

Weekly View: Nifty, Bank Nifty:

Indices	CMP	Support	Resistance	50 DMA	200 DMA	Range	Preferred Trade
NIFTY	17532	17251	17751	16832	15371	17275-17697	Sell at CMP. Targets at 17251 /17010. Stop at 17801.
BANK NIFTY	37226	36525	39351	36227	34347	36751-38451	Sell at CMP. Targets at 36525 /35751/35101. Stop at 38501.

Medium Term Pick:

Stocks	CMP	Support	Resistance	50 DMA	200 DMA	Bias	Preferred Trade
SBI CARDS	1047	889	1201	1049	998	Positive	Incorporated in 1998, SBI Cards is subsidiary of State Bank of India (69.3% stake) and is second largest credit card issuer in India and operates in more than 130 cities in India. The positive catalyst in favor of the stock price is the rapid growth in digital payments on backdrop of large customer base from SBI that is likely to drive growth in credit cards over long-term. Its in a high margin business with strong return ratios, +5% RoA and +25% RoE and SBI Cards commanding market share in terms of cards issued is 19.2%. Simply buy at CMP, targeting 1201 and then aggressive targets at 1327-1351 zone with stop below 889.

Incorporated in 1998, **SBI Cards** is subsidiary of State Bank of India (69.3% stake) and is second largest credit card issuer in India and operates in more than 148 cities in India and with 3869 employees strength.

SBI cards is the second-largest credit card issuer in India both in terms of numbers of credit cards outstanding and amounts of credit card spends, with a base of over 12 million cards in force as of June 2021.

The positive catalyst in favor of the stock price are:

- # SBI Cards has a diversified products portfolio with multiple offerings backed by advanced risk management and data analytics capabilities.
- # It's in a high margin business with strong return ratios, +5% RoA and +25% RoE and SBI Cards commanding market share in terms of cards issued is 19.1% and spends is 19.4%.
- # The rapid growth in digital payments on backdrop of large customer base from SBI that is likely to drive growth in credit cards over long-term.
- # Lower NPAs witnessed amidst an improvement in asset quality, with gross NPA ratio at 3.91% as on 30 June, as against 4.99% at the end of the March quarter.
- # Spends have started showing a gradual improvement from Jun 2021. The same is likely to rise further, as economic activity picks up and restrictions ease.

The key risk for the industry is the anticipated 3rd wave of Covid-19 which can impact revival in spends and most importantly, the corporate travel segment could be severely affected due to the pandemic.

Technically, brace yourselves for a major rebound play on the daily charts from a classic 'higher consolidation pattern' breakout on the weekly charts. An impulse uptrend is seen forming on the weekly time scale, with positive SAR series, major confirmation above its September 2021 all-time-highs at 1165 mark.

Add to that a bullish divergence and a rising stochastic signal (on weekly charts) with recent increase in volumes signaling a larger rebound. The 200 days Exponential Moving Average (EMA) of the stock on the daily chart is currently at 983 zone.

A potential entrance exists at CMP, targeting 1137/1200 mark and then aggressive targets at 1351 mark. Holding Period: 9 Months+. Stop at 989.

Daily Chart of SBICARDS:



CORPORATE ACTIONS

Stocks	Ex-Date	Purpose	Amount (Rs)	Record Date
Alphalogic Techsys Ltd	05 Oct 2021	Stock Split From Rs.10/- to Rs.5/-	-	06 Oct 2021
Anupam Finserv Ltd	06 Oct 2021	Stock Split From Rs.10/- to Rs.1/-	-	07 Oct 2021
Affle (India) Ltd	07 Oct 2021	Stock Split From Rs.10/- to Rs.2/-	-	08 Oct 2021
INDSOYA LTD.	07 Oct 2021	Stock Split From Rs.10/- to Rs.5/-	-	08 Oct 2021
Unison Metals Ltd	07 Oct 2021	Bonus issue 4:1	-	08 Oct 2021
DCM SHRIRAM INDUSTRIES LTD.	08 Oct 2021	Stock Split From Rs.10/- to Rs.2/-	-	11 Oct 2021

OFFER TO BUY

Company name	Start Date	Close Date	Offer Price (Rs.)	Proposed Acquisition (No. of shares)	CMP (Rs.)
7NR RETAIL LTD	04-Oct-21	18-Oct-21	8.78	27,23,370	8.95
LORDS CHLORO AKALI LTD	04-Oct-21	18-Oct-21	47.75	92,75,000	66.00
MAHALAXMI RUBTECH LTD	29-Sep-21	12-Oct-21	70.00	27,00,000	68.20
JUST DIAL LTD	23-Sep-21	06-Oct-21	1022.25	2,17,36,894	989.95
STAR CEMENT LTD	22-Sep-21	05-Oct-21	150.00	82,48,580	107.25
GANDHI SPECIAL TUBES LTD	21-Sep-21	04-Oct-21	550.00	7,66,616	454.10
ORACLE CREDIT LTD	21-Sep-21	04-Oct-21	10.75	14,43,000	38.65