

April 12, 2021

Other Product offerings

Derivatives Strategy

Underlying	Action
NMDC	Buy
Tata Motors	Buy
Lupin	Buy
Duration : 1-2 months	

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Quant (Derivatives) Pick

Underlying	Action
Sun Pharma	Buy
UPL	Buy
NTPC	Buy
Duration : 1-3 months	

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Derivatives View

[Daily view](#)

[Weekly view](#)

Stock recommendations in report

Action	Scrip	Target 1	Target 2	Stoploss	Time frame
Buy TECMAH APR Fut at ₹ 1058.00-1060.00	Tech Mahindra	1066.5	1077.8	1051.5	Intraday
Sell BATIND APR Fut at ₹ 1395.00-1397.00	Bata India	1379.6	1355.1	1412.4	Intraday
Sell NIFFIN APR Fut at ₹ 15650.00-15700.00	FINNIFTY	15450.0	15350.0	15800.0	Intraday
Buy ITC APR Fut at ₹ 213.00-216.00	ITC	231.0		204.9	Weekly

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Intraday Outlook: Sell Bank Nifty in the range of 32850-32950

Index Outlook

Nifty Future

- ❖ The Nifty is expected to trade between 14500 and 15000 amid high volatility. Sell Nifty 15050 Call (April 15 expiry) in the range of ₹ 45-47 Target: ₹ 31-21 Stop loss : ₹ 61

Bank Nifty Future

- ❖ On Friday, the Bank Nifty opened lower and failed to show any positive momentum as it closed in loss for a second consecutive trading session. As per options data, 32000 Put option has meaningful OI, which should provide support while 33000 Call Option has noteworthy OI, which should cap upside gains. Sell Bank Nifty in the range of 32850-32950 Target: 32450-32350 Stop loss: 33050

F&O Highlights

- ❖ The Nifty remained muted as it closed with a loss almost 0.20%. Advance/decline ratio was in favour of Bulls, which indicates that healthy buying was seen in the broader market. Looking at options data, 15000 Call option has substantial OI, which should act as resistance

Stock Analysis

Long build-up/short covering: Tech Mahindra, Cipla, Glenmark, Gujarat Gas, Hindustan Unilever and JSW Steel

Short build-up/profit booking: Bata India, ITC, Axis Bank, Tata Chemicals, Tata Power, RIL and LIC Housing Finance

FII & DII Action

- ❖ FIIs sold ₹ 654 crore while DIIs sold ₹ 271 crore in the cash segment. FIIs sell index futures worth ₹ 639 crore while in index options they bought ₹ 1538 crore. In the stock futures segment, they sold ₹ 666 crore

Intraday Recommendations

i) Tech Mahindra		ii) Bata India	
Buy TECMAH APR Fut at ₹ 1058.00-1060.00		Sell BATIND APR Fut at ₹ 1395.00-1397.00	
CMP: 1055.80		CMP: 1400.25	
Target 1: 1066.5	Target 2: 1077.8	Target 1: 1379.6	Target 2: 1355.1
Stop Loss: 1051.5		Stop Loss: 1412.4	
*Kindly Initiate the trade Post Budget announcement			

Note:

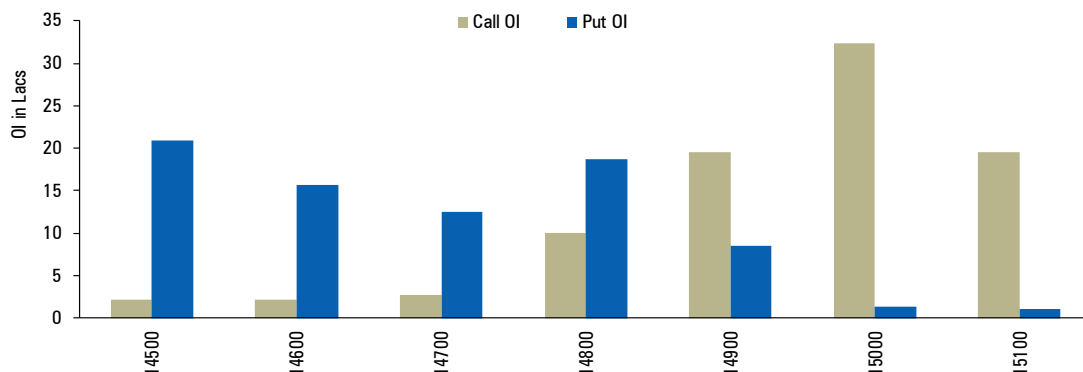
Note: Call initiation message will be broadcast on iclick-2-gain, if it is not initiated in opening session, then we might initiate with revise levels on iclick-2-gain.

