

New recommendations						Time Frame: 6 Months
Date	Scrip	I-Direct Code	Buying Range	Target	Stoploss	Upside (%)
16-Sep-20	Oberoi Realty	OBBERA	400.00-418.00	485.00	367.00	17

Open recommendations						Time Frame: 6 Months
Date	Scrip	Avg Rec Price	Target	Stoploss	CMP	Return till date (%)
16-Sep-20	Automotive Axles	750.00	870.00	673.00	764.00	2%
3-Sep-20	Ajanta Pharma	1,510.00	1,760.00	1,390.00	1,536.00	2%
3-Sep-20	Sun Pharma	518.00	605.00	467.00	508.00	-2%
21-Aug-20	Cummins India	458.00	540.00	410.00	478.00	4%
18-Aug-20	Britannia Industries	3,812.00	4,510.00	3,560.00	3,800.00	0%
11-Aug-20	Berger Paints	547.00	635.00	497.00	580.00	6%
1-Jun-20	Pidilite Industries	1,470.00	1,670.00	1,320.00	1,499.00	2%

All the recommendations are in Cash segment

September 16, 2020

Open Recommendations

Momentum Picks

Scrip	Action
Himatsingka Siede	Buy
CYIENT	Buy
Duration: 14 Days	

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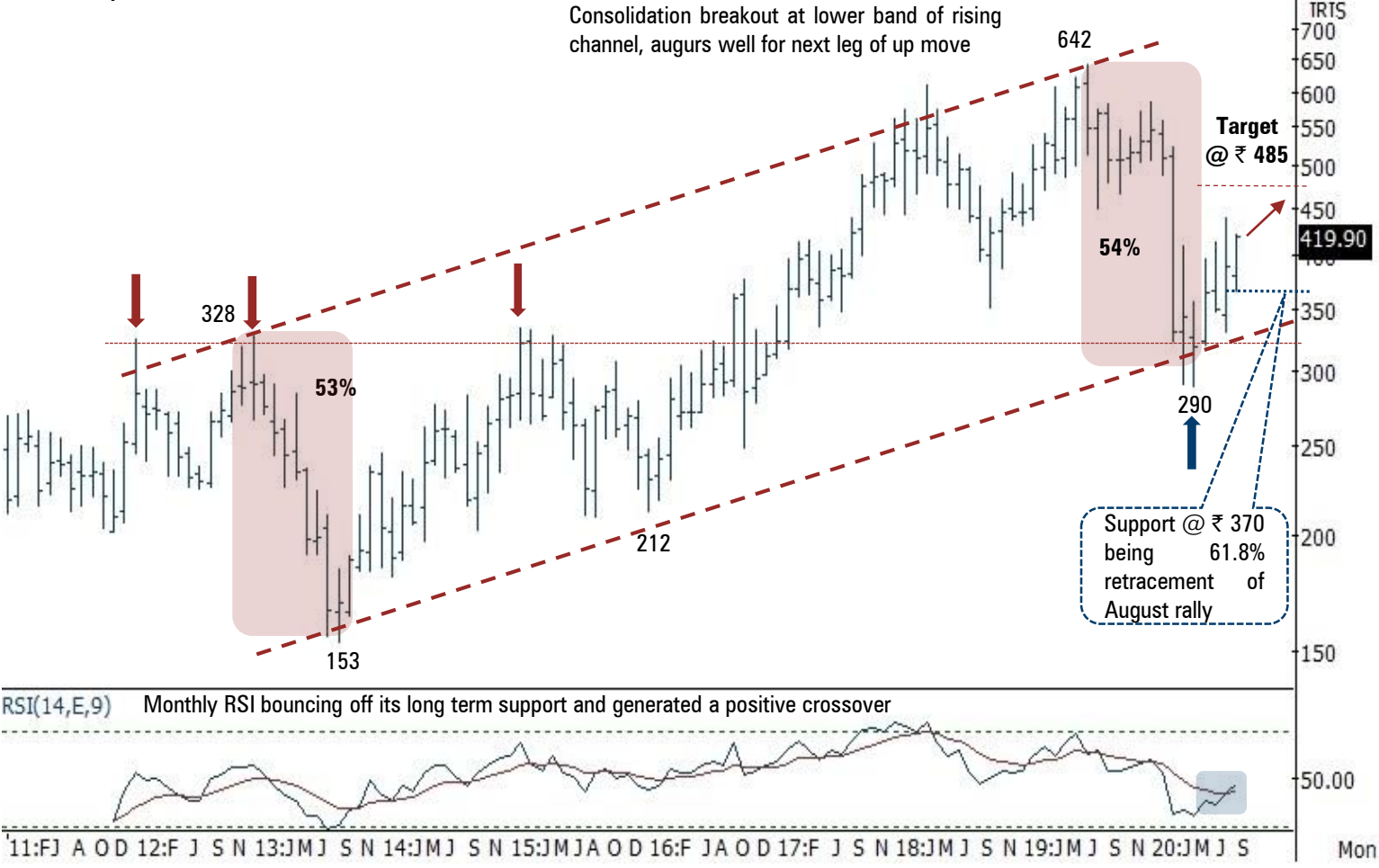
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Oberoi Realty (OBREA): Breakout from base formation at key support threshold offers fresh entry opportunity...

