

Citi cuts YES Bank target price to Rs 46 from Rs 50

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NEW DELHI: Global brokerage Citi has cut YES Bank NSE -1.34 %’s target price to Rs 46 from Rs 50 earlier. The broking firm also slashed the FY20 and FY21 profit estimate for the lender by 4-5 per cent.

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Company Summary NSE BSE

YES Bank Ltd. ▼ -0.65 (-1.34%) +

At the recently concluded Times Network's India Economic Conclave, YES Bank MD and CEO Ravneet Gill said: “If you see the last three quarters, we have indicated the ability to be able to accrete capital organically. We have been able to down sell our assets and generate capital from that.

We have shown that we are very good test players as well. We take the singles and keep things going. I do not see the end of the road. First and foremost, the possibility that the capital does not come in is something I do not believe in.”

Gill added, “There is no question of throwing caution to the winds and growing indiscriminately. It is a question of time before we have capital.”

Earlier this month, foreign brokerage Macquarie, which has an underperform rating on the stock said that one needs to see whether there is a run on bank deposits. It noted that the deposit base was declining for the bank for the past couple of quarters and said that it mindful that a former RBI Deputy Governor is on the board and closely watching the developments and how the situation is playing out.

“If a collapse of NBFC like IL&FS and DHFL could freeze up liquidity, a collapse of a bank could be a far more serious issue as banking is heavily based on trust and any freezing of the clearing system due to a collapse of a bank could choke the system and further jeopardise economic growth which is already in the doldrums,” the brokerage had said.

The shares of the lender closed 4.88 per cent lower at Rs 48.70 on BSE.