

April 19, 2021

Other Product offerings

Derivatives Strategy

Underlying	Action
ITC	Buy
Biocon	Buy
HDFC	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 DIVLAB APR Fut at ₹ 3830-3835.00	Divis Laboratories	3877.5	3945.0	3787.5	Intraday
Sell BANBAN APR Fut at ₹ 320.00-320.50	Bandhan Bank	315.3	307.8	325.3	Intraday
Buy NIFFIN APR Fut at ₹ 15200.00-15250.00	FINNIFTY	15450.0	15550.0	15000.0	Intraday
Buy PAGIND APR Fut at ₹ 30300.00-30400.00	Page Industries	31480.0		29800.0	Weekly

Research Analysts

Raj Deepak Singh

rajdeepak.singh@icicisecurities.com

Nandish Patel

nandish.patel@icicisecurities.com

Dipesh Dedhia

dipesh.dedhia@icicisecurities.com

Siddhesh Jain

siddhesh.jain@icicisecurities.com

Intraday Outlook: Buy Bank Nifty in the range of 31700-31800

Index Outlook

Nifty Future

- ❖ The Nifty is expected to trade between 14400 and 14800 amid high volatility. Sell Nifty 14250 Put (April 22 expiry) in the range of ₹ 46-48 Target: ₹ 32-22 Stop loss : ₹ 62

Bank Nifty Future

- ❖ The Bank Nifty opened higher but face selling pressure from higher levels as it closed with a loss of more than 0.40%. Both private and PSU banks saw profit booking from higher levels. Looking at the options chain, 32000 Call and Put Option have meaningful OI, which implies we may see some consolidation around current levels. Buy Bank Nifty in the range of 31700-31800 Target: 32100-32200 Stop loss: 31500

F&O Highlights

- ❖ The Nifty opened higher on the back of positive global clues but faced resistance from the 14700 Call base. Advance/decline ratio was in favour of Bulls. As per options data, 14700 and 14800 Call option has noteworthy OI, which should act as resistance while 14500 Put has substantial OI, which should provide support

Stock Analysis

Long build-up/short covering: Divis Laboratories, Wipro, Glenmark, Hindalco, Cipla, Asian Paints and ACC

Short build-up/profit booking: PVR, IGL, HDFC Bank, Tata Steel, Bandhan Bank, Reliance Industries and Bajaj Finance

FII & DII Action

- ❖ FIIs bought ₹ 438 crore while DIIs bought ₹ 658 crore in the cash segment. FIIs bought index futures worth ₹ 55 crore while in index options they bought ₹ 3128 crore. In the stock futures segment, they bought ₹ 1049 crore

Intraday Recommendations

i) Divis Laboratories	ii) Bandhan Bank
Buy DIVLAB APR Fut at ₹ 3830-3835.00	Sell BANBAN APR Fut at ₹ 320.00-320.50
CMP: 3824.85	CMP: 322.60
Target 1: 3877.5 Target 2: 3945	Target 1: 315.3 Target 2: 307.8
Stop Loss: 3787.5	Stop Loss: 325.3

Note:

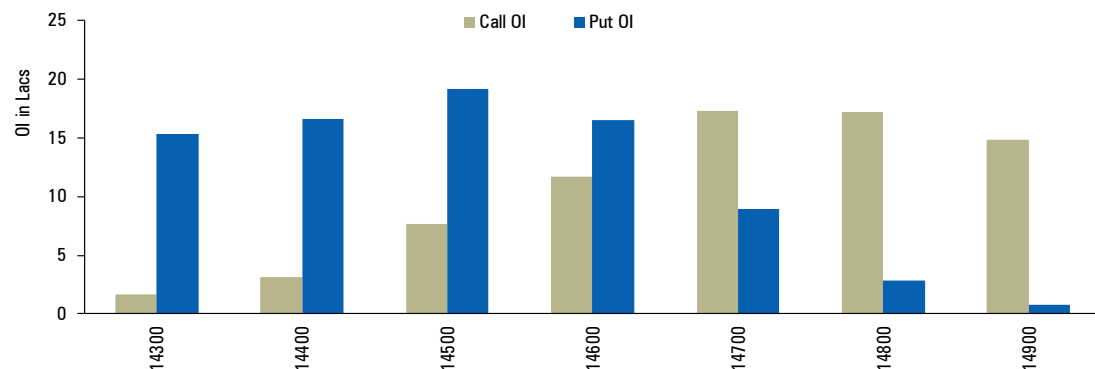
Note: Call initiation message will be broadcast on iclick-2-gain, if it is not initiated in opening session, then we might initiate with revise levels on iclick-2-gain.

