

February 8, 2021

Quant Pick – Ambuja Cement

Quant Pick

Stock	Action	Initiation Range	Target	Stop loss	Time Frame
Ambuja Cement	Buy	268-275	325	247	3 Months

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
Zee	Buy
DLF	Buy
Duration : 1-3 months	

Click here to see [open calls](#)

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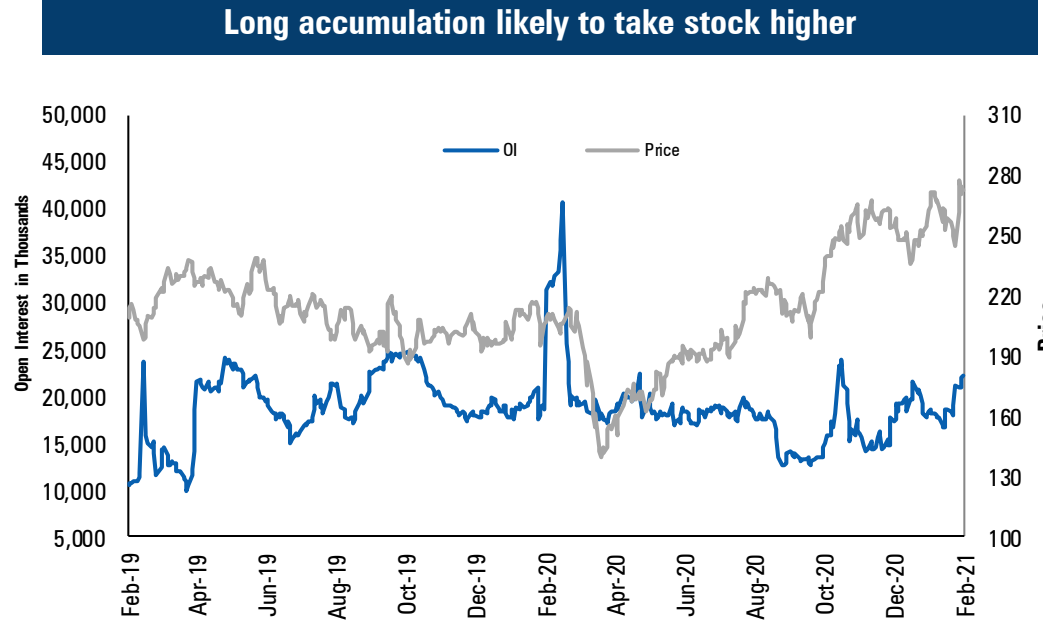
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Buy Ambuja Cement in range of ₹ 268-275; Target: ₹ 325; Stop Loss: ₹ 247; Time frame: Three months

Snapshot

Spot Price	271.00
Beta	1.50
12M Avg Price (₹)	223.0
3M Avg Roll (%)	96.5%
HV 30 Day (% Annualised)	49.50

Price vs. open interest pattern



Source: NSE, Seediff, ICICI Direct Research

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- The cement space has remained largely range bound in the last couple of months with stocks like Ambuja Cement underperforming its peers in the ongoing recovery. We believe the stock has substantial room for upsides. After remaining range bound for some time, the recent up move is likely to continue towards ₹ 300 and higher
- The open interest in the stock has increased gradually in the last two months along with incremental stock price. Current OI in the stock is at a four-month high. Considering continuous additions and resilience of the stock, we expect further fresh accumulation to be seen, which should take it higher in the coming sessions
- The stock has been witnessing accumulation near the support level of ₹ 250. With continued Put writing in 250 and 260 strikes, we expect downside risk to be limited. On the other hand, Call OI of 290 and 295 strike is already witnessing closure of positions suggesting upsides in the stock. These positions are expected to aid it to break the option range on the higher side
- The stock witnessed noteworthy delivery based activity from October 2020 till now as it exceeded its multiple hurdle of ₹ 240-250 levels and moved towards ₹ 275. Since accumulation was seen in this stock in the last few months, we believe downsides are limited in it while positive momentum is likely to remain intact in the stock above ₹ 250 levels
- The stock has been testing ₹ 280 levels for the last three years. Post the breakout in October, 2020 it has been just consolidating in the last three months above ₹ 250. We believe it can start building up long positions from these levels as there is ample room left in the stock
- **Note:** Call has been initiated on iClick2Gain on February 5, 2021

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

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Date	Scrip	Action	Buy Price	Target	SL	CMP	%Ret	Time Frame
4-Jan-21	Muthoot Finance	Buy	1225-1250	1470	1105.0	1164	-5.7%	3 months
6-Jan-21	Glenmark Pharma	Buy	505-520	605	464.0	503	-1.8%	3 months
22-Jan-21	Hero Motocorp	Buy	3320-3380	3950	3050.0	3430	1.5%	3 months
1-Feb-21	Exide Industries	Buy	188-194	230	172.5	204	5.2%	3 months
2-Feb-21	Ramco Cement	Buy	850-867	995	782.0	872	0.8%	3 months
5-Feb-21	Ambuja Cement	Buy	268-275	325	247.0	274	0.4%	3 months

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Source: Bloomberg, ICICI Direct Research

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