

Mirae Asset Capital Markets Reveals Top 10 Picks for Maximum Returns

Mirae Asset Capital Markets has unveiled its top 10 stock picks for the upcoming quarter, spotlighting a range of companies that have demonstrated strong performance and growth potential. Here's a closer look at the selected stocks and what investors can expect:

1) **Bank of Baroda (BoB)**

- Mirae Asset Capital Markets has set Bank of Baroda's target price at ₹300, offering an expected return of 18.1% from the current share price of ₹254. Bank of Baroda maintains a positive outlook with growth targets of 12-14% for loans and 10-12% for deposits. The bank's strong capital base supports a projected 13% loan CAGR over FY24-26E.

2) **ICICI Bank**

- ICICI Bank, with a target price of ₹1,400, offers an expected return of 16% from the current share price of ₹1,208. The bank reported impressive Q1FY25 results, showcasing a 15% YoY increase in PAT to ₹111 billion, driven by strong Return on Assets (RoA) of approximately 2.2%, robust Net Interest Margin (NIM), and diversified income streams. Loan growth picked up by 3% QoQ, while deposits grew by 0.9%. The bank's asset quality remains stable, and it is targeting a 17% CAGR over FY24-26E.

3) **Jupiter Lifeline Hospitals**

- Jupiter Lifeline Hospitals has a target price of ₹1,502, presenting an expected return of 14% from the current share price of ₹1,315. The hospital showcased a robust Q1FY25 performance with an 18% YoY revenue growth to ₹ 2.8 billion. The company's expansion plans, including new hospitals in Pune and Indore, are set to drive future growth.

4) **Mrs. Bectors Food Specialities**

- Mrs. Bectors Food Specialities has a target price of ₹1,565, offering an expected return of 12% from the current share price of ₹1,395. The company demonstrated strong growth in Q1FY25, with revenue rising by 17.4% YoY to ₹4,394 million, led by a 22.4% growth in the biscuit segment.

5) **Infosys**

- Infosys has a target price of ₹1,960, offering an expected return of 11% from the current share price of ₹1,758. Infosys delivered a strong Q1FY25 performance, upgrading its revenue growth guidance to 3-4% in constant currency YoY. The company saw a 3.6% QoQ revenue increase, bolstered by large deals and growth in BFSI and India sectors.

6) **Cholamandalam Investment and Finance Company (CIFC)**

- Cholamandalam Investment and Finance Company (CIFC) has a target price of ₹1,575, offering an expected return of 10% from the current share price of ₹1,432. CIFC reported mixed results for Q1FY25, with AUM growing by 6.8% QoQ, though disbursements and asset quality showed some weakness. NIM improved to 6.8%, and CIFC maintains its disbursement growth guidance of 20-25% for FY25. With an optimistic AUM growth outlook, the company remains well-positioned for the future.

7) **Varun Beverages**

- Varun Beverages has a target price of ₹1,734, offering an expected return of 10% from the current share price of ₹1,577 as of July 25, 2024. The company reported a 28.7% year-over-year increase in Q2CY24 revenue to ₹73.3 billion, with a 28.1% rise in volume. Gross margins improved to 53.7%, and EBITDA margins reached 27.2%. The company showed strong performance in both the Indian and international markets.

8) LTIMindtree

- LTIMindtree's target price is ₹5,900, offering an expected return of 6% from the current share price of ₹5,562. The Q1FY25 results showed stable revenue growth of 2.5% QoQ, driven by large deals. The EBIT margin improved to 15.0%, although it was slightly below estimates. The company expects continued growth in Q2, supported by BFSI and AI investments; however, margin pressures are anticipated.

9) Mphasis

- Mphasis has a target price of ₹3,185, offering an expected return of 5% from the current share price of ₹3,030. Mphasis experienced a slight revenue decline of 0.1% QoQ due to reduced DXC business and project completions. Nevertheless, the EBIT margin improved to 15.0%, and new deal TCVs surged by 80% QoQ. Despite a muted Q1FY25, Mphasis's strong growth pipeline justifies the target price.

10) Apollo Hospitals

- Apollo Hospitals reported a robust 15% YoY revenue increase to ₹50.85 billion in Q1FY25. Operating profit surged by 32.6% YoY, and PAT grew by 31% YoY to ₹3.05 billion. The company's expansion plans, including the addition of new hospitals and improvements in digital services, support a strong investment case. The stock trades at 33x/26x FY25E/FY26E EV/EBITDA.

Mirae Asset Capital Markets' top picks for this quarter reflect a diverse range of industries with strong growth prospects and stable financials. Investors should consider these stocks as potential additions to their portfolios, aligning with their investment strategies and risk tolerance.
