

February 8, 2021

Other Product offerings

Derivatives Strategy

Underlying	Action
Britannia	Sell
TCS	Buy
Bharti Airtel	Buy
Duration : 1-2 months	
Click here to see open calls	

Quant (Derivatives) Pick

Underlying	Action
Glenmark Pharma	Buy
Ramco Cement	Buy
Duration : 1-3 months	
Click here to see open calls	



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Derivatives View

[Daily view](#)

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Stock recommendations in report

Action	Scrip	Target 1	Target 2	Stoploss	Time frame
Buy AURPHA FEB Fut at ₹ 946.00-948.00	Aurobindo Pharma	960.8	981.6	933.2	Intraday
Sell BERPAI FEB Fut at ₹ 731.00-732.00	Berger Paints	723.3	711.0	739.7	Intraday

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Intraday Outlook: Buy Bank Nifty in the range of 35500-35550

Index Outlook

Nifty Future

- ❖ The Nifty is expected to trade between 14700 and 15100 amid high volatility. Sell Nifty 14500 Put (February 11 expiry) in the range of ₹ 40-42 Target: ₹ 26-16 Stop loss : ₹ 56

Bank Nifty Future

- ❖ The rally continued for a six day in a row driven by a strong move in private banks. However, Call writers dominated the second half, which triggered profit taking and led the Bank Nifty to end at 35665 from a high of 36640. However, for the weekly series OI was seen in 35000 and 35500 strikes, which will be the key support area for upsides to continue. Buy Bank Nifty in the range of 35500-35550 Target:35850-35950, Stop loss: 35300

F&O Highlights

- ❖ The buying spree continued in the Nifty, helping it to move above 15000. However, in the second half, selling was witnessed in select heavyweights where the Nifty finally ended 30 points higher eroding all its healthy gains. Looking at ATM and OTM Put additions, we feel downsides look limited. However, 15000 Call strike holds second highest OI. This could be a hurdle on upsides

Stock Analysis

Long build-up/short covering: State Bank of India, Tata Steel, Kotak Mahindra Bank and Aurobindo Pharma

Short build-up/profit booking: Zee Entertainment, Bandhan Bank, Axis Bank, Tata Motors and Berger Paints

FII & DII Action

- ❖ FIIs bought ₹ 1462 crore while DIIs sold ₹ 1419 crore in the cash segment. FIIs sold index futures worth ₹ 461 crore while in index options they bought ₹ 2404 crore. In the stock futures segment, they sold ₹ 35 crore

Intraday Recommendations

i) Aurobindo Pharma		ii) Berger Paints	
Buy AURPHA FEB Fut at ₹ 946.00-948.00		Sell BERPAI FEB Fut at ₹ 731.00-732.00	
CMP: 947		CMP: 730	
Target 1: 960.8	Target 2: 981.6	Target 1: 723.3	Target 2: 711
Stop Loss: 933.2		Stop Loss: 739.7	

Note:

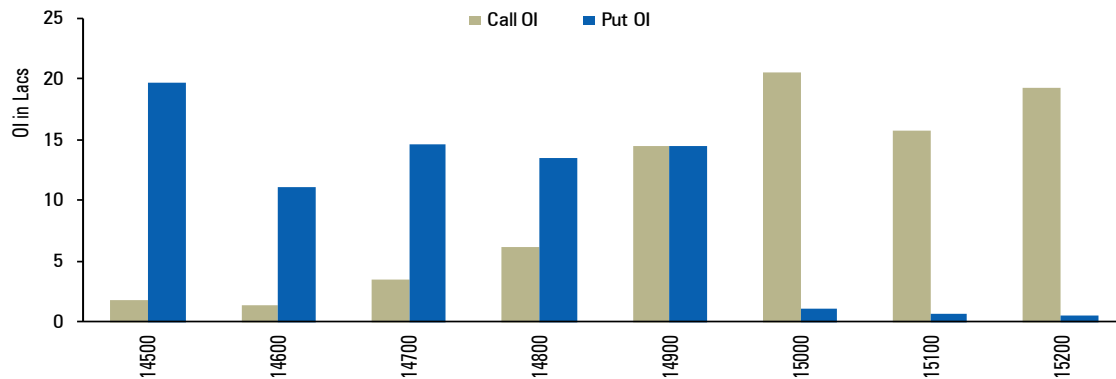
Note: Call initiation message will be broadcast on iclick-2-gain, if it is not initiated in opening session, then we might initiate with revise levels on iclick-2-gain.

