

MTF Picks

Tuesday, 26 May 2026

Investing in Techno-Funda Analysis

Sl. No	NSE Symbol	Market Cap	Industry	CMP as on 25th May 2026	Buy	Target	SL	Upside Potential
1	AUBANK	Mid Cap	Banks	999.3	990 - 1020	1150	932	15.08%
2	TIINDIA	Mid Cap	Auto Components	3047.6	3020 - 3060	3485	2810	14.35%
3	PNBHOUSING	Small Cap	Finance	1085.6	1065 - 1090	1250	1015	15.14%
4	TRENT	Large Cap	Retailing	4300	4250 - 4300	4930	3951	14.65%
5	JINDALSTEEL	Large Cap	Ferrous Metals	1212.3	1200 - 1220	1380	1130	13.83%

Holding Period: 60 to 90 Days

1. Buy AUBANK @ (990 – 1020) Target: 1150 Stop Loss: 932 Upside Potential: 15.08%



Key Data	
BSE Code	532174
NSE Code	AUBANK
Bloomberg Code	AUBANK:IN
Industry	Bank
Market Cap	74,807.60
No. of Shares(Cr.)	74.86
Face Value	10
52 Week High/Low	1079.65/655

Technical Rationale: AU Small Finance Bank is showing a strong bullish structure on both the monthly and weekly charts, with the stock currently trading around ₹1000 after a sharp rebound from the ₹850 support zone. On the weekly timeframe of AUBANK, the last week's candle is a hammer candle appearing at the end of downtrend, which is a classic bullish reversal signal indicating that the buyers are stepping in to push the price upward. The weekly chart reflects a breakout recovery after a corrective phase, with price recently reclaiming the 20-day EMA and attempting to resume the prior uptrend. The stock's RSI remains neutral on both the weekly and monthly chart suggesting positive momentum. The stock had made a breakout from the bullish ABCD pattern on the monthly chart signalling a massive potential shift from downtrend to uptrend in the technical setup while the stock has been moving upwards since then. Immediate resistance is placed near ₹1040/1062, and a decisive breakout above this range can push the stock toward the target zone of ₹1080/1150. On the downside, ₹970/948/932 acts as crucial support; if this level breaks, the stock may correct toward ₹885. Overall, the trend remains bullish, and dips toward key EMA (962-990) supports may continue to attract buying interest as AUBANK is technically moderately strong.

Fundamental Rationale:

- **Strong Credit Growth & Asset Quality** - The bank delivered robust advances growth of 25% YoY and 9% QoQ, led by 27% YoY growth in wheels' loans, nearly 2x growth in gold loans, and 11% growth in mortgages. Asset quality improved with 17% QoQ lower slippages and MFI collection efficiency rising to 99.7% in Q4 FY26.
- **Healthy Profitability & Efficiency** - NIM expanded 24 bps QoQ to 5.96%, supported by lower funding costs and reduced stress. Operational efficiency improved with the cost-to-assets ratio declining to 4.1% in FY26 from 4.5% in FY25, with further improvement targeted in FY27E.
- **Strong Deposits & Prudent Growth** - Deposits grew 23% YoY and 10% QoQ, with 79% of deposits comprising stable CASA and retail deposits. Management remains focused on disciplined growth, supported by leadership continuity till April 2029.

Key Risks

- **Slowdown in Credit Growth Momentum:** A moderation in overall credit demand or slower-than expected loan growth could impact advances expansion and potentially weaken earnings momentum for the bank.
- **Asset Quality Pressure in Unsecured Portfolio:** Any deterioration in unsecured segments such as MFI, personal loans, or credit cards could lead to higher slippages, elevated credit costs, and pressure on profitability

Valuation: Based on the closing price of ₹999.3 as of May 25, the company is currently trading at a P/E of 28.32x with an EPS of ₹35.28. The stock is trading below its 3-year and 5-year average P/E multiples of 29.69x and 34.32x, respectively, indicating relatively attractive valuations. Additionally, the company has delivered an ROE of 13.22%, higher than the industry average of 10.9%, while trading at a P/BV of 4x, reflecting healthy profitability.