Highlights of the last session & Pivot Levels

	Spot	Fut	Basis	Future OI	PCR OI	PCR Vol	ATM IV
Current	14618	14646	28	12950025	1.35	1.19	20.40
Previous	14581	14592	11	12134325	0.91	0.95	20.89
Change (%)	0.25%	0.37%	-	6.72%	-	-	-2.40%

	S3	S2	S1	Piv	R1	R2	R3
Nifty future	14465	14503	14574	14654	14725	14805	14843
Bank Nifty future	31601	31714	31895	32167	32348	32620	32733

Weekly Nifty Options OI build-up



Nifty futures ended at a premium of 28 points while IV was down by 2.40%

The major Put base is at 14500 strike with 19 lakh shares while the major Call base is at the 14700 strike with 17 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

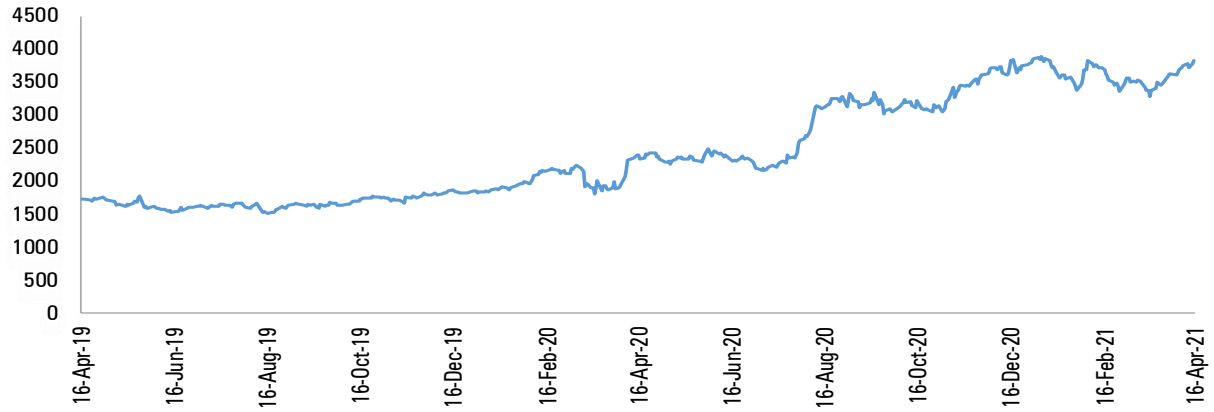
Date	Stock	View	Strategy	Reco	Target	SL	P&L	Comment
16-Apr-21	MARLIM	Buy	Long Fut	423.5	428.0	419.0	-	Not initiated
16-Apr-21	VOLTAS	Sell	Short Fut	949.0	940.0	958.0	-	Not initiated

Source: NSE, Seediff, Bloomberg *ICICI Direct Research*

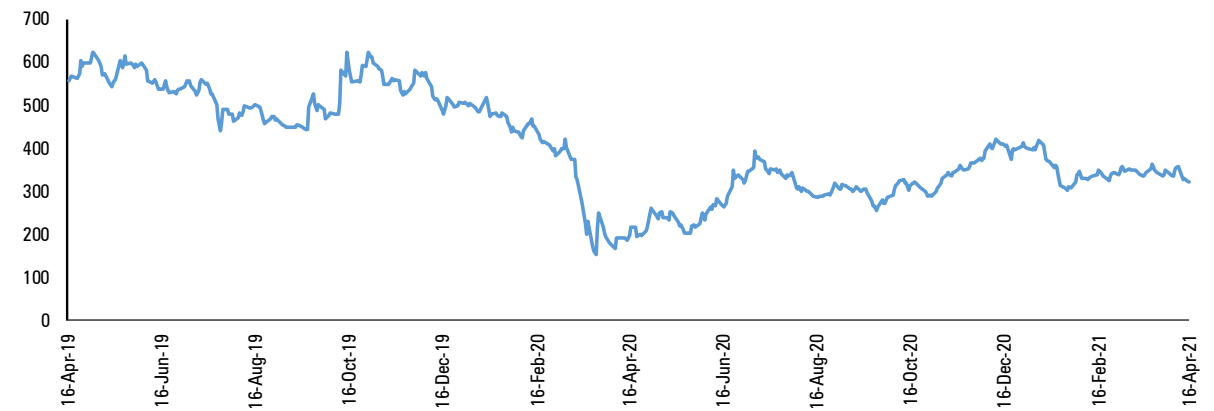
[Back](#)

Recommended Stocks : Historical price performance...