Highlights of the last session & Pivot Levels

	Spot	Fut	Basis	Future OI	PCR OI	PCR Vol	ATM IV
Current	14924	14931	7	12267300	1.62	1.03	23.42
Previous	14896	14895	-1	12112800	1.62	1.26	23.12
Change (%)	0.19%	0.24%	-	1.28%	-	-	1.28%
	S3	S2	S1	Piv	R1	R2	R3
Nifty future	14748	14785	14855	14935	15005	15085	15123
Bank Nifty future	34553	34831	35248	35944	36361	37057	37335

Nifty futures ended at a premium of 7 points while IV fell 1.2%

Weekly Nifty Options OI build-up



The major Put base is at 14500 strike with almost 19 lakh shares while the major Call base is at the 15000 strike with almost 20 lakh shares

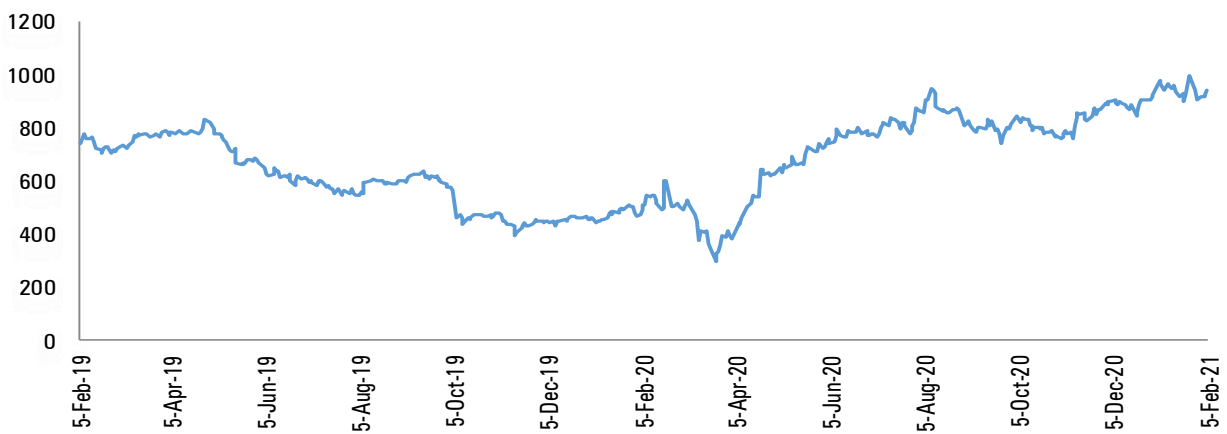
Strategy follow up

Date	Stock	View	Strategy	Reco	Target	SL	P&L	Comment
5-Feb-21	NMDC	Buy	Long Fut	118.1	119.4	116.8	-	Not initiated
5-Feb-21	ASIPAI	Sell	Short Fut	2410.0	2381.0	2441.0	-	Not initiated

