

Fundamental Views:

- ✓ We expect MOFSL earnings to decline 17% in 2QFY23, adversely impacted by a sharp drag from global commodities. Excluding Metals and O&G, we expect earnings to post a solid 30% earnings growth each, fueled by BFSI and Autos.
- ✓ Margins are projected to decline 310bp YoY for MOFSL Universe (ex-OMCs).
- ✓ The key drivers of the 4QFY22 performance are:
 - o BFSI: BFSI has been the key earnings driver in the past and it will again lead the show with 53%/26%/20% growth in Private Banks/PSU Banks/NBFC earnings.
 - o Autos: Auto universe is likely to report a 3.7x YoY jump in earnings on low base.
 - o Retail: The Retail sector is clearly witnessing a K-shaped recovery.
- ✓ We have identified 10 stocks which are expected to report strong Q2 nos, which can be looked at from a short term to medium term perspective

MOFSL Expectation

Sector (INR mn)	Company	Sales	Growth (%)		EBIDTA	Growth (%)		PAT	Growth (%)	
		Sep-22	YoY	QoQ	Sep-22	YoY	QoQ	Sep-22	YoY	QoQ
Auto	Mahindra & Mahindra	2,02,175	51.9	3.1	24,867	49.8	6.2	22,702	34.6	54.3
	Motherson Wiring	18,380	31.3	10.0	2,546	43.0	25.5	1,605	40.8	27.4
Banking & Financials	Axis Bank	97,440	23.3	3.8	68,047	14.8	15.6	42,442	35.5	2.9
	ICICI Bank	1,42,626	22.0	8.0	1,13,965	14.9	10.5	74,684	35.5	8.2
	IndusInd Bank	43,254	18.2	4.9	35,652	10.8	3.9	17,882	55.9	9.6
	Bajaj Finance	56,701	32.2	7.5	44,141	33.6	3.7	27,470	85.5	5.8
Retail	Aditya Birla Fashion	30,863	50.2	7.4	4,182	33.4	-10.7	472	701.0	-49.7
	Devyani Intl.	7,530	45.9	6.9	1,815	47.2	10.2	774	82.2	3.5
	Metro Brands	4,772	47.0	-6.1	1,470	51.8	-19.6	784	42.3	-25.5
Others	Tata Chemicals	42,050	39.1	5.3	9,871	97.1	-2.8	5,423	156.1	-8.5

Technical View :

Sector	Company	CMP	Buying Range	Support	Resistance
Auto	Mahindra & Mahindra	1248	1248-1228	1190	1275
	Motherson Wiring	87	87-85	81	95
Banking & Financials	Axis Bank	802	802-780	750	865
	ICICI Bank	853	853-833	780	936
	IndusInd Bank	1184	1184-1165	1080	1300
	Bajaj Finance	7151	7151-7050	6860	7550
Retail	Aditya Birla Fashion	328	328-320	300	350
	Devyani Intl.	189	189-185	175	215
	Metro Brands	892	892-870	830	980
Others	Tata Chemicals	1151	1151-1130	1100	1215

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