Divis Laboratories



Bandhan Bank



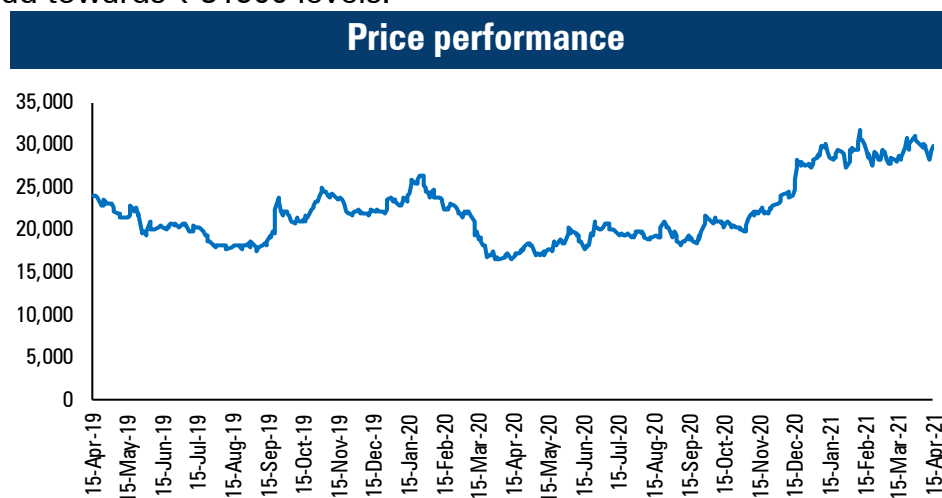
Source: NSE, Seediff, Bloomberg ICICI Direct Research

Weekly future recommendation:

Long Page Industries (PAGIND) April future in range of ₹ 30300-30400; Target: ₹ 31480; Stop Loss: ₹ 29800

Rationale

Page Industries largely remained in a range with support found around 28000 ₹ levels amid high volatility. Recently, with a pick-up in delivery volumes, the stock managed to close above ₹ 30000 levels. Along with it, the open interest in the stock was continuously declining, which seems positive as the price remained intact. Midcap stocks found some traction in recent days. We feel Page industries is well placed to move further higher. We feel a move above ₹ 30400 should accelerate the momentum and it should head towards ₹ 31500 levels.

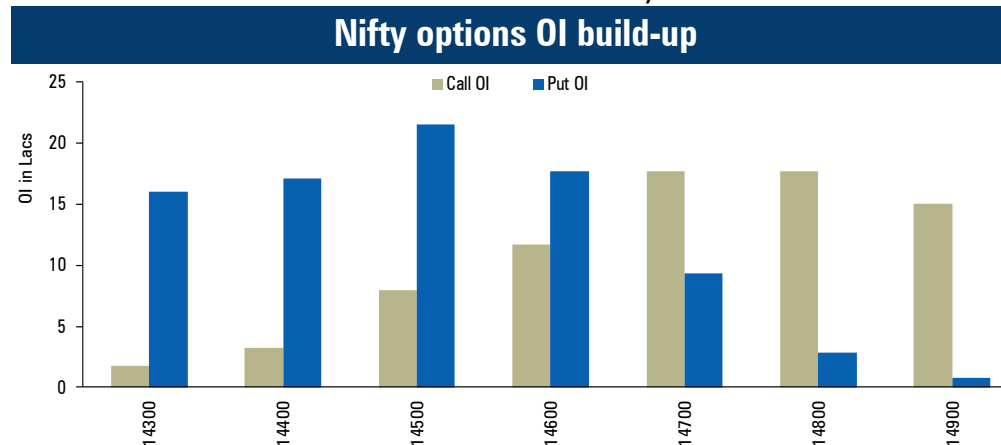


Recommendation follow up							
Underlying	View	Strategy	Reco	Target	Stoploss	Profit/Loss	Comment
ITC	Bullish	Buy Futures	214.5	231.0	204.9	-	Open

