

Weekly View: Nifty, Bank Nifty:

| Indices | CMP | Support | Resistance | 50 DMA | 200 DMA | Range | Preferred Trade |
|------------|-------|---------|------------|--------|---------|-------------|--|
| NIFTY | 15670 | 15331 | 16001 | 14846 | 13456 | 15401-16001 | Buy between 15591-15601 zone. Targets at 15891/16001/16200. Stop at 15246. |
| BANK NIFTY | 35292 | 34001 | 36497 | 33283 | 29886 | 33301-36497 | Buy at CMP. Targets 36497/37001 with stop at 33951. |

Medium Term Pick:

| Stocks | CMP | Support | Resistance | 50 DMA | 200 DMA | Bias | Preferred Trade |
|---------|-----|---------|------------|--------|---------|----------|---|
| SBILIFE | 993 | 871 | 1051 | 287 | 280 | Positive | Incorporated in the year 2000, SBI LIFE INSURANCE COMPANY LTD is a leading life insurance company in India. The firm is a joint venture between State Bank of India (SBI) and BNP Paribas Cardif S.A. and now commands a market cap of Rs. 98,981 crores. The growth prospects for the industry remain robust as the insurance industry posted Annual Premium Equivalent (APE) growth - a measure of new business sales growth in the insurance industry growth - of 70 per cent YoY. That's on backdrop of the second wave of the Covid-19 pandemic which has gripped India and it resulted in an increased demand for insurance products. Initiate long positions at CMP, targeting 1051 and then at 1151 mark. Stop below 871. Aggressive targets are seen at 1251 mark. |

SBI Life Insurance (SBIL) is a joint venture between SBI and BNP Paribas formed in 2001.

SBI Life having a market cap of Rs. 98,981 Crore has a diverse range of products and caters to individuals as well as group customers through Protection, Pension, Annuity, Savings, Health solutions and Variable insurance. SBI Life has extensive presence across the country through its 947 offices, 17,166 employees, a large and productive individual agent network of about 154,158 agents, 58 corporate agents, a widespread bancassurance network of 15 partners, more than 28,000 partner branches, 108 brokers and other insurance marketing firms.

Investment Rationale:

- SBIL remains well placed in the life insurance space. The strong brand recognition along with wide distribution network should aid growth.
- SBIL is amongst private life insurers' possesses by far the largest bancassurance network, bancassurance network size being most critical for scalability.
- SBIL reported a healthy set of numbers as the performance was supported with strong growth in premium collection and investment income. For the quarter ended 31-03-2021, the company has reported a Standalone Total Income of Rs 1,446.43 Crore, up 498.29 % from last quarter. Total Income of Rs 241.76 Crore and up 58.68 % from last year same quarter Total Income of Rs 911.52 Crore. Company has reported net profit after tax of Rs 532.38 Crore in latest quarter.
- AUM growth accelerated 38% YoY to Rs. 220870 crore while Solvency ratio was healthy at 2.15x against 1.95x YoY.
- The firm has achieved market leadership in New business premium (NBP) of Rs 6189 crore which was up 13.8% QoQ, 62% YoY led by traction in individual business.
- Focus on individual protection is expected to remain subsided while a gradual pick-up in credit growth is seen propelling credit protect business. Demand for Ulip and annuity products is expected to remain robust ahead. Revival in ULIPs and newer product launches going ahead will support growth.
- SBIL has launched a new protection plan in May-21 with an average price hike of 10%.
- Traction on ULIP products picked up during the quarter. ULIP would remain a healthy proportion of the overall sales. Ticket sizes are also increasing and ATS is higher YoY.
- SBI Life Insurance focus on Protection business and strong market presence should help the firm maintain growth.
- Increase in customer appetite towards protection products amid Covid bodes well for long term business growth and VNB margin: Tremendous scope of life insurance as the industry still has lowest penetration amongst the world and most importantly, India is still largely under-insured, Covid-19 would structurally push up the need of individuals to be covered.
- The shareholding pattern for the quarter ended March 2021 (Q4FY21) shows that foreign portfolio investors hiked their stake in the firm by 3.5 per cent while domestic institutional investors by 1 per cent.

Daily Chart of SBILIFE:


Establish buy positions at CMP, targeting 1051/1151 mark. Aggressive 1-year targets at 1251 mark. Stop below 871.

CORPORATE ACTIONS

| Stocks | Ex-Date | Purpose | Amount (Rs) | Record Date |
|------------|-------------|------------------------------|-------------|-------------|
| APLAB | 07 Jun 2021 | Right Issue of Equity Shares | - | 08 Jun 2021 |
| NELCO | 07 Jun 2021 | Dividend - Rs. - 1.2000 | - | - |
| HUHTAMAKI | 09 Jun 2021 | Final Dividend | 3.00 | - |
| RALLIS | 09 Jun 2021 | Final Dividend | 3.00 | - |
| VIKASECO | 09 Jun 2021 | Right Issue of Equity Shares | - | 10 Jun 2021 |
| ASIANPAINT | 10 Jun 2021 | Final Dividend | 14.50 | 11 Jun 2021 |
| GHCL | 10 Jun 2021 | Final Dividend | 5.50 | - |
| ITC | 10 Jun 2021 | Final Dividend | 5.75 | 11 Jun 2021 |
| NAM-INDIA | 10 Jun 2021 | Final Dividend | 5.00 | 11 Jun 2021 |
| SHREDIGCEM | 10 Jun 2021 | Dividend | 2.50 | 11 Jun 2021 |
| TATACONSUM | 10 Jun 2021 | Final Dividend | 4.05 | - |
| VTMLTD | 10 Jun 2021 | Dividend | 0.6 | 12 Jun 2021 |
| BAJAJCON | 11 Jun 2021 | Final Dividend | 4.00 | - |
| BRPL | 11 Jun 2021 | Final Dividend | 1.00 | - |
| FOSECOIND | 11 Jun 2021 | Final Dividend | 10.00 | - |
| RELIANCE | 11 Jun 2021 | Final Dividend | 7.00 | - |

OFFER TO BUY

| Company name | Start Date | Close Date | Offer Price (Rs.) | Proposed Acquisition (No. of shares) | CMP (Rs.) |
|----------------------------------|------------|------------|-------------------|--------------------------------------|-----------|
| SPACEAGE PRODUCTS LTD. | 02-06-2021 | 15-06-2021 | 20.00 | 8,12,422 | 47.90 |
| QUICK HEAL TECHNOLOGIES LTD. | 31-05-2021 | 11-06-2021 | 245.00 | 63,26,530 | 230.05 |
| MANGALAM INDUSTRIAL FINANCE LTD. | 31-05-2021 | 11-06-2021 | 0.50 | 25,00,27,310 | 0.74 |

BONUS

| Co-Name | Ex Bonus Date | Ratio |
|------------|---------------|-------|
| VBL | 10-Jun-21 | 1:2 |
| JAYBARMARU | 07-Jun-21 | 1:1 |