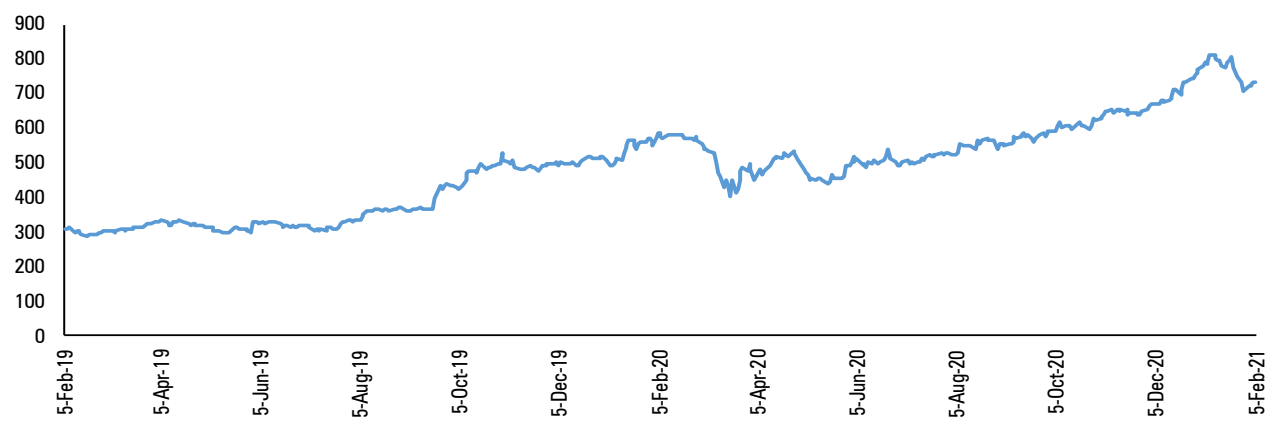
Note: Index calls may be changed, if view differs during market hours and positional recommendations given in Derivatives Strategy should not be linked to intraday index/stock calls.

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Aurobindo Pharma



Berger Paints



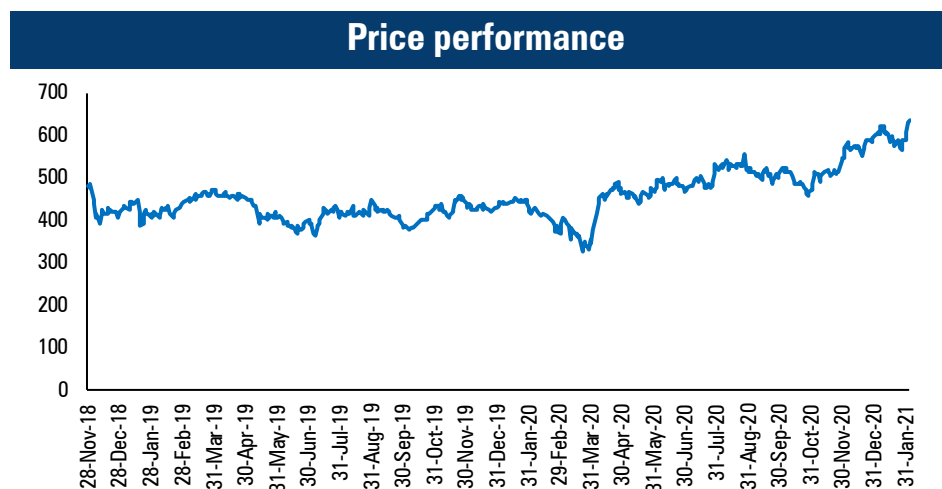
Source: NSE, Seediff, Bloomberg ICICI Direct Research
February 8, 2021

Weekly future recommendation:

Long Sun Pharma (SUNPHA) February future in range of ₹ 620-625; Target: ₹ 665; Stop Loss: ₹ 599

Rationale

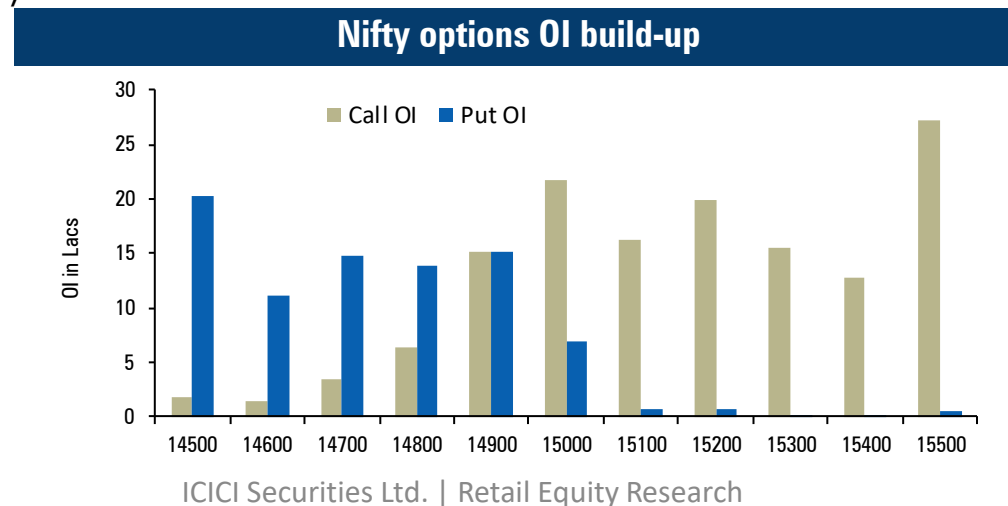
Post the quarterly numbers of Sun Pharma, the stock managed to move and close above its previous Call base of 600. Follow up momentum was visible throughout the week on the back of closure in Call OI positions. Highest addition last Friday was observed in 660 strike Call, which should be the target for the coming week. For a couple of sessions the stock saw accumulation of long positions whereas writing blocks are visible in 600 strike Put that is strong support for the week.