Source: Bloomberg, ICICI Direct Research

Nifty: Sustainability above 14700 may trigger fresh uptrend

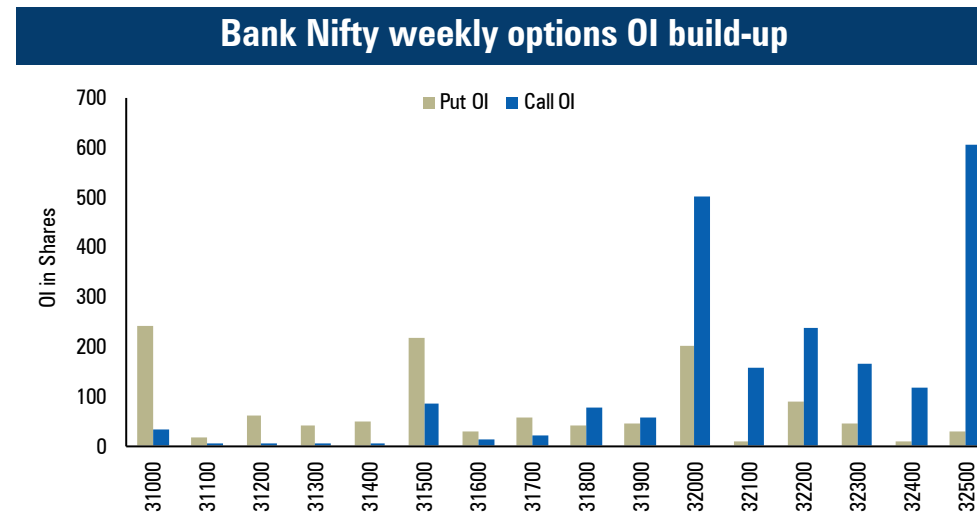
- The Nifty recovered towards 14700 last week after witnessing a sharp fall of almost 500 points on Monday. Positive global cues also helped markets to move higher despite fears of fresh lockdowns and a depreciating currency. The Nifty closed the week with a loss of 1.6% while midcap and small cap indices closed the week with loss of almost 3% each. Sustainability of 14700 is expected to lead to a fresh up move
- On the data front, the Nifty has major Call base placed at 14700 strikes with highest Call base placed at 15000 strike for the weekly settlement. On the downside, 14500 remains a crucial support due to continued build-up seen in this strike. Hence, we believe that move above 14700 may trigger upside momentum towards 15000 in the April series
- Sectorally, after significant underperformance was seen from the BFSI space in the last few weeks, some short covering was experienced. We expect banking to take the lead from here onwards. It will be crucial for a market recovery towards 15000 level. Moreover, we may see some consolidation in the technology space post their quarterly results
- The volatility in the markets declined sharply and moved towards 20 levels once again after testing 23 levels on Monday. We expect volatility to remain subdued, which should bode well for the current recovery



Source: Bloomberg, ICICI Direct Research
April 19, 2021

Bank Nifty: Sectoral churning expected to trigger buying in banking...

- The Bank Nifty witnessed a volatile week where moves were seen on both sides. Private leaders continued to witness profit booking but stock like HDFC Bank reverted from their major Put base. However, PSU banks continue to remain laggard and witnessed continued selling pressure
- As technology stocks witnessed profit booking post quarterly numbers of TCS and Infosys, sectoral rotation helped beaten down segment. Banking stocks witnessed some short covering to recover from the lows near 30500. In the last two sessions, fresh long OI build-up was observed as it closed near its sizeable Call base of 32000
- We feel the Bank Nifty should see some pick up in pace at the current juncture and stocks like HDFC Bank, Kotak Mahindra Bank should do well from current levels. Supportive action is expected from midcap banks like Federal Bank and Bandhan Bank
- On the options front, sizeable Call OI base is placed at 32000 followed by 33000. We feel downside should be limited and recent low should provide cushion. In contrast, a close above 32000 again should trigger a 1000-point rally



