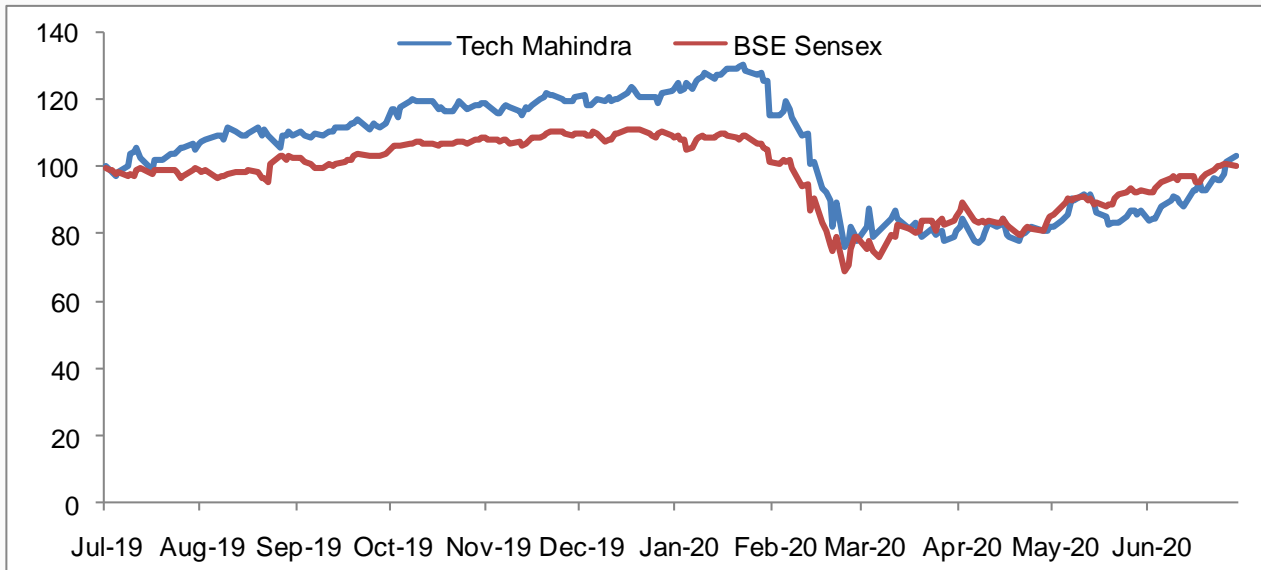




CMP: 664

Stop Loss: 630

Duration: 20 Days



- We recommend a **BUY** on Tech Mahindra with a Target Price of Rs 710, an upside of ~7% from CMP of Rs. 664 and Stop Loss Rs 630.
- We believe better services mix in Communication and Enterprise verticals. In this uncertainty it will help Tech Mahindra to get higher momentum as compared to its peers.
- Tech Mahindra reported better than expected results in Q1 FY21 in all the terms. Revenue for the period of Q1 FY21 stood at Rs. 9,106.3 cr decline by 4% QoQ and 6%QoQ in CC terms. Operating margin reported a marginal growth of 11bps and stood at 14.3% aided mainly by INR depreciation, lower utilization. Net income grew by 21% QoQ and stood at Rs. 972.3 cr.
- During the Q1 FY21, deal pipeline remained robust at TCV of \$ 290mn out of which \$105mn is from Communication and \$185 mn is from Enterprise.


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
29-06-20	HCL Technologies Ltd	Buy	562	600	Closed	588	4,126
02-07-20	Dixon Technologies (India) Ltd	Buy	5878	6172	Closed	6120	3,617
06-07-20	Cummins India Ltd	Buy	432	470	Closed	410	-5,593
07-07-20	Nocil Ltd	Buy	94	102	Closed	102	8,011
09-07-20	Nocil Ltd	Buy	103	113	Closed	110.2	6,490
15-07-20	INFOSYS LTD	Buy	783	845	Closed	845	7,418
16-07-20	HINDUSTAN UNILEVER LTD	Buy	2253	2386	Closed	2343	3,495
23-07-20	CAN FIN HOMES LTD	Buy	389	424	Open	NA	-

Note: Notional investment of Rs 1,00,000; Cumulative Strike rate 55%



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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DEFINITION OF RATINGS	
Ratings	Expected absolute returns over 12-18 months
BUY	More than 10%
HOLD	Between 10% and -10%
SELL	Less than -10%
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning valuation and recommendation
UNDER REVIEW	We will revisit our recommendation, valuation and estimates on the stock following recent events
NO STANCE	We do not have any forward looking estimates, valuation or recommendation for the stock

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