

## Derivatives Strategy – Positional Option

### Buy IOC February 100 Call for target of ₹ 11

#### Few open Calls...

##### Derivatives Strategy

Underlying	Action
Britannia	Sell
Bharti Airtel	Buy
TCS	Buy

Duration : 1-2 months

#### Recommendation in the report

Underlying	Action	Initiation Range	Target	Stop-loss	Time Frame
IOC February 100 Call	Buy	4.4-5.0	11	2.5	till February expiry



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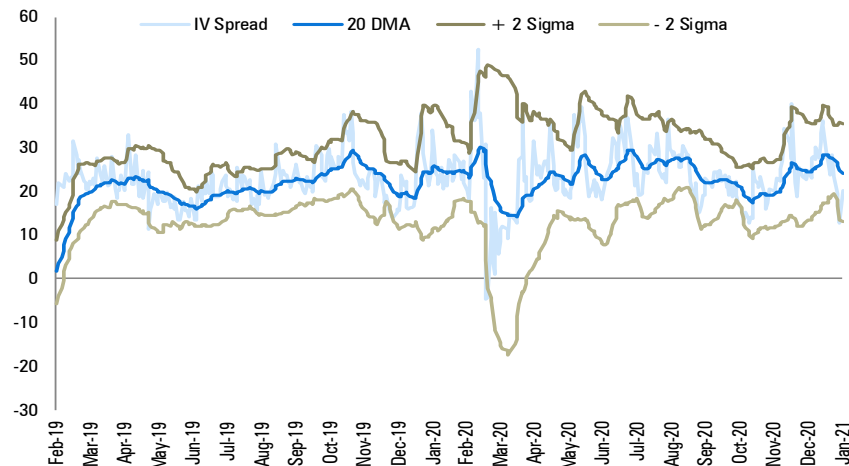
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Positional Option: Buy IOC February 100 Call at ₹ 4.4-5.0, Target: ₹ 11, Stop loss: ₹ 2.5, Time frame: Till October expiry

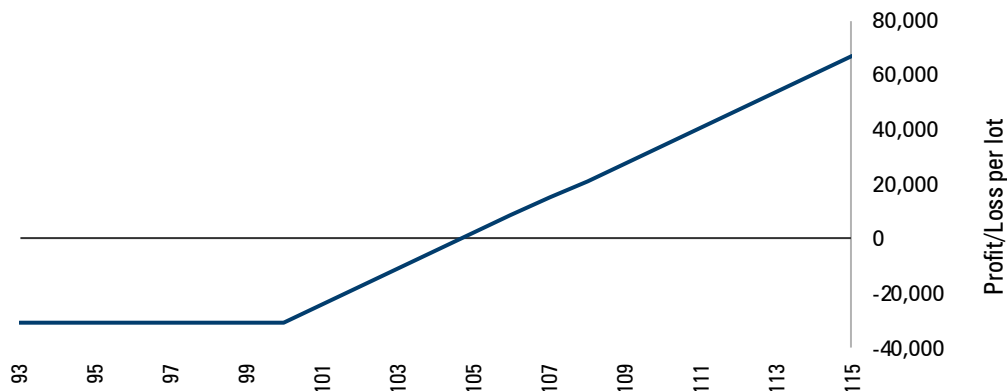
### Snapshot

- OMCs remained in focus in recent days as price action was visible among all from recent low where IOC outperformed and moved above ₹ 100 levels
- IOC had the highest Call base at 100 in which almost 12% OI was closed. The stock managed to close above 100 levels along with a pick-up in delivery volumes, which was observed around ₹ 95 levels
- As the stock moved above ₹ 100 levels, fresh long accumulation was observed, which is likely to continue in coming days
- On the back of closure in ATM Call strikes, the IV-spread is likely to move higher while activity is likely to pick up pace in far OTM strike. This would push the spread above its mean levels, which will be positive for the stock. We feel the stock is well placed to move above ₹ 110 this expiry

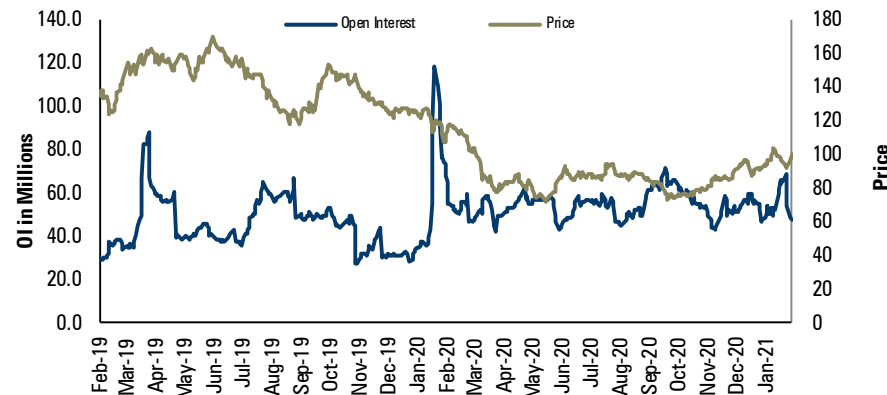
### Stock – Nifty IV Spread



### Option Pay-off



### Price & OI chart



Source: NSE, Seediff, Bloomberg, ICICI Direct Research

Note : Recommendation given on Iclick2gain on February 03, 2021

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*Source: Bloomberg, ICICI Direct Research*

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