Source: Bloomberg, ICICI Direct Research

- Global markets remained buoyant as a risk on rally continued to gather pace. A fresh positive bias was observed in the commodity segment while equity markets from developed economies continued to gain. All major US indices are trading at their lifetime highs. However, some consolidation was observed in emerging markets. Indian markets closed the week marginally negative after witnessing a sharp decline on Monday
- FII activities remained muted last week as well. While the Nifty and Bank Nifty closed the week negative after sharp declines seen on Monday, a pullback was primarily seen among highly beaten down stocks from the BFSI space. Midcap and small cap stocks continue to outperform the key indices. During the week, FIIs have sold nearly ₹ 1006 crore. However, domestic institutions remained on the sidelines and sold just ₹ 51 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 buyers in the index futures segment worth ₹ 925 crore, they sold to the tune of ₹ 565 crore in the stock futures segment during the week. At the same time, FIIs bought index options worth ₹ 9123 crore
- Nymex crude moved sharply higher towards \$64 levels in the last couple of sessions after remaining range bound for almost a month. A fresh uptrend may be seen in the commodity if it sustains above \$64 levels. Decline in US inventories and weakness in the dollar has fuelled the recent rally in Nymex crude

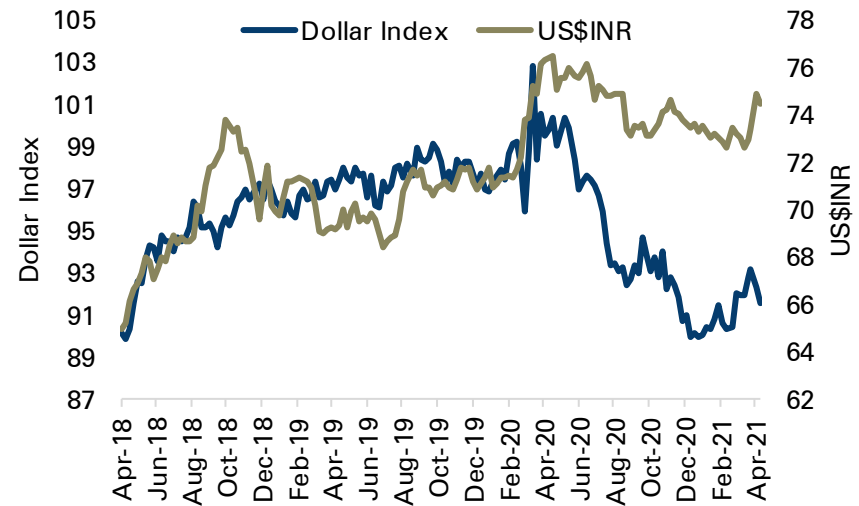
FII/DII buying in equities (in ₹ crore)					
Date	FII				DII
	Index Fut	Stock Fut	Index Opt	Cash	Cash
9-Apr	-639	-666	1538	2084	
12-Apr	-1740	-398	1954	-608	232
13-Apr	1995	1304	-1468	-2482	244
15-Apr	1309	-805	7099		-527

Source: Bloomberg, ICICI Direct Research

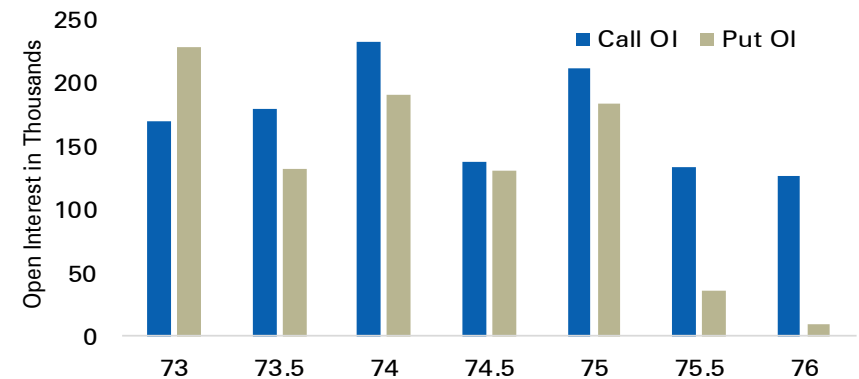
Rupee: Likely to appreciate towards 74 level...

