Select state-run bank stocks did remarkably well in 2022

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IN A YEAR that saw significant volatility, some public sector bank (PSB) stocks stood out. Among the large-caps, Bank of Baroda was the top gainer, rising 126% since the turn of the year. According to Prabhudas Lilladher, it surprised the Street with its earnings, raking in higher profits, net interest income, and improving its asset quality. BoB had posted a net profit of ₹3,313 crore in the September quarter, and commands a market cap of ₹95,851 crore.

Even among mid-caps, two PSB stocks, Union Bank and Bank of India, up 80% and 68%, respectively, featured in the top five. According to Deepak Jasani, head (retail research), HDFC Securities, rising credit demand, stable NIMs and asset quality that did not deteriorate were all common factors to spur financials in 2022. At the same time, materials/energy stocks like Coal India benefited from heightened prices of coal globally, and higher extraction of coal.

Among large-caps, two Adani entities — Adani Enterprises and Adani Total Gas — were in the top five, with ITC and Coal India the other two. While the former reported a profit of ₹469 crore, the latter reported ₹139 crore. Deven Choksey, managing director of KRChoksey Shares and Securities, said improving visibility of the businesses of Adani group firms has prompted the surge in shares. Its road and airport assets have strengthened its fundamentals. There are expectations of these business being carved out as separate entities away from the group, which could eventually create value for investors. Similarly, Adani Power has gained from rising energy prices globally. In addition, there's extra money being allocated to these sectors, as investors are seeing value.

Paytm, the top loser among large-caps, has lost 60% this year. The firm's plan to go for share buybacks has not gone down well with the Street. Two IT stocks, Wipro and Tech Mahindra, also ranked among the top five laggards, with consumer discretionary firms Nykaa and Zomato making the other two. Rising interest rates in the US, coupled with clients' decision to cut down on IT spends have forced tech players to revise their outlook for the year ahead, which has played heavily on their stocks.

Among the mid-caps, Adani Power topped with a YTD gain of 205%, followed by Varun Beverages and Hindustan Aeronautics.

Industrials like HAL did well on better order visibility and re-rating of the defence sector. The small-cap universe saw Cressanda Solutions jump 300%, while realty firm KBC Global was the top laggard, down 84%. On the flip side, pharma/healthcare stocks, however, had a bumpy ride this year, while IT stocks also had a shaky ride.

According to Choksey, these stocks have not been doing well globally, and the fear-mongering has spread to India, which is why investors have pulled out. There is nothing wrong in the fundamentals, he said, adding that these offer a buy opportunity.

TOP GAINERS

LARGE-CAP	YTD gain (%)
Bank of Baroda	126.2
Adani Enterprises	122.9
Adani Total Gas	120.3
ITC	53.8
Coal India	51.8

MIDCAP	YTD gain (%)
Adani Power	205.4
Varun Beverages	129.2
Hindustan Aeronautics	107
Union Bank of India	80
Bank of India	67.7

SMALLCAP	YTD gain (%)
Cressanda Solutions	300.3
Choice International	294.5
BLS International Services	256.9
Ugar Sugar Works	244.4
Jyoti Resins & Adhesives	232.5

TOP LOSERS

LARGE-CAP	YTD loss (%)
One 97 Comm	
FSN E-Com Ventures	-57.5
Zomato	-55.7
Wipro	-45.4
Tech Mahindra	-41.6

MIDCAP	YTD loss (%)
Gland Pharma	-59.2
PB Fintech	-52.2
Vodafone Idea	-48.5
Sona BLW Precision	-44
Mphasis	-43.1

SMALLCAP	YTD loss (%)
KBC Global	-84.4
Cerebra Integrated Tech	-82.7
Future Consumer	-80.4
Sintex Plastics Tech	-79.3
Dhani Services	-75.1