Source: Bloomberg, ICICI Direct Research

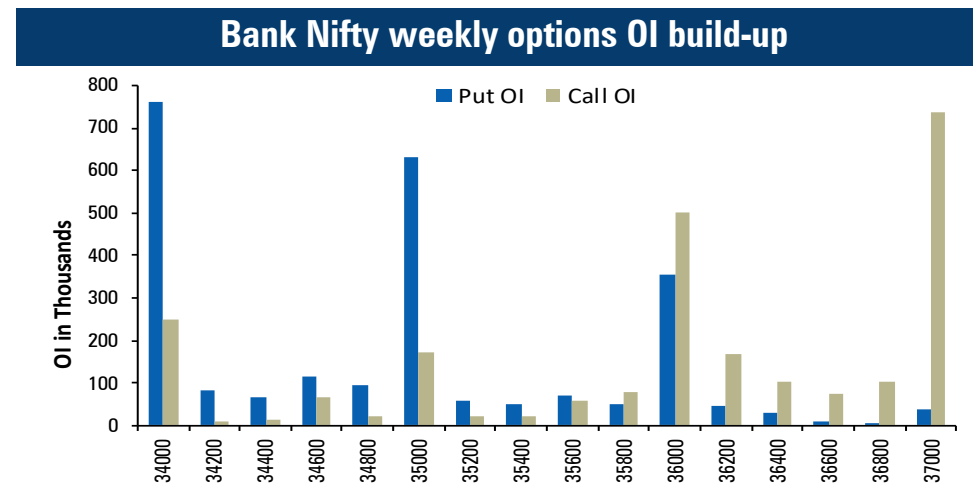
Nifty immediate support around 14600 in current uptrend...

- The Nifty exhibited strong reversal post Budget and witnessed one of the best weekly returns since 2009 as it gained almost 10% during the week. Once again, the banking space took the lead as the Bank Nifty moved up almost 20% in the week triggered by both PSU and private sector heavyweights
- Despite the sharp up move, the volatility index has remained elevated and did not move below 23. While closure among Call writers can be attributed to elevated volatility, we believe volatility levels will decline from here onwards. Sustainability at current levels may be considered a sign of caution after recent sharp upsides
- From a data perspective, significant Call option concentration was at ATM 15000 strike for both weekly and monthly settlement. Further closure of positions can take the index above these levels. On downsides, incremental Put writing was seen at 14700 strike, which remains immediate support for the index. The Nifty has started the new series with relatively low open interest and despite the recent up move, no major OI accumulation was seen suggesting low leverage
- Sectorally, the infrastructure and banking space along with the PSU space took the lead in the current move. We believe stocks with low leverage are likely to perform well in the coming sessions. Marginal profit booking in the technology and pharma space can be seen as a fresh re-entry opportunity



Bank Nifty: Uptrend to continue. Index may head towards 37000...