- US\$INR futures corrected sharply in the last week as weakening of dollar along with rebound in domestic equities supported the rupee
- The dollar index headed for its worst back-to-back weekly drop this year amid an extended retreat in Treasury yields as investors increasingly bought into the Federal Reserve's insistence on keeping an accommodative policy stance for a while longer
- The benchmark 10-year Treasury yield dipped to a one-month low of 1.528% overnight, moving further away from over a one-year high of 1.776% reached at the end of last month, even in the face of stronger-than-expected retail sales and employment data
- Therefore, we expect the rupee to appreciate towards 74 level as stronger equities along with weaker dollar index are likely to put pressure on the pair in the near term

Dollar Index vs. US\$INR



US\$INR Options Build-up



Weekly Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Apr)	73.72	74.10	74.80	75.18	75.87
US\$INR (May)	74.03	74.40	75.08	75.46	76.14
EURINR (Apr)	88.22	88.73	89.53	90.04	90.84
EURINR (May)	88.55	89.09	89.85	90.38	91.15
GBPINR (Apr)	101.30	101.96	102.93	103.60	104.56
GBPINR (May)	101.75	102.38	103.27	103.90	104.79
JPYINR (Apr)	67.71	68.09	68.70	69.08	69.70
JPYINR (May)	68.01	68.37	68.96	69.32	69.91

Source: Bloomberg, Reuters, ICICI Direct Research

Date & Time (IST)	Country	Data & Events
Tuesday, April 20, 2021		
11:30 AM	UK	Average Earnings Index + Bonus (Feb)
11:30 AM	UK	Claimant Count Change (Mar)
Wednesday, April 21, 2021		
11:30 AM	UK	CPI (YoY) (Mar)
4:00 PM	UK	BoE Gov Bailey Speaks
8:00 PM	US	Crude Oil Inventories
Thursday, April 22, 2021		
5:15 PM	Euro Zone	ECB Monetary Policy Statement
6:00 PM	Euro Zone	ECB Press Conference
6:00 PM	US	Initial Jobless Claims
7:30 PM	US	Existing Home Sales (Mar)
Friday, April 23, 2021		
11:30 AM	UK	Retail Sales (MoM) (Mar)
2:00 PM	UK	Composite PMI
2:00 PM	UK	Manufacturing PMI
2:00 PM	UK	Services PMI
7:30 PM	US	New Home Sales (Mar)

Source: Bloomberg, ICICI Direct Research

Date	Script	Action	Recommendation
01-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
12-Apr-21	Biocon	Buy	Long/Short Strategy : Buy BIOCON April Future at 418-420, Buy 420 Put at 14-15 and Sell 460 Call at 4-5 , Target: 460, Stop loss: 10-11 points, Time frame: Till April expiry
16-Apr-21	HDFC	Buy	Positional Futures: Buy HDFC Ltd April future in the range of 2555-2575, Target: 2751; Stop Loss: 2451, Time frame: till April expiry
16-Apr-21	Nifty	Buy	Long/Short Strategy : Buy Nifty April Future at 14670-14690, Buy 22 April 14700 Put at 150-155 and Sell 14950 Call at 34-39 , Target: 14950, Time frame: Till 22 April expiry

[Back](#)

Source: Bloomberg, ICICI Direct Research

Date	Scrip	Action	Buy Price	Target	SL	CMP	%Ret	Time Frame
26-Feb-21	NTPC	Buy	105.5-107.5	122	98.5	102	-4.3%	1 months
04-Mar-21	Sun Pharma	Buy	625-635	738	570	646	2.2%	3 months
31-Mar-21	UPL	Buy	625-635	735	570	612	-3.7%	3 months
06-Apr-21	Torrent Pharma	Buy	2500-2550	2950	2300	2620	2.7%	3 months
06-Apr-21	Godrej Consumer Products	Buy	715-730	855	655	732	0.3%	3 months
07-Apr-21	SBI	Buy	353-359	410	324	340	-5.3%	3 months
15-Apr-21	HDFC Bank	Buy	1395-1415	1600	1298	1429	1.0%	3 months

[Back](#)

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Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

ICICI Direct Research Desk,
ICICI Securities Limited,
1st Floor, Akruiti Trade Centre,
Road no.7, MIDC
Andheri (East)
Mumbai – 400 093
research@icicidirect.com



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