2. Buy TIINDIA @ (3020 – 3060) Target: 3485 Stop Loss: 2810 Upside Potential: 14.35%



Key Data	
BSE Code	540762
NSE Code	TIINDIA
Bloomberg Code	TIINDIA:IN
Industry	Auto Components
Market Cap	59,001.54
No. of Shares(Cr.)	19.36
Face Value	1
52 Week High/Low	3419.10/2165.05

Technical Rationale: TIINDIA is showing signs of a medium-term recovery after a prolonged correction from the ₹3,400 peak, with both weekly and monthly charts indicating improving price structure near key support zones. The weekly timeframe, highlights that the stock made a breakout and is now trading far superior from the lows formed after the bearish ABCD chart pattern completed the formation, that led to the initial fall. The weekly RSI value near 60 hint at the stock neither trading in the overbought nor in the oversold territory while increasing buying interest is present. Price action has improved considerably as the stock is now trading above the 20, 50 and 100-day EMAs, reflecting strengthening bullish momentum after weeks of consolidation. Immediate resistance is placed near ₹3,153/3262, and a decisive breakout above this range can lead to an upside move toward ₹3,419/3485. On the downside, ₹2960/2856/2810 acts as an important support level; if broken, the stock may slip toward ₹2750-2729 where stronger demand support is expected. Overall, the broader trend is turning positive again, as the outlook of TIINDIA is technically showing upside momentum on the charts.

Fundamental Rationale:

- **Strong Revenue Growth Across Key Segments** - The company reported 21% YoY revenue growth to ₹6,215 crore in Q4FY26, driven by strong performance in the Engineering, Power Systems, and EV segments. For FY26, revenue increased 17% YoY to ₹22,847 crore, supported by healthy business momentum.
- **Earnings Growth Supported by Power Systems** - Despite margin pressure, EBITDA grew 10% YoY to ₹251 crore, while adjusted PAT increased 9% YoY to ₹1,157 crore in FY26. The Power Systems segment recorded strong 46% YoY growth, providing key earnings support.
- **Strong Subsidiary & Segmental Performance**- The Engineering segment delivered 22% YoY growth to ₹1,495 crore, while the Mobility segment grew 15% YoY to ₹207 crore. Key subsidiary CG Power and Industrial Solutions posted 25% YoY revenue growth to ₹3,442 crore, reflecting strong momentum in the power business.

Key Risks

- **Margin Pressure:** Rising raw material costs and delays in contractual price pass-through could impact profitability and EBITDA margins.
- **Execution & EV Business Risk:** Slower-than-expected scale-up in the EV segment or execution challenges in new growth initiatives may affect earnings growth.
- **Demand Slowdown & Cyclicity:** Weakness in industrial demand, auto sector slowdown, or lower capex activity could impact growth across engineering and metal-formed product segments.

Valuation: At the closing price of ₹3,047.6 as of May 25, the company is trading at a P/E of 92.75x, slightly above its 3-year average P/E of 72x. However, the premium valuation is supported by its strong growth prospects, backed by robust cash flows, sustained cost optimisation initiatives, and management's confident guidance of 15%–20% growth in the medical devices segment. Additionally, the company's planned capex of ₹350 crore for FY27 is expected to support future expansion and long-term growth visibility.

3. Buy PNBHOUSING @(1065 – 1090) Target: 1250 StopLoss:1015 Upside Potential: 15.14%



Key Data	
BSE Code	540173
NSE Code	PNBHOUSING
Bloomberg Code	PNBHOUSING:IN
Industry	Housing Finance Company
Market Cap	28,290.74
No. of Shares(Cr.)	26.06
Face Value	10
52 Week High/Low	1141.85/730

Technical Rationale: PNBHOUSING's weekly timescale shows that the stock has recently broken out above the key resistance zone near ₹1,031 and is sustaining near its highs around ₹1,098, which reflects strong buying momentum. The 20 EMA near ₹900-950 is acting as immediate dynamic support, while the 50 EMA near ₹900-915 strengthens the medium-term trend structure. RSI on both weekly and monthly timeframes, signifies bullish momentum without entering extreme territories. On the monthly chart, it is showing a strong long-term bullish structure after a sustained recovery from its 2020 and the 2022 lows as it manages to hold above medium-term 50 EMA, indicating a firmly established uptrend. The recently formed long-bodied bullish candlestick on the monthly timeframe, highlights the buyers overpowering. If the stock sustains above ₹1,136-1141, it could rally further towards ₹1,191/1202 or even 1250. On the downside, immediate support lies near ₹1,040-1030/1015. A breakdown below this zone may weaken the bullish setup and lead to a correction towards ₹954. Overall, the technical structure on PNBHOUSING remains moderately strong and one is advised to accumulate on dips for medium term gains.

