

What

to Buy, Sell and Hold

Bank of Baroda



- **CLSA** has retained 'buy' rating on **Bank of Baroda** and cut target price to ₹170 from ₹190. The brokerage firm has trimmed earnings estimates on the back of the lender's results and lower treasury income, it expects the bank to return to profit from FY19 onwards. A recovery from the NCLT cases could provide upside and would be key to management's ROE target of 10%, CLSA added. Shares of Bank of Baroda ended up 3% at ₹145.40 on Monday.
- **ICICI Securities** has downgraded **VRL Logistics** to 'sell' from 'add' and cut target price to ₹339 from ₹468. While the structural thesis on VRL remains intact, the company has to undergo the current capex to capture higher growth in tonnage-km. As utilisation drops while the fleet builds up, EBIT/vehicle will perhaps face more pressure in the near term, which presents a key downside risk to estimates, the brokerage added. Shares of VRL Logistics ended down 6.3% at ₹365.75 on Monday.
- **Reliance Securities** has maintained 'buy' rating on **Tech Mahindra** and raised target price to ₹810 from ₹750. It expects the enterprise business of Tech Mahindra to see healthy growth going ahead, and better growth in the communications business, which will be the key driver for a multiple rerating. With its strong exit rate in FY18, the brokerage expects the IT major to report 11.8% US dollar revenue growth and 205-basis point margin expansion in FY19. Shares of Tech Mahindra ended down 3.9% at ₹675.35 on Monday.
- **Emkay Global** has maintained 'buy' rating on **APL Apollo Tubes** with a target price of ₹3,000. The brokerage forecasts APL Apollo Tubes' earnings to grow at 35% between FY18 and FY20 on a compounded basis, backed by 20% sales volume and 25% growth in earnings before interest, tax, depreciation and amortisation. The brokerage said APL Apollo Tubes is an attractive long-term sales volume growth and margin expansion story. Shares of APL Apollo Tubes ended up 0.9% at ₹1,904.15 on Monday.
- **IIFL** has maintained 'buy' rating on **PNC Infratech** with a target price of ₹207. PNC has received appointed dates for most pending projects now which would materially start contributing to the topline from FY19 onwards, said IIFL. The brokerage expects PNC Infratech to clock topline growth of 42% in FY19, considering its robust order book and bid pipeline. Shares of PNC Infratech ended up 1% at ₹169.90 on Monday.