

RESEARCH**BOB ECONOMICS RESEARCH | BONDS WRAP**

Fortnightly review

CANARA BANK | TARGET: Rs 158 | +22% | BUY

Retail-led growth and improving AQ support outlook

OBEROI REALTY | TARGET: Rs 1,994 | +22% | BUY

Consistent sales; expanding annuity portfolio

SUMMARY**INDIA ECONOMICS: BONDS WRAP**

Global yields showed considerable stickiness from fear of inflationary risks. Major central banks hinted at possibility of a rate hike in the coming months (ECB, BoJ). Inflation projections have been revised upward unanimously by majority of them, hinting at a different contour in the coming months. For China, PPI rose to its near 4-month high and more importantly, it has reversed its 41-months deflationary trend and is reporting inflation for the past two months.

[Click here for the full report.](#)**CANARA BANK**

- PAT below estimates due to Other income but partially offset by lower provisions. Advances growth largely led by RAM segment
- AQ improved, largely aided by higher write-offs. The ECL impact is estimated at ~Rs 100bn that will be absorbed over four years
- Maintain BUY with revised TP of Rs 158 (from Rs 175), set at 1.0x Mar'28E ABV (1.1x earlier)

[Click here for the full report.](#)

OBEROI REALTY

- Reported FY26 EPS of Rs 68.96 — missing our estimates by -6.7% — dragged down by lower non-operating revenue
- Booking values grew +3.6% YoY; avg. realisations were up +15.8% YoY; collections were lower by -2.8% YoY
- Robust demand to drive sales growth and sustain margins; expect OBER to trade at 1.6x NAVPS – raise TP to Rs 1,994; maintain at BUY

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BONDS WRAP

11 May 2026

Fortnightly review

Global yields showed considerable stickiness from fear of inflationary risks. Major central banks hinted at possibility of a rate hike in the coming months (ECB, BoJ). Inflation projections have been revised upward unanimously by majority of them, hinting at a different contour in the coming months. For China, PPI rose to its near 4-month high and more importantly, it has reversed its 41-months deflationary trend and is reporting inflation for the past two months.

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Economist

Thus, price side pressure is imminent across economies (PMI survey also conveyed the same). We expect global yields to trade with an upward bias this month as well. The narrative of a peace deal is now changing to prolonged uncertainty. With the recent reports of US rejecting Iran's peace plan, the upside risk on yields seems to be elevated.

On the domestic front, liquidity is comfortable at ~0.8% of NDTL. Net durable liquidity has shown some moderation, and some pressure might be visible due to faster pace of accretion in currency in circulation. For India's 10Y yield, directional convergence will be more with global yields. We expect India's 10Y yield to trade in the range of 6.9-7.1% in the current month, with risks tilted to the upside. The cut-off yield for the New GS2036 at 6.94% also suggests that yield is likely to hover in that range and not expected to be much below the 6.9% mark.

Global yields showed upward bias:

- Global yields rose sharply across the board when the change is considered from 27 Feb 2026, the start of the war. In Apr'26, UK's 10Y yield rose at the sharpest pace followed by S. Korea, Thailand and US. Majority of the global Central Banks hinted at inflationary risks from the ongoing war. In majority of the PMI surveys for different countries, stickier input price has been flagged as a concern.
- For UK, major macro variables showed growth remaining stable such as monthly GDP, industrial production, net consumer credit and Rightmove house prices. Indicators of inflation such as retail sales, CPI and BRC sales data, remained sticky. 10Y yields have also shot up, eyeing the election and public sector net borrowing data (higher than expected in Mar'26). Recent commentaries of central bank officials have been moderately hawkish, with Governor Bailey hinting at the need to raise interest rates in the event of continued supply side disruption from war.
- US 10Y yield rose by 43bps in Apr'26 (since 27 Feb'26). For US, there has not been much impact on growth indicators due to the war.