Rec. Price	400.00-418.00	Target	485.00	Stop loss	367.00	Upside	17%
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Monthly Chart



- The share price has resolved out of past four months healthy base formation (₹ 300-400), which was formed near lower band of past seven years rising channel (as shown in chart), indicating acceleration of upward momentum. Thereby offering fresh entry opportunity to ride next leg of up move
- We believe the stock has undergone a healthy basing formation while pricing in many negatives. Strong support is placed at ₹300 as it is confluence of:
 - a) 80% retracement of 2015-19 rally (₹ 212 – 642), placed at ₹ 295
 - b) Price parity of 2013 decline ₹ 328-153 (53%), decline projected from 2019 high of ₹ 642 (54%), at ₹ 290
 - c) As per change of polarity concept, during 2013-15 on multiple occasions stock faced stiff resistance around ₹ 320 mark, which is now acting as strong support
- On the oscillator front, monthly RSI logged a bullish crossover, which validates our positive stance
- We expect the stock to endure its upward momentum and head towards ₹ 485 levels in coming months as it is the 61.8% retracement of entire March-April decline (₹ 525-290), placed at ₹ 478

Source: Spider Software, ICICI Direct Research
September 16, 2020

Recommended on I-click to gain on 16th September 2020 at 14:50
ICICI Securities Ltd. | Retail Equity Research

Residential pain imminent; Consolidation in industry likely

The sharp volume decline amid Covid-19 was an exacerbation of already struggling residential real estate due to weak macroeconomic conditions. The company has maintained its target to launch Thane project by Diwali, subject the normalisation of Covid-19. The company, however, termed the pandemic led dislocation to be the precursor of the industry consolidation with weak players likely to shut shop. While we concur with company's assessment, we also believe that pain could be elongated considering the big ticket size of real estate as well as relatively steeper impact on key cities including Mumbai. Given the pandemic impact, we lower ORL's sales volume estimates to 0.7 msf in FY21 (vs. 1.7 msf earlier), while we bake in 1.7 msf volumes in FY22E, with Thane/ Goregaon Phase III, kicking in. We expect the launch timelines of residential to be a function of pandemic status, rather than company's plan.

Commercial vertical stable; mall, hospitality outlook dim

The commercial segment is the only stable vertical in the current condition. Among operational assets, the company expects Commerz I to revert back to 70% occupancy by Q2 end/Q3 beginning post fitout by a lessee. ORL has signed an agreement with Morgan Stanley to lease 1.1 million square feet at Commerz III from 2023 on a long term lease agreement of 9.5 years, which is a key positive. The Borivali mall is expected to be delayed by six months (vs. earlier target of Q4FY21E opening), while Worli hospitality (to be restructured) and mall project, has been put on hold. The company is not expecting much cash burn in Westin, given no project level leverage. Negotiation of rental waiver continues for Oberoi Mall, post which the company can recognise some revenues (recognised zero revenues in Q1).

Fund raising and expansion plans

The company's board has also passed enabling resolutions for issue of non-convertible debentures up to ₹ 1,500 crore by way of private placement as well as issue of equity shares for up to ₹ 2,000 crore by way of QIP. The company termed it as usual enabling resolution, which could be utilised to capture opportunities. It also added that it continues to look for expansion in the NCR and Bengaluru market if it gets any attractive opportunities

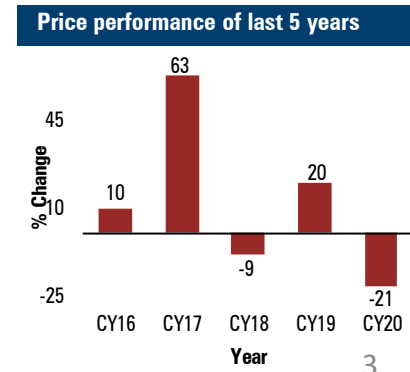
- Near term challenges in the residential demand, hospitality segment and mall are visible but ORL is well positioned to tide over the same with comfortable debt levels and above mentioned fund raise. Nonetheless, we expect recovery to be a slow grind with demand recovery atleast taking a year, and build in slower volumes traction, going ahead

Source: Bloomberg, ICICI Direct Research
September 16, 2020

Particulars	
Particular	₹ crore
Market Capitalization	15,136.7
Total Debt	1,143.9
Cash	108.3
EV	16,172.3
52 week H/L (₹)	642 / 438
Equity capital	363.6
Face value (₹)	10.0

Financials			
₹ crore	FY20	FY21E	FY22E
Net Sales	2,238	1,269	2,186
EBITDA	1,048	510	989
Net Profit	689	269	617
EPS (₹)	19.0	7.4	17.0

Key Metrics			
	FY20	FY21E	FY22E
P/E (x)	22.0	56.2	24.5
EV/EBITDA	13.1	27.1	13.9
P/B (x)	1.8	1.7	1.6
RoNW (%)	7.9	3.0	6.6
RoCE (%)	10.8	4.6	9.0



Summary Performance - Recommendations till date

Total Recommendations	566	Open	7
Closed Recommendations	559	Yield on Positive recommendations	17.0%
Positive Recommendations	413	Yield on Negative recommendations	-8.0%
Closed at cost	16		
Strike Rate	76%		

Momentum Picks open recommendations

Date	Scrip Name	Strategy	Recommendations Price	Target	Stoploss	Time Frame
16-Sep-20	Himatsingka Seide	Buy	85-87	96.00	78.00	14 days
15-Sep-20	CYIENT	Buy	400-411	455.00	384.00	14 days

All the recomedations are in Cash segment

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Price history of past three years

Oberoi Realty



- 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 six months 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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