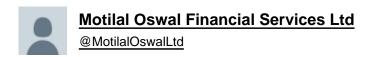
Twitter Thread by Motilal Oswal Financial Services Ltd





Fundamental Pick: HDFC Ltd - TP: 3290, Previous Close: 2756

#FundamentalUpdate #MarketSuprabhat





31st Aug, 2021

FUNDAMENTAL UPDATE

NEWS & IMPACT

Divi's Labs (CMP: 5104): Management confident of double digit top-line growth due to the growth drivers like new tech, automation, revisiting processes, improving yields, green chemistry and lower waste. Company expects further Rs. 3Bn of capex (ex-Kakinada) in FY22

Impact: Positive

RESEARCH UPDATE

HDFC Ltd (CMP: 2756, TP: 3290, Buy): HDFC is preferred pick in the Housing Finance sector. Disbursements picked up MoM in Jun/Jul'21, far exceeding YoY levels. Margins should be stable going forward. We believe the company has made more-than-adequate provisions for any potential asset quality slippage in the ensuing quarters. We expect HDFC to report core RoA/RoE of 2%/13% over FY22–23E. We increase our FY22E/FY23E estimates by 7–8%, factoring in higher NII and non-core income.

View: Buy

Top Research Ideas - Time Frame more than 1 year				
Stock Name	Rating	CMP (Rs.)	Target (Rs.)	Upside (%)
Tata Power Nocil Axis Bank L&T Dabur	Buy Buy Buy Buy Buy	129 282 784 1,660 617	156 340 925 1,950 715	21% 21% 18% 17% 16%

^{*}Investment in securities market are subject to market risks, read all the related documents carefully before investing.