Fundamental Rationale:

- **Strong Earnings Growth & Operating Leverage:** The company delivered a robust Q4 with PAT rising 19% YoY to ₹656 crore, supported by improved operating leverage, while NII grew ~11% YoY, reflecting stable core income performance.
- **Healthy AUM Expansion & Growth Outlook:** AUM increased 13% YoY to ₹90,921 crore, led by 16% growth in the retail book, with the resumption of corporate lending and management guiding for accelerated 18–20% loan growth ahead.
- **Favourable Sector Tailwinds & Margin Upside:** With the housing finance sector expected to grow at ~10–12% CAGR, a shift towards higher-yield segments and operating efficiencies is likely to support margin expansion and improve return ratios over the medium term.

Key Risks

- **Execution Risk:** Transition under the new management team may pose execution challenges in delivering growth and strategic objectives.
- **Asset Quality Risk:** Higher exposure to high-yield lending segments could lead to elevated credit costs and asset quality stress
- **Competitive Intensity:** Increasing competition in the housing finance space may impact growth momentum, margins, and market share gains.

Valuation: At the closing price of ₹1,085.6 as of May 25, the company is trading at a P/E of 12.34x, significantly below its 3-year average P/E of 13.66x and the industry average of 17.67x, indicating attractive valuations. Additionally, the stock appears undervalued with a P/BV of 1.53x, lower than the industry average of 2.21x. With expanding housing credit demand, the company remains well-positioned to benefit from sustained growth in the housing finance segment.

4. Buy TRENT @ (4250 – 4300) Target: 4930 Stop Loss: 3951 Upside Potential: 14.65%



Key Data	
BSE Code	500251
NSE Code	TRENT
Bloomberg Code	TRENT:IN
Industry	Speciality Retail
Market Cap	1,52,865.00
No. of Shares(Cr.)	35.55
Face Value	1
52 Week High/Low	6259/3276.10

Technical Rationale: The weekly timeframe of TRENT depicts the stock trading near the 20-day EMA while treating the 200-day EMA as a strong dynamic support around ₹3,800-3900 and ₹4,400 near the 50-day EMA as a key resistance area. A breakout above this range could confirm a reversal from the recent downtrend and trigger fresh momentum buying. RSI on the weekly timeframe has recovered from oversold levels and is trading near 50, alongside the monthly RSI as well, suggesting improving momentum and reduced selling pressure. TRENT has given a breakout from the falling resistance trend line on weekly time frame suggesting upward bias. Looking at the key levels for the script, immediate resistance is placed at ₹4457-7798. If the stock sustains above these levels, it could set the stage for a strong upward rally, potentially driving the stock towards medium-term target of ₹4820-4866/4930. On the downside, important support levels are seen at ₹4050/3980 with additional protective stop-loss levels at ₹3915 to mitigate risk. Overall, the stock is technically neutral to moderately strong on the weekly and monthly chart respectively within a larger long-term uptrend.

Fundamental Rationale: **Strong Revenue growth supported by store expansion** - Trent reported 20% YoY revenue growth to ₹4,937 crore in Q4FY26, driven largely by retail expansion, with store footprint increasing 30% YoY to 19.1 million sq. ft. While discretionary demand and LFL growth remain subdued, continued store additions across key markets are expected to sustain ~20% revenue growth, with any recovery in demand potentially pushing growth towards the mid-twenties. **Improving profitability through strong execution** - EBITDA margins improved sharply by 242 bps YoY to 18.6% in Q4FY26, supported by 171 bps improvement in gross margins and lower employee and rental costs per sq. ft. Despite near-term risks from geopolitical uncertainties and raw material inflation, strong sourcing capabilities and execution are expected to support stable margins and medium-term profitability recover **Aggressive expansion & long-term growth visibility** - Management remains focused on long-term structural growth, with plans to raise ₹2,500 crore via rights issue to support store upgrades, supply chain expansion, and new categories. The company is expected to add 30–40 Westside stores and 180–190 Zudio stores annually, while expanding newer formats such as Star Bazaar and Burnt Toast across Tier II, Tier III, and emerging markets.