Highlights of the last session & Pivot Levels

	Spot	Fut	Basis	Future OI	PCR OI	PCR Vol	ATM IV
Current	14835	14889	55	12422175	1.76	0.93	19.78
Previous	14874	14924	51	11524875	1.74	1.25	20.31
Change (%)	-0.26%	-0.23%	-	7.79%	-	-	-2.68%

	S3	S2	S1	Piv	R1	R2	R3
Nifty future	14692	14732	14810	14889	14968	15046	15086
Bank Nifty future	31527	31758	32188	32681	33111	33604	33834

Weekly Nifty Options OI build-up



Nifty futures ended at a premium of 55 points while IV was down by 2.68%

The major Put base is at 14500 strike with 21 lakh shares while the major Call base is at the 15000 strike with 32 lakh shares

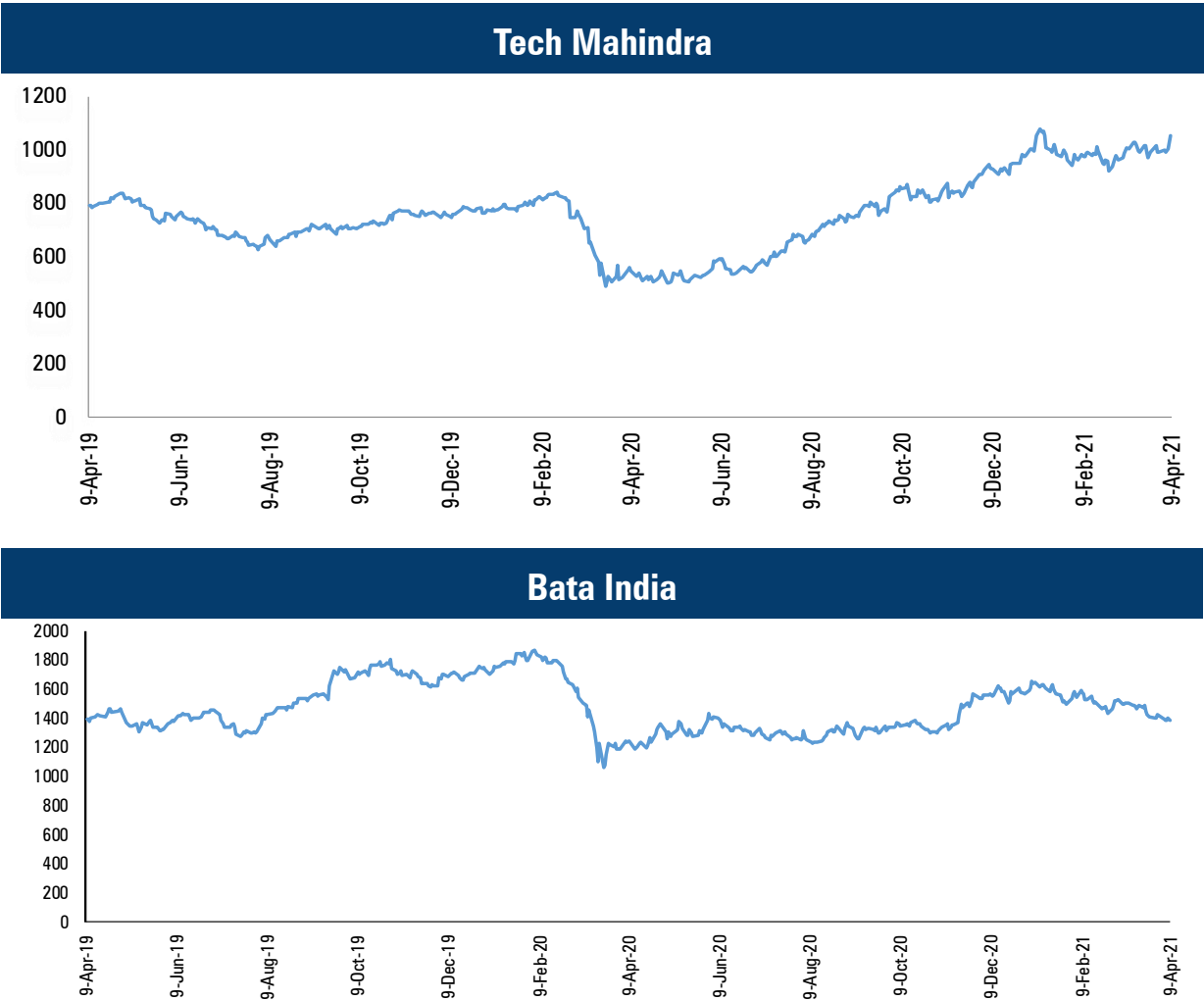
Note: Index calls may be changed, if view differs during market hours and positional recommendations given in Derivatives Strategy should not be linked to intraday index/stock calls.

