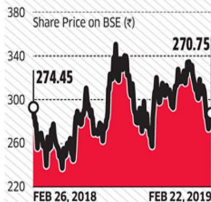


# What to Buy, Sell and Hold

## State Bank of India



■ **UBS** has upgraded **State Bank of India** to buy from neutral and raised target price to ₹360 from ₹330. With a distribution reach over 3 times that of the second largest bank, SBI remains in a sweet spot in terms of deposit mobilisation-one of the critical factors to achieve above-industry loan growth rates, said UBS. With a strong retail liability franchise coupled with slower NPL formation and the overhang from the merger with associate banks largely reduced, UBS expects marked improvement in profitability from FY20 onwards to lead to a re-rating. Shares of SBI ended up 1.2% at ₹270.75 on Friday.

■ **CLSA** has maintained buy rating on **UPL** with a target price of ₹970. The Arysta acquisition is likely to propel UPL into the big league with improved capability and scale, the brokerage said. The key risk to this M&A will be integration of the existing Arysta employees and execution of strategy, said CLSA. If UPL achieves this, there is room for re-rating, it added. Shares of UPL ended flat at ₹827 on Friday.

■ **Reliance Securities** has maintained buy rating on **Tech Mahindra** and revised target price to ₹925 from ₹825. Tech Mahindra's first ever share buyback signals positive intent of the company with regards to its capital allocation policy, said Reliance Securities. The buy-back also provides confidence on management's view of underlying business strength, and will boost sentiment, it said. The business outlook for Tech Mahindra remains positive given improving growth outlook on the key COMM vertical and sustained growth in Enterprise business, the brokerage said. Shares of Tech Mahindra ended up 0.6% at ₹825.20 on Friday.

■ **Dalal & Broacha Stock Broking** has maintained on **Finolex Industries** due to its market leading presence in PVC pipes segment, on par cash flow, balance sheet, return ratio profile. The brokerage value stock at 20 times FY 2020 estimated earnings and arrive at target price of ₹636 per share. Finolex to post 16% CAGR sales growth over FY18-20 and bottom line to grow at a CAGR of 27% over FY18-20E, according to the brokerage. Shares of Finolex Industries gained a percent to ₹458 on Friday.

■ **Kotak Securities** has cut rating on **Mirc Electronics** to sell from accumulate and revised target price lower to ₹21 from ₹32 earlier. While Kotak Securities remains positive on the consumer durables demand growth story in India, it believes that increasing level of competition and cost pressures is likely to keep margins under pressure. However, the brokerage would prefer to await for the company to deliver better numbers on the earnings front. Shares of Mirc Electronics ended up 5.4% at ₹22.45 on Friday.