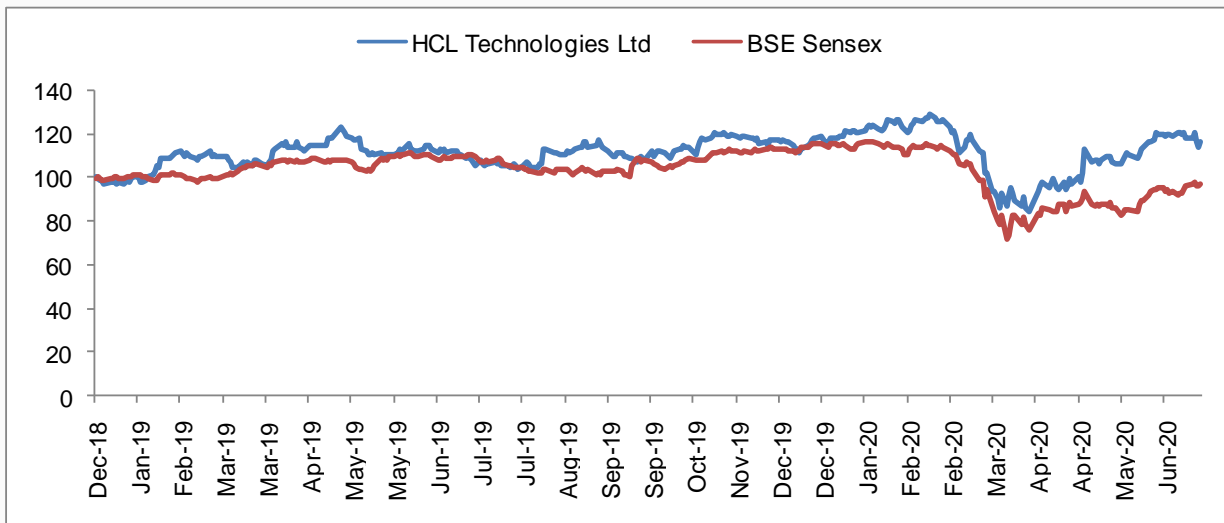




CMP: 562

Stop Loss: 530

Duration: 20 Days



- We recommend a **BUY** on HCL Tech with a Target Price of Rs 600, an upside of ~7% from **CMP** of Rs. 562 and **Stop Loss** Rs 530.
- We believe better services mix and better suit of products in this uncertainty will help HCL Tech to get higher momentum as compared to its peers.
- HCL tech acquired Cisco's Self optimizing Network technology (SON) at \$5 mn which will help to get in to its Mode 3 business. Cisco's SON has become a major component in the move towards 5G networks rollouts. So After COVID outbreak it is going to be a big beneficiary.
- The acquisition will enhance HCL's telecom offerings and also fits well in its Products and platforms strategy. This will help to boost its product and platform business (P&P) witnessing higher operating margins.


Axis Alpha Performance Tracker

| Recommendation date | Stock name | Recommendation | Recommended Price | Target | Status | Closure price | Profit/Loss after brokerage |
|---------------------|-------------------------|----------------|-------------------|--------|--------|---------------|-----------------------------|
| 14-05-20 | Bajaj Auto Ltd | Sell | 2680 | 2450 | Closed | 2480 | 6,963 |
| 19-05-20 | Jubilant Foodworks Ltd | Sell | 1515 | 1408 | Closed | 1568 | -3,998 |
| 20-05-20 | Marico Ltd | Buy | 317 | 336 | Closed | 332 | 4,232 |
| 21-05-20 | Kotak Mahindra Bank Ltd | Buy | 1173 | 1280 | Closed | 1220 | 3,507 |
| 26-05-20 | Biocon Ltd | Buy | 350 | 385 | Closed | 385 | 9,500 |
| 27-05-20 | Titan Company Ltd | Sell | 885 | 805 | Closed | 925 | -5,020 |
| 27-05-20 | Bajaj Finance Ltd | Sell | 1798 | 1636 | Closed | 1888 | -5,506 |
| 01-06-20 | TVS Motor Company Ltd | Sell | 353 | 310 | Closed | 370 | -5,316 |
| 05-06-20 | CCL Products India Ltd | Buy | 209 | 225 | Closed | 225 | 7,156 |
| 08-06-20 | State Bank of India | Buy | 196 | 220 | Closed | 184 | -6,622 |
| 09-06-20 | Dabur India Ltd | Buy | 471 | 504 | Closed | 455 | -3,897 |
| 10-06-20 | Ashok Leyland Ltd | Sell | 52 | 45 | Closed | 54 | -4,346 |
| 15-06-20 | Aarti Industries Ltd | Sell | 865 | 804 | Closed | 895 | -3,968 |

Note: Notional investment of Rs 1,00,000; Cumulative Strike rate 38.46%



About Axis Alpha



OBJECTIVE:

The objective of Axis Alpha is to generate absolute return for investors and traders. Axis Alpha is fundamental short term stock call based on the events, valuations, market direction or a mix of these. The duration of the call can be as short as a week to as long as a month (30 days). These short term calls are generated by the fundamental research team of Axis securities and the calls can differ from the fundamental long-term recommendation on the stock. The average expected returns for these calls will be 5%. All the calls will be provided with Stop Losses.

EVENTS BASED:



The calls are based on the following factors. While this is not a complete list of factors but most of the calls will be based on the following:

- Quarterly results: Results are likely to be better or worse than expectations resulting in a +/-5% move for the stock
- Mergers and acquisition: Mergers or acquisitions by companies can result in significant price movements in either directions
- Major blocks or capital raising programs results in significant price movements
Regulatory announcements affecting the industry
- Competition announcements impacting the industry as a whole. Example Jio cutting tariffs impacts all the telecom players
- Others

VALUATIONS BASED:



Significant run up or compression can result in short term opportunities for corrections in either direction.

MARKET MODES:



Risk on or risk off mode of market has impact on stocks depending on stocks beta, leverage and nature of industry. These provide opportunities.

SUITABILITY:



This product is suitable for seasoned investors and traders as we stop losses get triggered based on market conditions. Also there can be high degree of volatility as some months can be very bad and some could be exceptionally good. However, the endeavour will be to deliver solid absolute returns.


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|-----------------------|--|
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| HOLD | Between 10% and -10% |
| SELL | Less than -10% |
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