



Bank Nifty hits record weekly high on Friday: Anil Singhvi bullish on banking sector – here's why

The 12-share Nifty Bank index made the best closing of 40,415 levels on weekly basis last Friday, Singhvi said quoting market analyst Kunal Saraogi.



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Zee Business Managing Editor Anil Singhvi in a special edition of Editor's Take was bullish on the banking sector. He stated that the leadership position in the markets

shall come from Bank Nifty and recommended to invest in bank stocks positionally for at least 20-25 per cent returns.

The 12-share Nifty Bank index made the best closing of 40,415 levels on weekly basis last Friday, Singhvi said quoting market analyst Kunal Saraogi. He added that the bank index is already on a breakout and showing an indication of a strong rally going forward.

The Nifty Bank has made a high of 41,237 and a low of 32,250. As of Friday, it has surged over 8000 points from its lowest level.

As per Singhvi, strong credit growth and good asset quality are the two main reasons behind the growth in banks. With respect to banks' growth, he estimated that for the next two quarters there is nothing to worry about these two fronts, and advised to invest in them.

He suggested to buy bank stocks from PSU (public sector undertaking) segment as well as from smaller banks such as Federal Bank, RBL, PNB, Canara Bank, DCB Bank, and Karnataka Bank among others as they all are in good space.

Going forward, small banks will outperform big giants and PSU banks will outperform private sector banks, Singhvi said in his expectations.

Credit growth has maintained its growth momentum driven by sustained retail and rising corporate loan growth and this rise is likely to continue in FY23. However, it could be tempered by inflation and rate hikes, rating agency firm CARE Edge said in its report as credit growth hits a seven-year high.

In absolute terms, credit outstanding stood at Rs 124.6 lakh crore as of August 26, 2022, growing by Rs 16.7 lakh crore over the last 12 months, the rating agency added.