Icici bank report

Literature, Russian Literature

ABOUT ICICI BANK:

ICICI Bank is India's second-largest bank with total assets of Rs. 4, 736. 47 billion (US$ 93 billion) at March 31, 2012 and profit after tax Rs. 64. 65 billion (US$ 1, 271 million) for the year ended March 31, 2012. The Bank has a network of 2, 766 branches and 9, 363 ATMs in India, and has a presence in 19 countries, including India.

ICICI Bank offers a wide range of banking products and financial services to corporate and retail customers through a variety of delivery channels and through its specialised subsidiaries in the areas of investment banking, life and non-life insurance, venture capital and asset management. ICICI Bank started as a wholly owned subsidiary of ICICI Limited, an Indian financial institution, in 1994. Four years later, when the company offered ICICI Bank's shares to the public, ICICI's shareholding was reduced to 46%.

In the year 2000, ICICI Bank offered made an equity offering in the form of ADRs on the New York Stock Exchange (NYSE), thereby becoming the first Indian company and the first bank or financial institution from non-Japan Asia to be listed on the NYSE. In the next year, it acquired the Bank of Madura Limited in an all-stock amalgamation. Later in the year and the next fiscal year, the bank made secondary market sales to institutional investors.

With a change in the corporate structure and the budding competition in the Indian Banking industry, the management of both ICICI and ICICI Bank were of the opinion that a merger between the two entities would prove to be an essential step. It was in 2001 that the Boards of Directors of ICICI and ICICI Bank sanctioned the amalgamation of ICICI and two of its wholly-owned retailfinancesubsidiaries, ICICI Personal Financial Services Limited and ICICI Capital Services Limited, with ICICI Bank.

In the following year, the merger was approved by its shareholders, the High Court of Gujarat at Ahmedabad as well as the High Court of Judicature at Mumbai and the Reserve Bank of India. ICICI Bank has its equity shares listed in India on Bombay Stock Exchange and the National Stock Exchange of India Limited. Overseas, its American Depositary Receipts (ADRs) are listed on the New York Stock Exchange (NYSE). As of December 31, 2008, ICICI is India's second-largest bank, boasting an asset value of Rs. 3, 744. 10 billion and profit after tax Rs. 30. 14 billion, for the nine months, that ended on December 31, 2008.

BRANCHESOFATMS:

ICICI Bank has a wide network both in Indian and abroad. In India alone, the bank has 1, 420 branches and about 4, 644 ATMs. Talking about foreign countries, ICICI Bank has made its presence felt in 18 countries - United States, Singapore, Bahrain, Hong Kong, Sri Lanka, Qatar and Dubai International Finance Centre and representative offices in United Arab Emirates, China, South Africa, Bangladesh, Thailand, Malaysia and Indonesia. The Bank proudly holds its subsidiaries in the United Kingdom, Russia and Canada out of which, the UK subsidiary has established branches in Belgium and Germany.

- Products Personal Banking
- Deposits
- Loans Cards

- Investments
- Insurance
- Demat Services
- Wealth Management NRI Banking
- MoneyTransfer
- Bank Accounts
- Investments
- Property Solutions
- Insurance
- Loans Business Banking
- Corporate Net Banking
- Cash Management
- Trade Services
- FXOnline
- SME Services
- Online Taxes
- Custodial Services Board Members

1. Mr. K. V. Kamath,- Chairman
2. Mr. Sridar Iyengar
3. Dr. Swati Piramal
4. Mr. Homi R. Khusrokhan
5. Mr. Arvind Kumar
6. Mr. M. S. Ramachandran

Dr. Tushaar Shah Mr. V. Sridar Ms. Chanda Kochhar, Managing Director & CEO Mr. N. S. Kannan, Executive Director & CFO Mr. K. Ramkumar, Executive Director Mr. Rajiv Sabharwal,

Executive Director Head Office ICICI Bank 9th Floor, South Towers ICICI Towers Bandra Kurla Complex Bandra (E) Mumbai Phone: 91-022-653 7914 Website: www. icicibank. com

SWOT ANALYSIS:

- Strengths of ICICI Bank
- ICICI is the second largest bank in terms of total assets and market share
- Total assets of ICICI is Rs. 4062. 34 Billion and recorded a maximum profit after tax of Rs. 51. 51 billion and located in 19 countries
- One of the major strength of ICICI bank according to financial analysts is its strong and transparent balance sheet
- ICICI bank has first mover advantage in many of the banking and financial services.