Strategy follow up

Date	Stock	View	Strategy	Reco	Target	SL	P&L	Comment
9-Apr-21	BERPAI	Buy	Long Fut	769.0	777.2	760.8	-	Not initiated
9-Apr-21	MAHFIN	Sell	Short Fut	194.8	192.5	197.0	-	Not initiated

Source: NSE, Seediff, Bloomberg ICICI Direct Research

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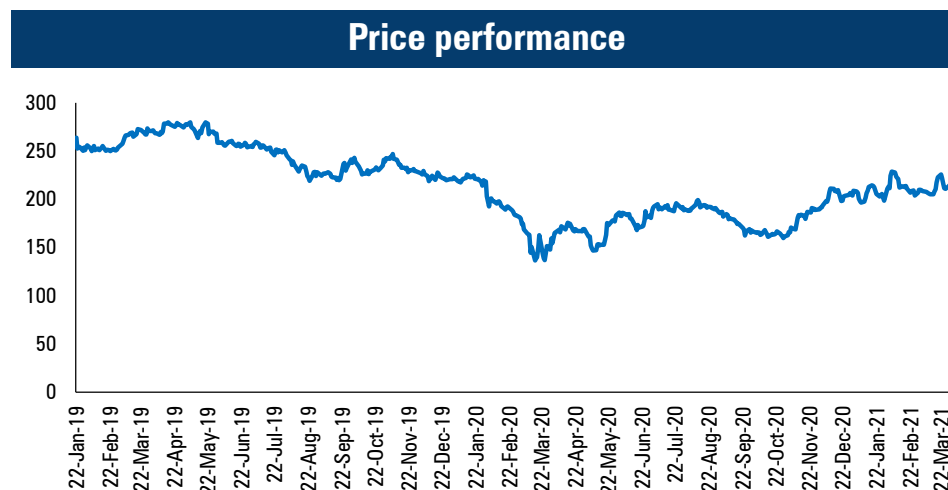
Source: NSE, Seediff, Bloomberg ICICI Direct Research
April 12, 2021

Weekly future recommendation (Carried forward from last week):

Long ITC Ltd (ITC) April future in range of ₹ 213-216; Target: ₹ 231; Stop Loss: ₹ 204.90

Rationale

The FMCG space has remained largely range bound in the last couple of months but bottom fishing was seen in leaders like ITC, which reversed sharply from ₹ 200 levels. The open interest in the stock has declined from last month's high and no significant OI blocks were seen, indicating more upsides. We feel leaders from the FMCG pack will provide support to the index in this consolidation. Highest Call OI base for the stock is at ₹ 230, which should be the target for the stock for the week.

