

February 3, 2021

Quant Pick – Ramco Cement

Quant Pick

Stock	Action	Initiation Range	Target	Stop loss	Time Frame
Ramco Cement	Buy	850-867	995	782	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
Ramco Cement	Buy
DLF	Buy
Duration : 1-3 months	

Click here to see [open calls](#)

Research Analysts

Raj Deepak Singh

rajdeepak.singh@icicisecurities.com

Nandish Patel

nandish.patel@icicisecurities.com

Dipesh Dedhia

dipesh.dedhia@icicisecurities.com

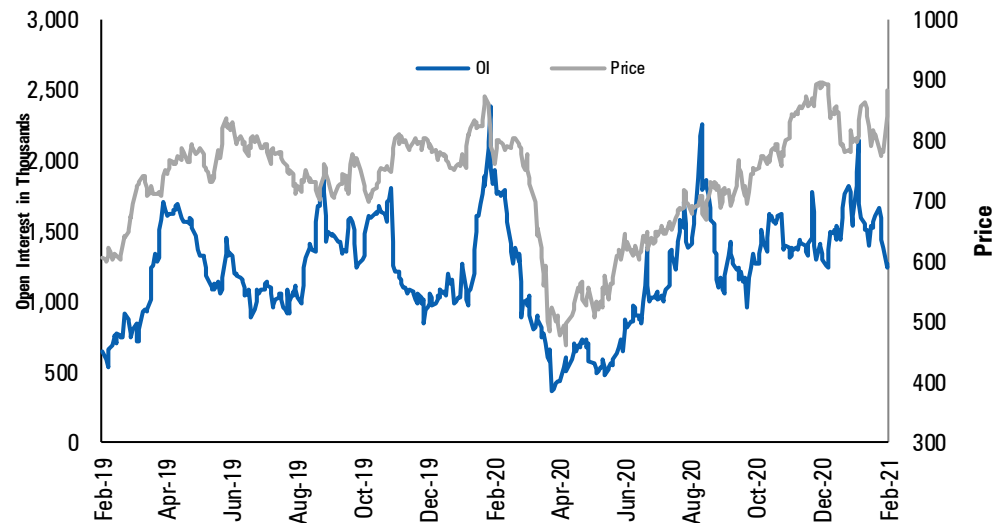
Buy Ramco Cement in range of ₹ 850-867; Target: ₹ 995;
Stop Loss: ₹ 782; Time frame: Three months

Snapshot

Spot Price	863.00
Beta	0.70
12M Avg Price (₹)	761.0
3M Avg Roll (%)	91.0%
HV 30 Day (% Annualised)	45.00

Price vs. open interest pattern

Long positions remain intact despite intermediate consolidation



Source: NSE, Seediff, ICICI Direct Research

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- In the current market scenario, the broader market is recovering significantly while traction was also seen in infrastructure, realty and cement stocks. Cement stocks are also seeing the same trend as stocks like UltraTech Cement and Ramco Cement are relatively outperforming in the space
- The open interest in the stock had moved to four-month highs in early January 2021. Since then, it has seen a sharp decline in OI at the end of January while OI levels have come down more than 30% along with a gradual fall in stock prices. Closure of leverage positions was seen in the stock in mid-January indicating closure of long positions. We believe longs positions in the stock are intact. Also, we expect long additions in the stocks. The upward bias may continue in it in coming weeks
- In the options space, the significant OI for the stock is holding at the ITM of 780 and 800 strike. As it started seeing trading above said levels, closure of positions was seen in ITM Call strikes. These positions are shifting to higher strikes of ₹ 900 for the February series. This activity indicates expected upsides in the stock in the current series
- The stock witnessed noteworthy delivery based activity in early January 2021 at the levels of ₹ 780-800, which is a crucial support level for the stock. Since accumulation was seen in this stock last month, we believe downsides are limited in it while positive momentum is likely to remain intact in the stock above the mentioned levels
- The stock has been hovering in the range of ₹ 760-870 in the last couple of months. Now, it has finally moved above this range in the last trading session. After a round of consolidation with time based correction, it has started moving up again. We believe the ongoing momentum will continue in the coming months
- **Note:** Call has been initiated on iClick2Gain on February 2, 2021

Date	Scrp	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	1167	-5.5%	3 months
6-Jan-21	Glenmark Pharma	Buy	505-520	605	464.0	488	-4.7%	3 months
22-Jan-21	Hero Motocorp	Buy	3320-3380	3950	3050.0	3293	-2.6%	3 months
1-Feb-21	Exide Industries	Buy	188-194	230	172.5	201	3.6%	3 months
1-Feb-21	DLF	Buy	258-268	320	238.0	294	10.9%	3 months
2-Feb-21	Ramco Cement	Buy	850-867	995	782.0	877	1.4%	3 months

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Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

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



Source: Bloomberg, ICICI Direct Research

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