- Bank Nifty futures rallied almost 5500 points last week and managed to surpass their Call base of 36000. However, post the RBI monetary policy, profit booking was visible and it reverted sharply from higher levels. During the week, stocks like IndusInd Bank, SBI and Axis Bank outperformed whereas supportive price action was also there in other PSU banks
- Even after the event outcome, IVs continue to remain at elevated levels, which provided added advantage to option writers. Deep OTM strike, which is 2000 points far saw good build-up in OI positions indicating broader trading range in coming days
- Bank Nifty futures is trading almost at par with spot as heavyweights like HDFC Bank and Kotak Bank slipped into discount last week whereas others are trading at minor premiums. When the reversal take place, sharp moves are expected as cash based buying was visible and same activity could be seen in futures
- As of now the sizeable Call base for the Bank Nifty is placed at 36500 from where it reverted last Friday whereas highest base is at 37000. We feel profit booking could extend and the Bank Nifty could test its intermediate support of 35000 from where rally towards 37000 is possible



Source: Bloomberg, ICICI Direct Research

- The prevailing momentum across risk assets continued last week as well and emerging market equities witnessed a fresh up move after a round of profit booking was seen in the week before. While US indices moved to fresh lifetime highs, Asian indices remained laggard. Indian markets outperformed post Union Budget announcement and benchmark indices gained close to 10%. However, the Dollar index has tested its highest levels of more than two months, which has kept volatility high across asset classes
- FII's turned net buyers as they again bought almost ₹ 6115 crore in equities post Budget announcement. On the other hand, domestic institutions avoided any major buying and turned net buyers of ₹ 56 crore in equities during the week. While the major moves were seen in infra and banking, stocks from the pharma and technology space relatively underperformed
- In the F&O space, FII's remained net buyers but activities remained largely muted in the futures segment. While they sold ₹ 469 crore in index futures, they also sold to the tune of ₹ 93 crore in the stock futures segment during the week. At the same time, FII's bought index options worth ₹ 8136 crore during the week
- Nymex crude found fresh buoyancy last week amid better-than-expected economic recovery in the US. Moreover, a decline in inventory in both US and China also propelled prices to 52-week highs. The momentum remained intact despite the recent strength seen in Dollar index. Considering the prevailing risk on up move in various asset classes, we expect it to remain positive as long as it sustains above \$55

FII/DII buying in equities (in ₹ crore)					
Date	FII			DII	
	Index Fut	Stock Fut	Index Opt	Cash	Cash
29-Jan	-5	-183	2471	-4626	-1290
1-Feb	2135	1350	-2520	1556	-90
2-Feb	-975	-921	3562	6498	-2035
3-Feb	-69	-858	-2083	2687	-400
4-Feb	-1555	518	6706		2443

Source: Bloomberg, ICICI Direct Research

Rupee to appreciate further towards 72.70 level...

- US\$INR futures fell gradually during most of the week as a strong rally in domestic equities pressurised the pair while a rebound in the dollar index provided some support to the pair
- The dollar index headed for its best weekly gain in three months, lifted by growing confidence that the US economic recovery will outpace its global peers. The dollar has also been supported by a rise in longer-term US treasury yields, which came as traders positioned for massive fiscal spending
- Democrats in the US Senate were poised for a marathon voting session aimed at overriding Republican opposition to President Joe Biden's \$1.9 trillion Covid-19 relief proposal
- We expect the rupee to appreciate further towards 72.70 level as stronger equities are likely to put further pressure on the pair

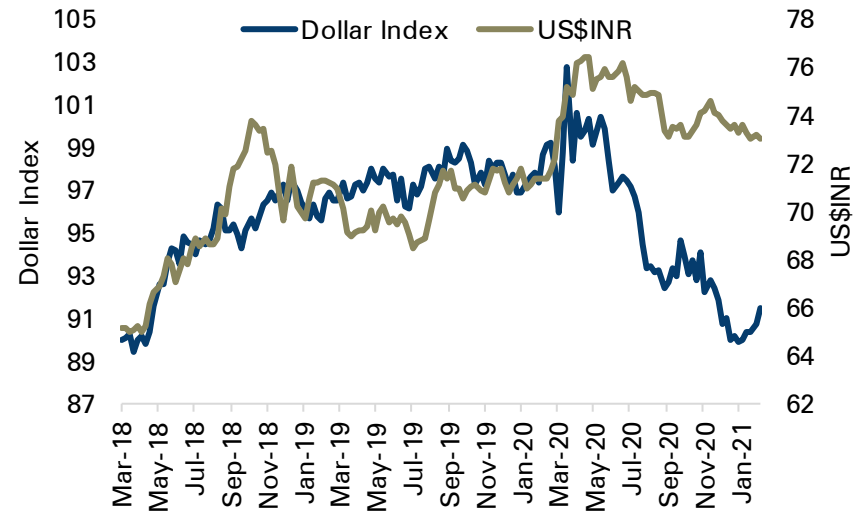
Weekly Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Feb)	72.70	72.88	73.12	73.31	73.55
US\$INR (Mar)	73.00	73.18	73.41	73.59	73.82
EURINR (Feb)	86.45	87.00	87.97	88.53	89.50
EURINR (Mar)	86.84	87.40	88.35	88.91	89.86
GBPINR (Feb)	98.56	99.29	99.99	100.71	101.41
GBPINR (Mar)	99.00	99.70	100.36	101.06	101.73
JPYINR (Feb)	68.69	68.98	69.54	69.82	70.38
JPYINR (Mar)	68.78	69.17	69.78	70.17	70.78