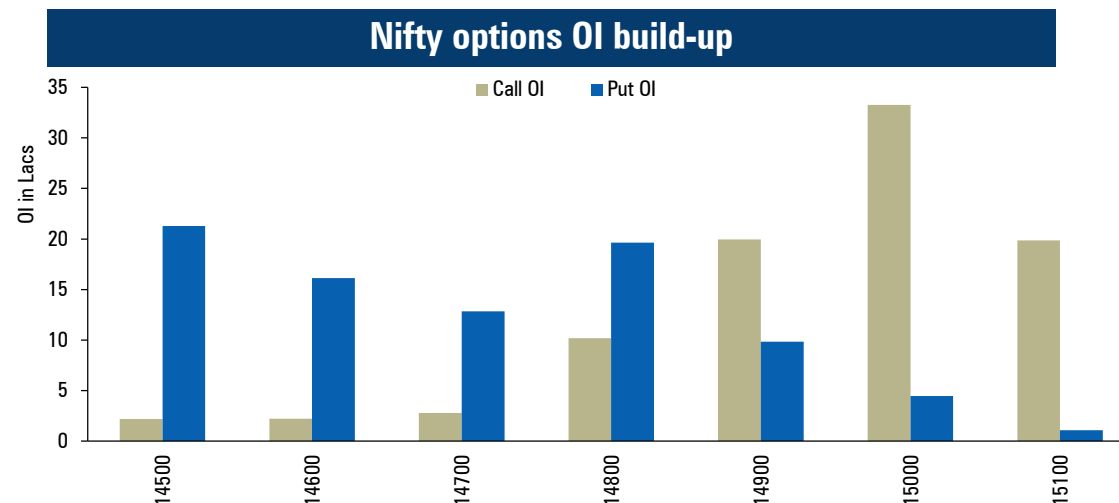


Recommendation follow up							
Underlying	View	Strategy	Reco	Target	Stoploss	Profit/Loss	Comment
Godrej Consumer	Bullish	Buy Futures	712	765	682	-	Not Initiated

Source: Bloomberg, ICICI Direct Research

Nifty: Level of 14500 important support in ongoing consolidation...

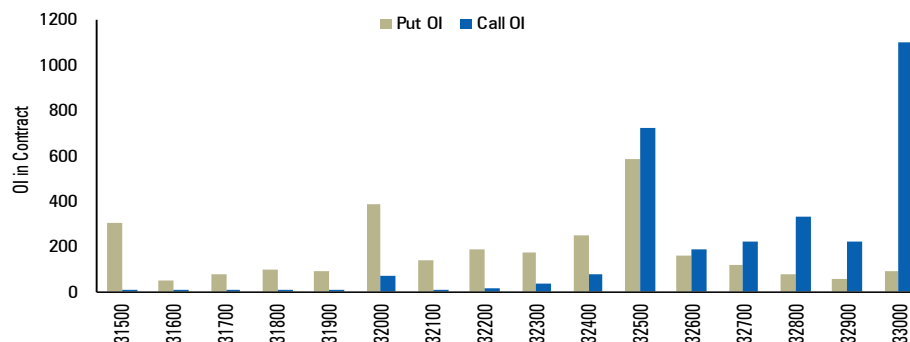
- The market witnessed a volatile trend this week along with an attempt to overcome the hurdle of 14950-15000. The banking space turned a major laggard for the week. However, despite a loss of 0.20% in the Nifty, broader markets saw significant movement. Midcap and small cap indices gained almost 1.5% and 3.2%, respectively
- Sectorally, action was seen in metal, cement, technology and pharma stocks. They have compensated for losses seen in banking and financials stocks. Despite a loss of more than 3% in the banking index, the Nifty ended with marginal losses only suggesting significant outperformance from other sectors
- After a long time, the Nifty witnessed above average additions in ATM Straddle of (14800 and 14900 Call & Put) for the coming week. The combined premium for this straddle is near 250 whereas IVs remained subdued. We feel the index would consolidate in coming trading sessions with strong support for the week at 14500 and resistance at 15000
- After significant outperformance from the metal, cement and other non-heavyweights, a round of profit taking cannot be ruled out from current levels. In such a situation, performance can be expected from technology, pharma and FMCG stock in coming days



Source: Bloomberg, ICICI Direct Research
April 12, 2021

- On a weekly expiry basis, the Nifty has ended almost flat whereas the Bank Nifty closed almost 1100 points lower in the volatile week, which saw the RBI's Monetary policy. HDFC Bank, along with Axis Bank, continued to remain under pressure whereas supportive action was seen from Kotak Mahindra Bank, which moved above ₹ 1800 levels
- IVs remained muted near the 20% mark. For a couple of sessions the Bank Nifty has been witnessing closure in OI, which had moved to an almost two year high for the April series. This is a positive set-up
- Despite underperformance even after the policy, the Bank Nifty remained firm above 32000. In the past few instances, we saw a reversal happening from lower levels. Due to higher premiums, writing is happening in OTM strike options, suggesting the index could consolidate with a positive bias
- We feel stock specific action should continue for the week while short covering can pick up pace once the Bank Nifty manages to close above 33000, which has a sizeable Call base
- The current price ratio of the Bank Nifty/Nifty declined marginally to 2.28 levels. We feel no major outperformance will take place in the Bank Nifty during the week. It is most likely to consolidate in a broader range

