

Gladiator Stocks

New recommendations

Date	Scrip	I-Direct Code	Buying Range	Target	Stoploss	Upside (%)	Duration
25-Aug-21	HDFC Life Insurance	HDFSTA	680-693	778.00	645.00	13.00	3 Months

Open recommendations

Date	Scrip	Avg Rec Price	Target	Stoploss	CMP	Return till date (%)	Duration
6-Jul-21	Axis Bank	760.00	870.00	705.00	753.00	-1%	3 Months
31-May-21	Reliance Industries	2,165.00	2,490.00	2,010.00	2,075.00	-4%	3 Months
25-Aug-21	Hindustan Aeronautics	1,205.00	1,380.00	1,090.00	1,213.00	1%	3 Months

All the recommendations are in Cash segment

Open Recommendations

Momentum Picks

Scrip	Action
BEL	Buy
IEX	Buy
Persistent	Buy
Duration: 30 Days	

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August 25, 2021

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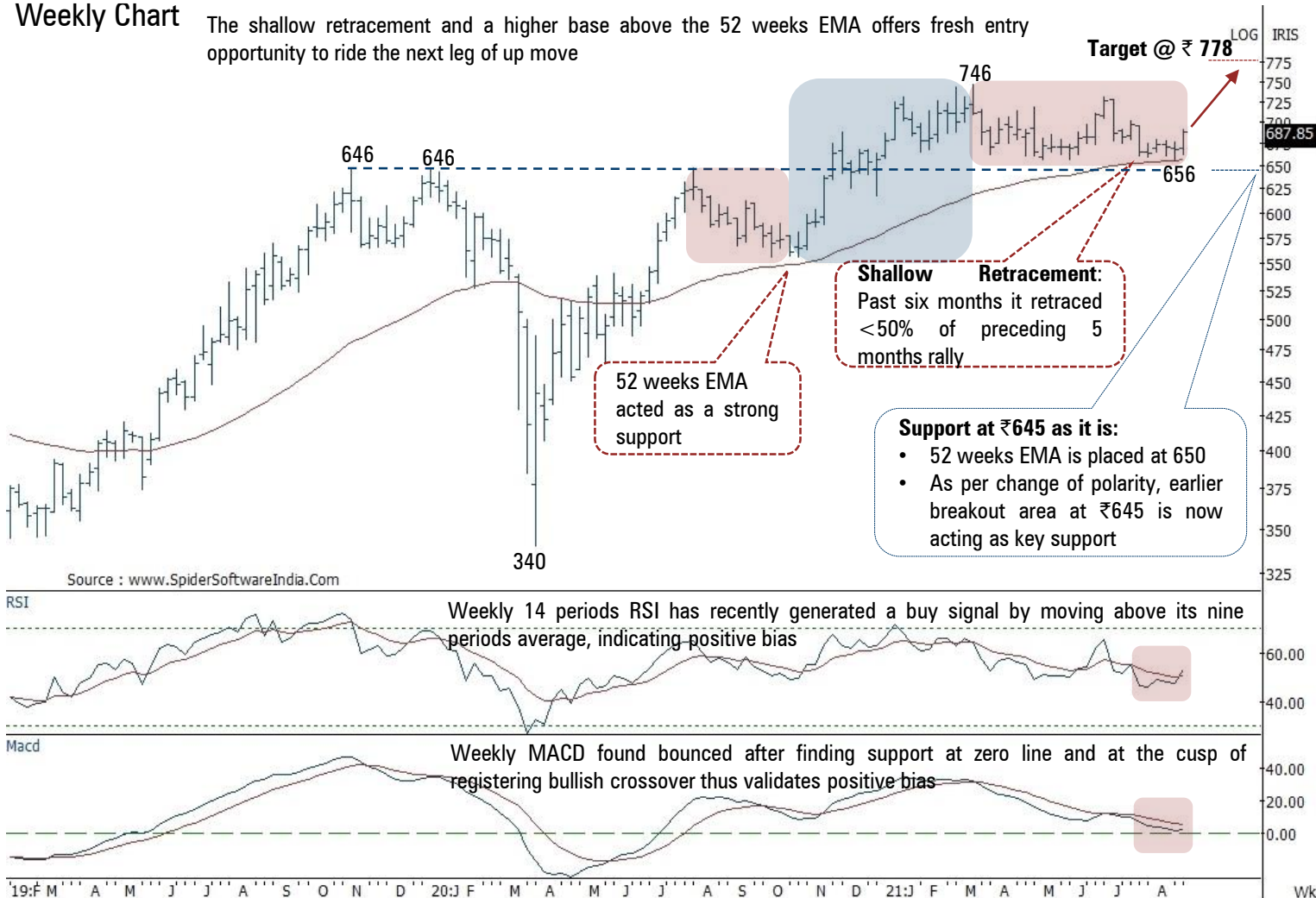
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HDFC Life Insurance (HDFSTA): Higher base formation above 52 weeks EMA offers favourable risk reward...