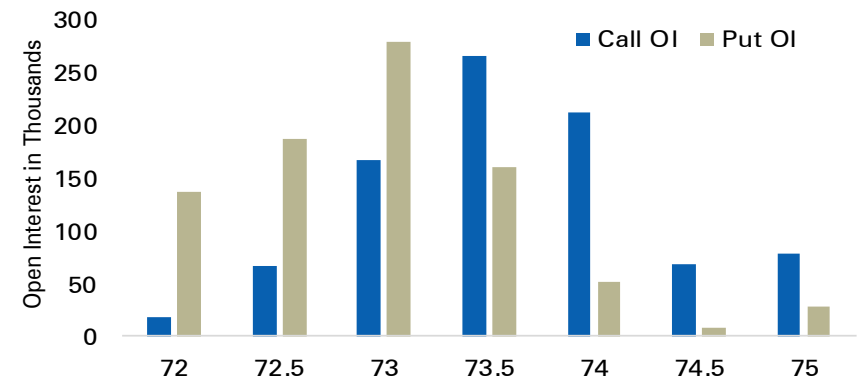
Source: Bloomberg, Reuters, ICICI Direct Research

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Dollar Index vs. US\$INR



US\$INR Options Build-up



Symbol	Company	Purpose	Board Meeting Date	Symbol	Company	Purpose	Board Meeting Date
DIVISLAB	Divi's Laboratories Limited	Financial Results	06-Feb-21	PAGEIND	Page Industries Limited	Financial Results/Dividend	10-Feb-21
BHEL	Bharat Heavy Electricals Limited	Financial Results	06-Feb-21	PEL	Piramal Enterprises Limited	Financial Results	11-Feb-21
TORNTPHARM	Torrent Pharmaceuticals Limited	Financial Results/Dividend	08-Feb-21	PETRONET	Petronet LNG Limited	Financial Results	11-Feb-21
SUNTV	Sun TV Network Limited	Financial Results/Dividend	08-Feb-21	PFC	Power Finance Corporation Limited	Financial Results	11-Feb-21
GODREJCP	Godrej Consumer Products Limited	Financial Results/Dividend	08-Feb-21	POWERGRID	Power Grid Corporation of India Limited	Financial Results/Other business m	11-Feb-21
BPCL	Bharat Petroleum Corporation Limited	Financial Results/Dividend	08-Feb-21	ACC	ACC Limited	Financial Results/Dividend	11-Feb-21
BALKRISIND	Balkrishna Industries Limited	Financial Results/Dividend	08-Feb-21	ASHOKLEY	Ashok Leyland Limited	Financial Results/Other business m	11-Feb-21
NMDC	NMDC Limited	Financial Results	08-Feb-21	BOSCHLTD	Bosch Limited	Financial Results	11-Feb-21
TORNTPOWER	Torrent Power Limited	Financial Results/Dividend	09-Feb-21	COALINDIA	Coal India Limited	Financial Results	11-Feb-21
TATASTEEL	Tata Steel Limited	Financial Results/Other business matt	09-Feb-21	ITC	ITC Limited	Dividend	11-Feb-21
MUTHOOTFIN	Muthoot Finance Limited	Financial Results	09-Feb-21	ITC	ITC Limited	Financial Results	11-Feb-21
MGL	Mahanagar Gas Limited	Financial Results/Dividend	09-Feb-21	MRF	MRF Limited	Fund Raising	11-Feb-21
MFSL	Max Financial Services Limited	Financial Results	09-Feb-21	MRF	MRF Limited	Financial Results/Dividend	11-Feb-21
BERGEPAIN	Berger Paints (I) Limited	Financial Results	09-Feb-21	VOLTAS	Voltas Limited	Financial Results	12-Feb-21
ADANIPORTS	Adani Ports and Special Economic Zone Limited	Financial Results	09-Feb-21	ONGC	Oil & Natural Gas Corporation Limited	Financial Results	12-Feb-21
TITAN	Titan Company Limited	Financial Results	10-Feb-21	NAUKRI	Info Edge (India) Limited	Financial Results	12-Feb-21
AUROPHARMA	Aurobindo Pharma Limited	Financial Results/Dividend	10-Feb-21	NATIONALUM	National Aluminium Company Limited	Financial Results/Other business m	12-Feb-21
BATAINDIA	Bata India Limited	Financial Results	10-Feb-21	MOTHERSUMI	Motherson Sumi Systems Limited	Financial Results	12-Feb-21
EICHERMOT	Eicher Motors Limited	Financial Results	10-Feb-21	GRASIM	Grasim Industries Limited	Financial Results	12-Feb-21
GAIL	GAIL (India) Limited	Financial Results/Other business matt	10-Feb-21	GLENMARK	Glenmark Pharmaceuticals Limited	Financial Results	12-Feb-21
HINDALCO	Hindalco Industries Limited	Financial Results	10-Feb-21	BHARATFORG	Bharat Forge Limited	Financial Results	12-Feb-21
IGL	Indraprastha Gas Limited	Financial Results	10-Feb-21	APOLLOHOSP	Apollo Hospitals Enterprise Limited	Financial Results/Other business m	12-Feb-21

