

Cover Story

NBFC Stocks : 52-Week High-Low

While there were nearly 493 stocks that touched their respective 52-week lows in June 2018, the increasing number of stocks that touched 52-week lows suggested that the broader markets are nearing their bottoms. Similarly, in the list of NBFCs having market capitalisation greater than ₹500 crore, we find that the number of stocks touching their 52-week lows has increased manifold in the first half of July 2018. (refer table below).

While most NBFCs touched their 52-week highs in January, many NBFCs touched their 52-week lows in the first half of July alone. This indicates the massive correction that has taken place in the NBFC stocks. The increasing number of stocks touching their 52-week lows in July also indicates that the prices of many of the NBFC stocks are bottoming out.

Month-Wise 52-Week Low Data

Month	No. of Stocks	
	52-week High	52-week Low
July	3	14
June	6	8
May	6	2
April	5	0
March	0	7
February	2	4
January	13	0

NBFC Stocks Hitting 52-Week Low In First-Half Of July

Company	52-week Low date
Indostar Capital Finance	13-Jul-18
Capital First	13-Jul-18
Greencrest Financial Services	13-Jul-18
Can Fin Homes	13-Jul-18
PTC India Financial Services	11-Jul-18
The Investment Trust of India	09-Jul-18
Oswal Greentech	06-Jul-18
IDFC	05-Jul-18
Vardhman Holdings	05-Jul-18
Shriram City Union Finance	04-Jul-18
Reliance Capital	04-Jul-18
LIC Housing Finance	04-Jul-18
Housing & Urban Development Corporation	04-Jul-18
SREI Infrastructure Finance	03-Jul-18

NBFC Stocks Touching 52-Week Lows In July After Trading At 52-High In January 2018

Name of the stock	52-week high date	52-week low date
Vardhman Holdings	05-Jan-18	05-Jul-18
Motilal Oswal Financial Services	09-Jan-18	28-Jun-18
IDFC	15-Jan-18	05-Jul-18
Capital First	15-Jan-18	13-Jul-18
Reliance Nippon Life Asset Mgmt.	16-Jan-18	01-Jun-18
Paisalo Digital	18-Jan-18	14-Jul-17
HDFC	29-Jan-18	26-Jul-17

NBFC Stocks Hitting 52-Week High In First-Half Of July

Company	52-week High date
Bajaj Finance Ltd.	13-Jul-18
Bajaj Finserv Ltd.	13-Jul-18

Indian Accounting Standards (Ind-AS) is the new set of accounting standards notified by the Ministry of Corporate Affairs (MCA) in 2015. The standard was applicable from FY17 to companies having net worth of ₹500 crore or more.

However, NBFCs have been directed to prepare their books of account according to new Indian Accounting Standards (Ind-AS) from FY19.

Due to convergence of Ind-AS to IFRS, the companies which are having zero coupon bonds, structured debt, preference shares on their balance sheet and a higher share of unstable fees and higher ESOP cost are likely to have adverse impact.

This convergence is also likely to change the way companies do their business related to liabilities, employee compensation, structuring their loans and securitisation/assignment etc.

Housing finance companies (HFCs) are well-poised for the changeover to new Ind-AS. On the other hand, corporate lenders are likely to face challenges.

Market outlook

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Nifty has been climbing new highs and is expecting to touch a record benchmark of 12500. If the trend persists, exhibiting a continuous upward trend, Nifty can cross the mark in the coming 6 months.

Meanwhile, the Midcaps have bounced back and seem to have been corrected and reinitiated brisk movements. In the present scenario, considering aspects from both the angles, Indian markets are on the way of finding its luster and a bounce is clearly on the cards