BUY
 TP: Rs 158 | ▲ 22%

CANARA BANK

| Banking

| 12 May 2026

Retail-led growth and improving AQ support outlook

- PAT below estimates due to Other income but partially offset by lower provisions. Advances growth largely led by RAM segment
- AQ improved, largely aided by higher write-offs. The ECL impact is estimated at ~Rs 100bn that will be absorbed over four years
- Maintain BUY with revised TP of Rs 158 (from Rs 175), set at 1.0x Mar'28E ABV (1.1x earlier)

PAT below estimates, largely due to other income: CBK reported PAT of Rs 45.1bn (-12.6% QoQ) in Q4FY26 and was 7% below our estimates. The decline in PAT was mainly owing to the decline in other income to Rs 48.2bn (-38.9% QoQ), given MTM losses of Rs 8bn in Q4FY26 and the absence of listing net gain from its subsidiaries of Rs 19.3bn reported in Q3FY26. This was partially offset by a significant decline in provisions to Rs 9.9bn (-58.9% QoQ). Provisions declined as SMA book (≥Rs 50mn) fell 31% QoQ to Rs 56.8bn in Mar'26. Further, NIMs improved to 2.54% (+9bps QoQ). CBK guided NIMs of 2.5-2.6% and CC of 75bps for FY27. CBK reported RoAA/RoE of 1.1%/21.15% in FY26 vs its guidance of 1.05%/19% in FY26. The bank guided RoAA/RoE of 1.01%-1.05%/16.5% for FY27.

AQ improved, largely on higher write-offs: AQ improved, with GNPA ratio declining 24bps QoQ to 1.84%. This was largely aided by higher write-offs at Rs 37.7bn in Q4FY26 vs Rs 31.2bn in Q3FY26. SMA-2 (Rs 50 mn and above) book moderated sharply to Rs 13.9bn (0.11% of advances) vs Rs 34.6bn (0.3%) in Q3FY26. Thus far, the bank has remained unscathed from any material stress emerging from the West Asia war. Management expects the ECL transition impact of ~Rs 100bn over four years to be comfortably absorbed through internal accruals. CBK is yet to create ECL provisions, though PCR remains healthy at 94.2%.

Healthy advances growth largely led by RAM book: Gross advances grew by 15.3% YoY, largely driven by Retail, Agri and MSME (RAM) segments, which were up by 19.7% YoY; while corporate was up 9.5% YoY. RAM growth mainly came on the back of retail credit (+32.9% YoY). As a result, share of RAM credit rose to 59% (Mar'26) vs 56.8% (Mar'25). CBK aims to maintain the loan mix at around 60% RAM and 40% corporate. Management guided for a loan growth of 11%-12% YoY for FY27 and expects to outperform the same.

Maintain BUY: Considering the bank's performance vs its guidance, along with improving AQ, we believe the bank has levers to perform well. We expect the bank to report RoA/RoE of 1-1.1%/16.2-16.5% in FY27-FY29E. We maintain BUY with revised TP of Rs 158 (earlier Rs 175), set at to 1.0x Mar'28E ABV (from 1.1x).

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Key changes

Target	Rating
▼	◀ ▶

Ticker/Price	CBK IN/Rs 129
Market cap	US\$ 12.4bn
Free float	42%
3M ADV	US\$ 36.0mn
52wk high/low	Rs 163/Rs 100
Promoter/FPI/DII	63%/14%/11%

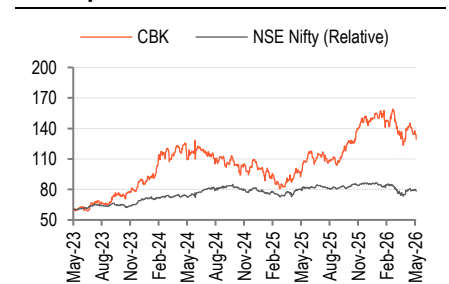
Source: NSE | Price as of 11 May 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
NII (Rs mn)	3,72,102	4,38,901	5,05,025
NII growth (%)	0.4	18.0	15.1
Adj. net profit (Rs mn)	1,91,867	1,96,848	2,25,130
EPS (Rs)	21.2	21.7	24.8
Consensus EPS (Rs)	21.2	21.2	23.6
P/E (x)	6.1	6.0	5.2
P/BV (x)	1.0	0.9	0.8
ROA (%)	1.1	1.0	1.0
ROE (%)	18.0	16.2	16.3