This might be buying raw materials and selling finished goods; it might be buying goods wholesale and selling them retail. The figure at the end of this section is the Gross Profit . The Profit and Loss Account. This starts with the Gross Profit and adds to it any further costs and revenues, including overheads. These further costs and revenues are from any other activities not directly related to trading. An example is income received from investments. The Appropriation Account. This shows how the profit is " appropriated" or divided between the three uses mentioned above.

HORIZONTAL ANALYSIS:

When an analyst compares financial information for two or more years for a single company, the process is referred to as horizontal analysis, since the analyst is reading across the page to compare any single line item, such assales revenues. In addition to comparing dollar amounts, the analyst computes percentage changes from year to year for allfinancial statementbalances, such as cash and inventory. Alternatively, in comparing financial statements for a number of years, the analyst may prefer to use a variation of horizontal analysis called trend analysis.

VERTICAL ANALYSIS:

When using vertical analysis, the analyst calculates each item on a single financial statement as a percentage of a total. The term vertical analysis applies because each year's figures are listed vertically on a financial statement. The total used by the analyst on the income statement is net sales revenue, while on the balance sheet it is total assets. This approach to financial statement analysis, also known as component percentages, produces common-size financial statements. Price/sale ratio: About Price to Sales Ratio(P/S) The price to sales ratio (PS ratio) is calculated by dividing stock price by the revenue per share.

It is most useful for comparing companies within a sector or industry because " normal" values for this ratio vary from industry to industry. In general, low price to sales ratios are more appealing because they suggest that a company is undervalued. P/E ratio: About Price to Earnings Ratio The price to earnings ratio (PE Ratio) is the measure of the share price relative to the annual net income earned by the firm per share. PE ratio shows current investor demand for a company share. A high PE ratio generally indicates increased demand because investors anticipate earnings growth in the future.

The PE ratio has units of years, which can be interpreted as the number of years of earnings to pay back purchase price. PRICE/BOOK VALUE RATIO: About Price to Book Ratio The price to book value is a financial ratio used to compare a company's book value to its current market price. Book value is an accounting term denoting the portion of the company held by the shareholders at accounting value (not market value). In other words, book value is the company's total tangible assets less its total liabilities. DCF METHOD: Beta(?) The Beta (? of a stock or portfolio is a number describing the correlated volatility of an asset in relation to the volatility of the benchmark that said asset is being compared to. This benchmark is generally the overall financial market and is often estimated via the use of representative indices, such as the S; P 500. An asset has a beta of zero if its moves are not correlated with the benchmark's moves. A positive beta means that the asset generally follows the benchmark, in the sense that the asset tends to move up when the benchmark moves up, and the asset tends to move down when the benchmark moves down.

A negative beta means that the asset generally moves opposite the benchmark: the asset tends to move up when the benchmark moves down, and the asset tends to move down when the benchmark moves up. It measures the part of the asset's statistical variance that cannot be removed by the diversification provided by the portfolio of many risky assets, because of the correlation of its returns with the returns of the other assets that are in the portfolio. Beta can be estimated for individual companies using regression analysis against a stock market index. The formula for the beta of an asset within a portfolio is here ra measures the rate of return of the asset, rp measures the rate of return of the portfolio, cov(ra, rp) is the covariance between the rates of return. The portfolio of interest in the CAPM formulation is the market portfolio that contains all risky assets, and so the rp terms in the formula are replaced by rm, the rate of return of the market. Beta is also referred to as financial elasticity or correlated relative volatility, and can be referred to as a measure of the sensitivity of the asset's returns to market returns, its non-diversifiable risk, its systematic risk, or market risk.

The market itself is considered to have a Beta of 1. Using regression analysis, the beta of the stock is calculated. If the beta of the stock is greater than 1, this means the stock's prices are more volatile than the market, and vice verse. For example, if a stock has a beta of 1. 2, this means that a 1% change in the market index will bring about a 1. 2% change in the stock's price. Stocks with high beta are considered to be more risky compared to the ones with low beta. Bollinger Bands: Bollinger Bands is a technical analysis tool invented byJohn Bollinger in the 1980s, and a term trademarked by him in 2011.

