,121
EBITDA	30,065	25,630	37,287	47,992
Net Profit	1,099	409	(25,818)	4,468
EPS (₹)	2.7	1.0	(64.0)	8.7

Key Metrics				
	FY18	FY19	FY20E	FY21E
P/E	179.2	NA	NA	NA
Target P/E	199.9	NA	NA	NA
EV / EBITDA	11.7	14.3	9.5	7.2
P/BV	2.8	2.8	4.5	4.2
RoNW (%)	2.7	-3.5	-3.4	7.4
RoCE (%)	5.6	2.1	4.1	7.5



## Summary Performance - Recommendations till date

Total Recommendations	516	Open	4
Closed Recommendations	512	Yield on Positive recommendations	17.0%
Positive Recommendations	371	Yield on Negative recommendations	-8.0%
Closed at cost	16		
Strike Rate	75%		

# Momentum Picks open recommendations

Date	Scrip Name	Strategy	Recommendations Price	Target	Stoploss	Time Frame
29-Apr-20	JB Chemical	JBCHEM	560-575	635.00	534.00	14 Days

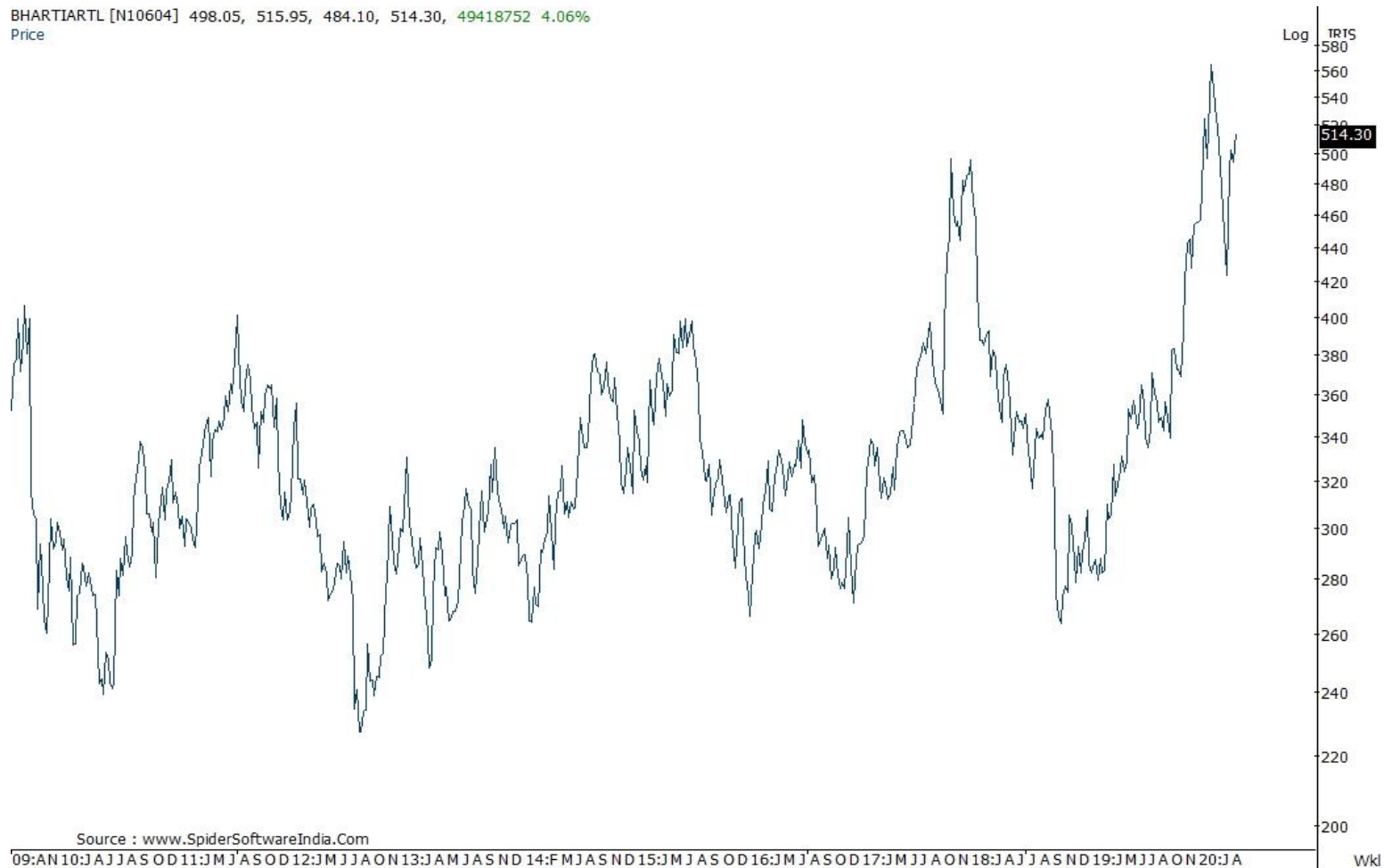
All the recommendations are in Cash segment

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# Price history of past three years

## Bharti Airtel (BHAIR)

BHARTIARTL [N10604] 498.05, 515.95, 484.10, 514.30, 49418752 4.06%  
Price



Source : [www.SpiderSoftwareIndia.Com](http://www.SpiderSoftwareIndia.Com)

- It is recommended to enter in a staggered manner within the prescribed range provided in the report
- Once the recommendation is executed, it is advisable to keep strict stop loss as provided in the report on closing basis
- The recommendations are valid for six months and in case we intend to carry forward the position, it will be communicated through separate mail

## Trading portfolio allocation

- It is recommended to spread out the trading corpus in a proportionate manner between the various technical research products
- Please avoid allocating the entire trading corpus to a single stock or a single product segment
- Within each product segment it is advisable to allocate equal amount to each recommendation
- For example: The 'Momentum Picks' product carries 2 intraday recommendations. It is advisable to allocate equal amount to each recommendation

# Recommended product wise trading portfolio allocation

Product	Allocations		Number of Calls	Return Objective	Duration
	Product wise allocation	Max allocation In 1 Stock			
Momentum Picks-Intraday	10%	30-50%	2 Stocks	1-2%	Intraday
Momentum Picks-Positional	25%	8-10%	8-10 Per Month	5-8%	14 Days
Gladiator Stocks	35%	10-13%	Opportunity Based	15-20%	6 Months
Yearly Technical	25%	12-15%	7-9 Per Year	20-30%	1 Year
Cash	5%				
	100%				





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