Key Risks:

Intensifying Competition: Rising competition from large domestic and international fast-fashion brands could impact market share and pricing power. **Weak Discretionary Demand:** A slowdown in discretionary consumption may keep like-for-like (LFL) growth subdued, affecting sales momentum. **Geopolitical & Supply Chain Risks:** Geopolitical uncertainties and raw material inflation could disrupt supply chains and put pressure on margins.

Valuation: At the closing price of ₹4,300 as of May 25, the company is trading at a P/E of 88.89x, significantly below its 3-year and 5-year average P/E multiples of 123.21x and 214.75x, respectively, and broadly in line with the industry average of 85.67x, indicating relatively attractive valuations. Additionally, the company is trading at an EV/EBITDA multiple of 41x, reflecting strong profitability, premium positioning, and reasonable valuation comfort compared to its historical levels.

5. Buy JINDALSTEL @ (1200 – 1220) Target: 1380 Stop Loss: 1130 Upside Potential: 13.83%



Key Data	
BSE Code	532286
NSE Code	JINDALSTEL
Bloomberg Code	JINDALSTEL:IN
Industry	Ferrous Metals
Market Cap	1,23,666.72
No. of Shares(Cr.)	102.01
Face Value	1
52 Week High/Low	1306/883

Technical Rationale: Jindal Steel continues to maintain a strong long-term bullish structure on both the monthly and weekly charts, with the stock currently consolidating after a sharp up move toward the ₹1,280 zone. The weekly chart shows a healthy consolidation, a bullish flag-like structure after the recent rally, which generally indicates continuation of the broader trend. Price action remains constructive as the stock is holding above all the key short and medium term moving averages like the 20,50 and 100-day EMAs, while repeated buying interest is visible on declines. RSI on both weekly and monthly charts remains in bullish territory around 60–65, signaling that it is neither near the overbought nor the oversold region, highlighting strong bullish momentum is present in the stock, while MACD momentum indicator remains positive and above the center line. The monthly chart of the stock also provides additional support to the bullish trend. Technically, immediate support lies at ₹1180-1164, while the medium-term deeper support is provided near ₹1130. Although, if the price moves in the upward direction, decisively with volumes then the stock can reach up to ₹1272-1293 and if it manages to sustain this level, JINDALSTEL can later trend up to the zone of ₹1350-1380. Overall, the stock is technically moderately strong across the charts with consolidation likely serving as a base for the next upward move.

Fundamental Rationale:

- **Capacity Expansion to Drive Strong Growth** - Jindal Stainless is well-positioned for strong growth, supported by its ~₹47,000 crore capex plan through FY28 and recent commissioning of a 3 MTPA Basic Oxygen Furnace, increasing crude steel capacity to 15.6 MTPA. Additionally, the 1.2 MTPA Cold Rolling Mill is expected to improve product mix, with steel sales volume projected to grow at a ~16% CAGR over FY26–28E.
- **Improving Profitability & Cost Efficiencies** - Profitability remains strong with adjusted EBITDA/ton rising to ~₹11,695 in Q4FY26 from ₹8,701 in Q3FY26, driven by higher domestic steel prices and better realisations. Further margin improvement is expected, supported by cost-saving initiatives, including the commissioning of an 18 MTPA slurry pipeline, which could deliver savings of ~₹750/ton.
- **Strong Operational Performance & Demand Outlook** - JSL delivered healthy Q4FY26 performance with revenue growing 23% YoY to ₹16,218 crore and steel sales volume increasing 23% YoY to 2.6 MT. Backed by India's growing steel demand, infrastructure push, and low per-capita steel consumption, the company remains well-placed to benefit from long-term structural growth opportunities.

Key Risks: **Decline in Steel Prices:** A sharp fall in domestic steel prices could impact realisations, margins, and overall profitability. **Execution & Capacity Ramp-Up Risk:** Any delay in commissioning or ramp-up of new capacities may affect medium-term volume growth targets and earnings momentum.

Valuation: At the closing price of ₹1,212.3 as of May 25, the company is trading at a P/E of 36.8x with a PEG ratio of 0.69x, indicating that its growth outlook justifies the premium valuation compared to peers. The valuation is further supported by strong production of 11.5 MT and FY27 sales guidance of 11 MT, along with a robust capex plan of ₹7,500–10,000 crore to support future expansion. Additionally, strong domestic demand remains a key growth driver, with India's steel demand expected to grow by 9.2% in 2027, supporting long-term growth prospects.

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