Having evolved from the concept of trading bands, Bollinger Bands and the related indicators %b and bandwidth can be used to measure the highness or lowness of the price relative to previous trades. Bollinger Bands consist of: an N-period moving average (MA) * an upper band at K times an N-period standard deviation above the moving average (MA + K?) a lower band at K times an N-period standard deviation below the moving average (MA ? K?) Typical values for N and K are 20 and 2, respectively.

The default choice for the average is a simple moving average, but other types of averages can be employed as needed. Exponential moving averages are a common second choice. Usually the same period is used for both the middle band and the calculation of standard deviation.

INTERPRETATION:

The use of Bollinger Bands varies widely among traders. Some traders buy when price touches the lower Bollinger Band and exit when price touches the moving average in the center of the bands. Other traders buy when price breaks above the upper Bollinger Band or sell when price falls below the lower Bollinger Band.

Moreover, the use of Bollinger Bands is not confined to stock traders; options traders, most notably implied volatility traders, often sell options when Bollinger Bands are historically far apart or buy options when the Bollinger Bands are historically close together, in both instances, expecting volatility to revert back towards the average historical volatility level for the stock. When the bands lie close together a period of low volatility in stock price is indicated. When they are far apart a period of high volatility in price is indicated.

When the bands have only a slight slope and lie approximately parallel for an extended time the price of a stock will be found to oscillate up and down between the bands as though in a channel. Traders are often inclined to use Bollinger Bands with other indicators to see if there is confirmation. In particular, the use of an oscillator like Bollinger Bands will often be coupled with a non-oscillator indicator like chart patterns or a trendline; if these indicators confirm the recommendation of the Bollinger Bands, the trader will have greater evidence that what the bands forecast is correct.

Monte carlo simulation: Risk analysis is part of every decision we make. We are constantly faced with uncertainty, ambiguity, and variability. And even though we have unprecedented access to information, we can't accurately predict the future. Monte Carlo simulation (also known as the Monte Carlo Method) lets you see all the possible outcomes of your decisions and assess the impact of risk, allowing for better decision making under uncertainty. Monte Carlo simulation is a computerized mathematical technique that allows people to account for risk in quantitative analysis and decision making.

The technique is used by professionals in such widely disparate fields as finance, project management, energy, manufacturing, engineering, research and development, insurance, oil & gas, transportation, and theenvironment. Monte Carlo simulation furnishes the decision-maker with a range of possible outcomes and the probabilities they will occur for any choice of action.. It shows the extreme possibilities—the outcomes of going for broke and for the most conservative decision—along with all possible consequences for middle-of-the-road decisions.

The technique was first used by scientists working on the atom bomb; it was named for Monte Carlo, the Monaco resort town renowned for its casinos. Since its introduction in World War II, Monte Carlo simulation has been used to model a variety of physical and conceptual systems.

ICICI BANK CHARTS

The annotated chart above shows a stock that opened with a gap up. Before the open, the number of buy orders exceeded the number of sell orders and the price was raised to attract more sellers. Demand was brisk from the start. The intraday high reflects the strength of demand (buyers). The intraday low reflects the availability of supply (sellers).

The close represents the final price agreed upon by the buyers and the sellers. In this case, the close is well below the high and much closer to the low. This tells that even though demand (buyers) was strong during the day, supply (sellers) ultimately prevailed and forced the price back down. Even after this selling pressure, the close remained above the open. By looking at price action over an extended period of time, we can see the battle between supply and demand unfold. In its most basic form, higher prices reflect increased demand and lower prices reflect increased supply. Interpretation:

The Rate-of-Change (ROC) indicator, which is also referred to as simply Momentum, is a pure momentum oscillator that measures the percent change in price from one period to the next. The ROC calculation compares the current price with the price " n" periods ago. The plot forms an oscillator that fluctuates above and below the zero line as the Rate-of-Change moves from positive to negative. As a momentum oscillator, ROC signals include centerline crossovers, divergences and overbought-oversold readings. Divergences fail to foreshadow reversals more often than not so this article will forgo a discussion on divergences.

Even though centerline crossovers are prone to whipsaw, especially short-term, these crossovers can be used to identify the overall trend. Identifying overbought or oversold extremes comes natural to the Rate-of-Change oscillator. Standard deviation chart that measures the amount of variability or dispersion around an average. Standard deviation is also a measure of volatility. Generally speaking, dispersion is the difference between the actual value and the average value. The larger this dispersion or variability is, the higher the standard deviation. The smaller this dispersion or variability is, the lower the standard deviation.