Rec. Price	680-693	Target	778.00	Stop loss	645.00	Upside	13%
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Weekly Chart

The shallow retracement and a higher base above the 52 weeks EMA offers fresh entry opportunity to ride the next leg of up move



Source : www.SpiderSoftwareIndia.Com

Weekly 14 periods RSI has recently generated a buy signal by moving above its nine periods average, indicating positive bias

Weekly MACD found bounced after finding support at zero line and at the cusp of registering bullish crossover thus validates positive bias

Source: Spider Software,, ICICI Direct Research

Recommended on I-click to gain on 25th August 2021 at 10:21

August 25, 2021

ICICI Securities Ltd. | Retail Equity Research

- The share price of HDFC Life has undergone shallow retracement in the last six months after witnessing strong up move during Oct-20 to Feb-21. Currently, stock regained upward momentum after forming a higher base above 52 weeks EMA as seen during October 2020. Thereby offering fresh entry opportunity to resolve higher and eventually shift in a new orbit
- We expect the stock to challenge the all time high and gradually head towards ₹ 778 levels in the coming months as it is the 138.2% external retracement of its past six months corrective phase (₹746-656)
- Key point to highlight is that, past six months it retraced <50% of preceding 5 months rally (₹556-746). The shallow retracement highlights inherent strength that bodes well for next leg of up move
- On the oscillator front, weekly RSI logged a bullish crossover while MACD is at the cusp of bullish crossover after bouncing from zero line that validates aforementioned positive stance

Fundamental View: HDFC Life Insurance (HDFSTA)

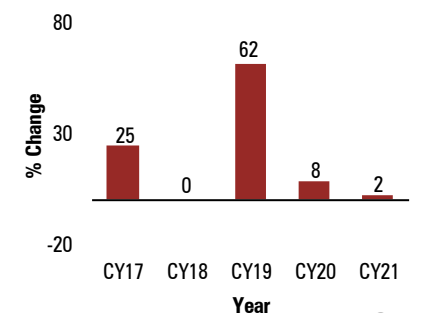
- HDFC Life Insurance (HDFC Life) is among the dominant private players in the Indian life insurance space today. It was established in 2000, as a joint venture between HDFC Ltd and Standard Life. The company is one of the most profitable in the industry and has gradually shifted from Ulip heavy to a more balanced product mix.
- The company has a strong distribution network with partnerships ranging from banks (includes HDFC Bank), NBFCs, MFIs and new age distributors. Diversified product portfolio and focus on product innovation has enabled HDFC Life to be ahead of the curve
- HDFC Life is focused on delivering consistent profitability with steady growth. New business premium has grown at 23% CAGR in FY17-21. VNB margin expanded ~410 bps to 26.1% in FY21 from 22.0% in FY17. PAT posted ~11% CAGR during FY17-FY21 to ₹ 1360 crore for FY21.
- HDFC Life currently trades at ~3.8x FY23E embedded value (EV), which is at a premium compared to its peers. Second wave of pandemic has led to elevated claims in Q1FY22, while anticipated third wave remains a risk. However, this is a near term concern and valuation is seen to remain at premium given superior business franchise & continued focus on profitability.

Particulars	
Particulars	Amount
Market Capitalisation	₹ 139045 crore
EV (Q1FY22)	₹ 27331 crore
AUM (Q1FY22)	₹ 181272 crore
VNB margin (Q1FY22)	26.2%
52 week H/L	746/ 556
Net worth	₹8952 crore
Face value	₹ 10

Financials				
(₹ Crore)	FY20	FY21	FY22E	FY23E
New business premium	17238	20107	24416	29300
APE	7164	8183	10198	12238
Total premium	32707	38584	45952	54931
PAT	1273	1360	1543	1811

Valuation				
	FY20	FY21	FY22E	FY23E
P/E (x)	106.9	100.0	88.3	75.2
P/BV (x)	20.0	15.8	14.3	12.6
P/IEV (x)	6.6	5.1	4.4	3.8
RoEV (%)	18.1	18.5	17.6	18.3

Price performance of last 5 years



Summary Performance - Recommendations till date

Total Recommendations	666	Open	3
Closed Recommendations	663	Yield on Positive recommendations	17.0%
Positive Recommendations	494	Yield on Negative recommendations	-8.0%
Closed at cost	17		
Strike Rate	77%		

Momentum Picks open recommendations

Date	Script Name	Strategy	Recommendations Price	Target	Stoploss	Time Frame
17-Aug-21	Persistent	Buy	3175-3215	3480.00	3030.00	14 Days
24-Aug-21	IEX	Buy	417-426	460.00	397.00	14 Days
25-Aug-21	BEL	Buy	176-180	195.00	169.00	14 Days

All recommendations are in cash market

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Price history of past three years

HDFC Life Insurance (HDFSTA)

HDFCLIFE [N467] 670.00, 691.85, 662.30, 688.00, 9450886 3.02%

Price
D 0



Source : 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 three to six months as specified on first page of report 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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