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



BUY

TP: Rs 1,994 | ▲ 22%

OBEROI REALTY

| Real Estate (Developers) |

11 May 2026

Consistent sales; expanding annuity portfolio

- Reported FY26 EPS of Rs 68.96 — missing our estimates by -6.7% — dragged down by lower non-operating revenue
- Booking values grew +3.6% YoY; avg. realisations were up +15.8% YoY; collections were lower by -2.8% YoY
- Robust demand to drive sales growth and sustain margins; expect OBER to trade at 1.6x NAVPS – raise TP to Rs 1,994; maintain at BUY

Yashas Gilganchi
Research Analyst
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Over Q4FY26, Oberoi Realty (OBER) sold 229 (+201% YoY) units for ~Rs 46,801psf (-24.7% YoY); generating booking value of ~Rs 16,734mn (+96.1% YoY). Over FY26, sales picked up in Elysian and Sky City projects, helping OBER generate booking value of ~Rs 54,474mn (+3.6% YoY) from the sale of 698 units (-24.7% YoY) at average realizations of ~Rs 47,470psf (+15.8% YoY).

Collections improved to Rs 9,253mn (+20.9% YoY) over Q4FY26. However, collections over FY26 contracted to Rs 42,500mn (-2.8% YoY), despite improved execution (~22.7% remains under construction from ~23.8% as of FY25).

Operating revenue from investment properties grew to ~Rs 13,272mn (+37.7% YoY), on the back of larger retail area under management (GLA of 1.74msf, ~+228% YoY) and higher occupancy in OBER's commercial assets.

Over FY26, OBER launched ~0.95msf, mostly across the Elysian and Sky City projects. By year end, the developer reported ~3.3msf of unsold inventory and ~Rs 61,975mn of unrecognised revenue. Additionally, the developer also reported business development of ~4msf across Mumbai (Aram Nagar, Peddar Road, Malabar Hill, etc.) over Q4FY26.

We believe that the demand for OBER's residential properties remains strong and expect the developer to grow sales value by +9.3% CAGR over FY27E-29E — faster than +8.9% over FY23-FY26. However, near-term headwinds and a structural moderation in the residential market is likely to result in slower growth in average realisations (+12.0% CAGR over FY27E-29E vs +26.6% over FY23-FY26).

We revise our EPS estimates upwards by ~+0.8% as we adjust for our updated assumptions over FY27E-FY29E and expect OBER to trade at an unchanged NAV/Share of ~1.6x applied to Q1FY28E-Q4FY28E, implying a 1Y TP of Rs 1,994 (from Rs 1,754); maintain at BUY.

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	OBER IN/Rs 1,635
Market cap	US\$ 6.3bn
Free float	32%
3M ADV	US\$ 9.6mn
52wk high/low	Rs 2,005/Rs 1,391
Promoter/FPI/DII	68%/15%/15%

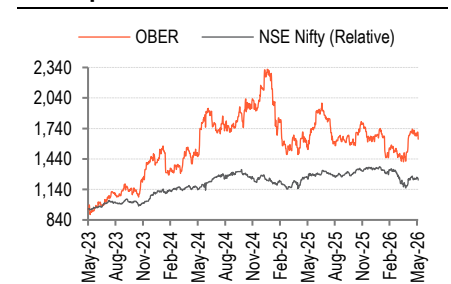
Source: NSE | Price as of 11 May 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	63,043	76,422	91,727
EBITDA (Rs mn)	33,581	40,492	49,567
Adj. net profit (Rs mn)	25,074	31,248	37,987
Adj. EPS (Rs)	69.0	85.9	104.5
Consensus EPS (Rs)	69.0	85.9	104.5
Adj. ROAE (%)	14.9	16.1	16.6
Adj. P/E (x)	23.7	19.0	15.6
EV/EBITDA (x)	17.7	14.7	12.0
Adj. EPS growth (%)	12.7	24.6	21.6

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



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BUY – Expected return >+15%

HOLD – Expected return from -6% to +15%

SELL – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

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