Source: Bloomberg, ICICI Direct Research

Date & Time (IST)	Country	Data & Events
Tuesday, February 9, 2021		
5:30 PM	US	EIA Short-Term Energy Outlook
8:30 PM	US	JOLTs Job Openings (Dec)
Wednesday, February 10, 2021		
7:00 PM	US	Core CPI (MoM) (Jan)
9:00 PM	US	Crude Oil Inventories
11:00 PM	US	US federal budget
Thursday, February 11, 2021		
7:00 PM	US	Initial Jobless Claims
9:30 PM	US	Fed Monetary Policy Report
Friday, February 12, 2021		
12:30 PM	UK	GDP (YoY) (Q4)
12:30 PM	UK	GDP (QoQ) (Q4)
12:30 PM	UK	Manufacturing Production (MoM) (Dec)
12:30 PM	UK	Monthly GDP 3M/3M Change

Source: Bloomberg, ICICI Direct Research

Date	Scrip	Action	Recommendation
7-Jan-21	Britannia	Sell	Positional Futures: Sell Britannia Feb future in the range of 3540-3580, Target: 3240; Stop Loss: 3730, Time frame: till Feb expiry
2-Feb-21	TCS	Buy	Long/Short Strategy : Buy TCS Feb Future at 3190-3210 & buy 3200 Put at 85-90, Target: 3400, Time frame: Till Feb expiry
2-Feb-21	Bharti Airtel	Buy	Long/Short Strategy : Buy Bharti Feb 600 Call at 24-26 & sell 640 Call at 12-14, Target: 640, Time frame: Till Feb expiry

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Source: Bloomberg, ICICI Direct Research

Date	Scrip	Action	Buy Price	Target	SL	CMP	%Ret	Time Frame
4-Jan-21	Muthoot Finance	Buy	1225-1250	1470	1105.0	1185	-4.0%	3 months
6-Jan-21	Glenmark Pharma	Buy	505-520	605	464.0	501	-2.1%	3 months
22-Jan-21	Hero Motocorp	Buy	3320-3380	3950	3050.0	3440	1.8%	3 months
1-Feb-21	Exide Industries	Buy	188-194	230	172.5	203	4.6%	3 months
2-Feb-21	Ramco Cement	Buy	850-867	995	782.0	868	0.3%	3 months

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Source: Bloomberg, ICICI Direct Research

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