Chartists can use the Standard Deviation to measure expected risk and determine the significance of certain price movements.

BRIEF ABOUT PORTFOLIO

Annexure: News Analysis Regarding Portfolio * Bajaj Corp Nirmal Bang is bullish on Bajaj Corp and has recommended buy rating on the stock with a target of Rs 228 in its October 9, 2012 research report. “ We have upgraded our FY13E and FY14E earnings estimates for Bajaj Corp (BCL) by 6. 4% and 3. 7%, respectively, factoring in higher gross margins. Consequently, we have increased our target price on the stock to Rs228 (from Rs220 earlier) and retained Buy rating on it. ” *

DABUR INDIA LTD.

AnandRathi has come out with its report on consumer sector. The research firm recommend`s buy on ITC, Nestle India, Colgate, GSK Consumer, Emami, Pidilite, Agro Tech Foods, Bajaj Corp. , Lovable Lingerie, Zydus Wellness, and Tilaknagar Industries. Dabur, Marico as Hold, and have Sell on HUL, Asian Paints, Britannia, and VST Industries. Consumer companies are expected to report 17% revenue growth, led by higher volumes and prices. We expect stable EBITDA margins, despite rise in raw material costs (up 7-8%) and reduced weights. With tax rates likely to rise 50-150bps, we expect net profit to increase only 15% yoy.

Revenues on the rise: We expect sector revenues to grow 17%, led by volume and price. Offtake from the Canteen Stores Department, comprising 8% of sales, would be subdued. However, rupee depreciation of 10-12% will benefit companies with more than 15% in exports (Asian Paints, Marico, Dabur). * Bharti Airtel Top telecom carrier Bharti Airtel will bid in an upcoming auction of mobile phone airwaves, said a company source, who declined to be named as the matter is not public yet. The airwaves auction is the result of a Supreme Court order to revoke permits issued in a scandal-tainted sale in 2008.

Bharti Airtel is not affected by that court order but it could be looking to buy additional spectrum. Friday is the deadline for companies to submit their application to participate in the auction, which is scheduled to start on November 12. ICICI BANK: SBI , HDFC Bank and ICICI Bank are the best bets, says Sudarshan Sukhani, s2analytics. com. Jaiprakash Associates , they had set a target of about Rs 100, much lower when it was Rs 80-81. It is almost there. So now for people who hold positions there are the potential of more gains, but at Rs 95 I do not know if a trader can actually buy. The targets are just in front of us.

Perhaps the stocks will consolidate. Perhaps it could go up and it may not. ” He further added, “ The risk-reward is no longer in favor of a short-term trader. For actually people who still hold them I think there is more upside. ” “ The Bank Nifty itself becomes a buying opportunity as we just entered the last half an hour of trading. The Nifty is clearly above the 5700 level. I had explained earlier that we do not need a level on the Bank Nifty. If the Nifty is trading above 5700 we can buy the Nifty as well as the Bank Nifty and we should, at least the aggressive traders should. The CNX-IT can be left alone.

Which are the best stocks in the Bank Nifty to go along with? It is State Bank of India, HDFC Bank and ICICI Bank.

OBSERVATION: ICICI Bank

- Key Fundamentals Market Cap (Rs Cr.): 118, 375 EPS - TTM (Rs): 64. 19 P/E Ratio (x): 15. 91 Face Value (Rs): 10. 00 Latest Div. (%): 165. 00 Div. Yield (%): 1. 60 Book Value / sh. (Rs) : 523. 79 P/B Ratio (x): 1. 96

CONCLUSION:

There are many online services which offer tools that enable us to choose investments plus those which offer relatively affordable trade margins. These options are basically for everyone though experienced traders could be well versed with them.

To evaluate a good online trading service we need to look at the several factors. Issues to do with fees plus commissions for doing business can quickly rise up. Comprehensive services should be able to provide extended markets in addition to investment services including other retirement options. Since purchasing and selling at online stock trading is nerve racking, overall best services provide instant messaging as well as phone support. Bibliography: www. Moneycontrol. com www. Bseindia. com www. Nseindia. com www. Wikipedia. com ANNEXURE :- As per 1st NOV 2012:-