Bank Nifty weekly options OI build-up



Source: Bloomberg, ICICI Direct Research

- The positive move in equities continued last week as well amid high volatility. The S&P Index has finally moved above 4000 levels as tech stocks witnessed fresh momentum after remaining laggards for the last couple of weeks. While developed markets witnessed large moves, emerging markets largely remained range bound to positive. In India also, while major indices closed the week flat to negative, significant sectoral moves were observed ahead of the result season
- FII activities remained muted last week as well. While the Nifty and Bank Nifty closed the week negative, most other sectoral indices gained sharply while outperformance from midcap and small cap stocks continued, which have almost retested their March highs. During the week, FIIs have sold nearly ₹ 1430 crore. However, domestic institutions remained net buyers and bought almost ₹ 1130 crore during the week
- In the F&O space, FII action was primarily seen in the stock futures and index options segment. While they were net sellers in the index futures segment worth ₹ 35 crore, they sold to the tune of ₹ 2176 crore in the stock futures segment during the week. At the same time, FIIs bought index options worth ₹ 11422 crore
- Nymex crude remained largely range bound between \$59 and \$61 last week after witnessing some declines on Monday. The announcement of incremental increase in production by Opec amid ongoing demand concerns, have kept upsides in check for the Nymex. We believe any rise in crude price remains a shorting opportunity till it does not sustain above \$64 levels

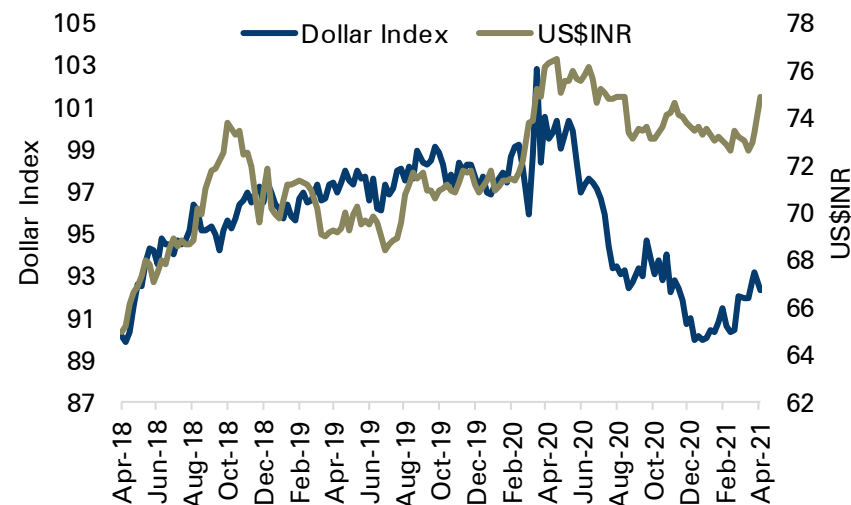
FII/DII buying in equities (in ₹ crore)					
Date	FII				DII
	Index Fut	Stock Fut	Index Opt	Cash	Cash
1-Apr	445	-278	4563		-296
5-Apr	-1803	-2291	-279	-813	75
6-Apr	298	149	2488	-906	417
7-Apr	762	299	-483	289	381
8-Apr	262	-56	5134		553

Source: Bloomberg, ICICI Direct Research

Rupee: Likely to consolidate in range of 74.30-75.10

- The rupee depreciated sharply last week after the RBI policy announcement that it will buy ₹ 1 lakh crore of bonds in the secondary market this quarter (Q1) under the G-Sec Acquisition programme
- The dollar index headed for its softest week of the year after surprisingly weak US jobs figures and ongoing loose Federal Reserve policy prompted investors to trim their bets
- Fed chair Jerome Powell also signalled at an economic forum on Thursday the central bank plans to keep monetary policy super-easy
- Overall, we expect the rupee to consolidate in the range of 74.30-75.10 levels as current depreciation in the rupee is likely to be capped by a weaker dollar index

Dollar Index vs. US\$INR

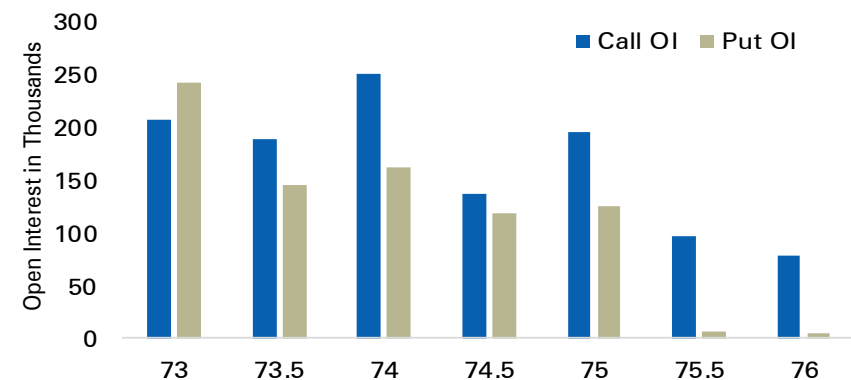


Weekly Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Apr)	72.77	73.84	74.49	75.56	76.21
US\$INR (May)	73.05	74.10	74.74	75.79	76.43
EURINR (Apr)	85.33	87.18	88.24	90.09	91.14
EURINR (May)	85.62	87.47	88.52	90.37	91.42
GBPINR (Apr)	100.93	101.80	102.51	103.38	104.10
GBPINR (May)	101.05	102.01	102.75	103.71	104.45
JPYINR (Apr)	65.63	66.97	67.86	69.21	70.10
JPYINR (May)	65.92	67.23	68.05	69.36	70.18

Source: Bloomberg, Reuters, ICICI Direct Research

US\$INR Options Build-up



Date & Time (IST)	Country	Data & Events
Tuesday, April 13, 2021		
6:00 PM	US	Core CPI (MoM) (Mar)
Wednesday, April 14, 2021		
8:00 PM	US	Crude Oil Inventories
Thursday, April 15, 2021		
6:00 PM	US	Core Retail Sales (MoM) (Mar)
6:00 PM	US	Philadelphia Fed Manufacturing Index (Apr)
6:00 PM	US	Retail Sales (MoM) (Mar)
Friday, April 16, 2021		
2:30 PM	Euro Zone	CPI (YoY) (Mar)
6:00 PM	US	Building Permits (Mar)

Source: Bloomberg, ICICI Direct Research

Date	Scrip	Action	Recommendation
1-Apr-21	ITC	Buy	Positional Futures: Buy ITC Ltd April future in the range of 213-216, Target: 231; Stop Loss: 204.90, Time frame: till April expiry
8-Apr-21	Tata Motors	Buy	Long/Short Strategy : Buy Tata Motors April Future at 317-319 & sell 340 Call at 7-8, Target: 348, Stop loss: 304.90, Time frame: Till April expiry
9-Apr-21	Ultratech Cement	Buy	Positional Futures: Buy Ultratech Cement Ltd April future in the range of 6940-6960, Target: 7200; Stop Loss: 6810, Time frame: till April expiry
9-Apr-21	Lupin	Buy	Positional Futures: Buy Lupin Ltd April future in the range of 1065-1071, Target: 11300; Stop Loss: 1135, Time frame: till April expiry
9-Apr-21	Bank Nifty	Buy	Positional Option: Sell Bank Nifty 15 April 31500 Put at 150-170, target: 2, stoploss: 310. Time Frame: till 15 April expiry

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Source: Bloomberg, ICICI Direct Research

Quant Picks: Open recommendations...

Date	Scrip	Action	Buy Price	Target	SL	CMP	%Ret	Time Frame
26-Feb-21	NTPC	Buy	105.5-107.5	122	98.5	103	-3.9%	1 months
04-Mar-21	Sun Pharma	Buy	625-635	738	570	637	0.8%	3 months
31-Mar-21	UPL	Buy	625-635	735	570	635	0.0%	3 months
06-Apr-21	Torrent Pharma	Buy	2500-2550	2950	2300	2575	1.0%	3 months
06-Apr-21	Godrej Consumer Products	Buy	715-730	855	655	739	1.2%	3 months
07-Apr-21	SBI	Buy	353-359	410	324	353	-1.7%	3 months

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Source: NSE, Seediff, ICICI Direct Research

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Source: Bloomberg, ICICI Direct Research

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