

June 14, 2021

Other Product offerings

Derivatives Strategy

Underlying	Action
Titan	Buy

Duration : 1-2 months

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Quant (Derivatives) Pick

Underlying	Action
HDFC	Buy
BEL	Buy
Page Industries	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 JSWSTE June Fut at ₹ 735.00-736.00	JSW Steel	742.2	752.2	728.8	Intraday
Sell AMARAJ June Fut at ₹ 755.00-756.00	Amara Raja Batteries	746.5	733.0	764.5	Intraday
Buy NIFFIN June Fut at ₹ 16600.00-16650.00	FINNIFTY	16750.0	16850.0	16500.0	Intraday
Buy MAHGAS June Fut at ₹ 1225.00-1230.00	Mahanagar Gas	1300.0		1190.0	Weekly
Buy TECMAH June Fut at ₹ 1032.00-1038.00	Tech Mahindra	1121.0		990.0	2-3 Weeks

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Intraday Outlook: Buy Bank Nifty in the range of 34850-34950

Index Outlook

Nifty Future

- ❖ The Nifty is expected to trade between 15650 and 15900 amid high volatility. Sell Nifty 15650 Put (June 17 expiry) in the range of ₹ 40-42 Target: ₹ 26-16 Stop loss : ₹ 56

Bank Nifty Future

- ❖ The Bank Nifty witnessed a volatile day wherein it closed with a loss of more than 0.24%. The banking index is lacking positive momentum as it is underperforming broader indices. According to options data, both 35000 Call and Put option witnessed noteworthy OI addition, which indicates it should continue to trade around 35000 levels. Buy Bank Nifty in the range of 34850-34950 Target: 35150-35250 Stop loss: 34650

F&O Highlights

- ❖ The Nifty opened higher and continued its uptrend as it closed with a gain of 0.39%. Sectorally, metals and IT stocks witnessed buying while realty and media stocks were under selling pressure. Looking at options data, 15700 Put option has sizeable OI, which should act as support

Stock Analysis

Long build-up/short covering: JSW Steel, SAIL, Aurobindo Pharma, Coal India, Hindalco and Reliance Industries

Short build-up/profit booking: Amara Raja Batteries, Tata Power, Axis Bank, UPL, SBI Life and Voltas

FII & DII Action

- ❖ FIIs bought ₹ 19 crore while DIIs bought ₹ 666 crore in the cash segment. FIIs sold index futures worth ₹ 122 crore while in index options they sold ₹ 656 crore. In the stock futures segment, they bought ₹ 184 crore

Intraday Recommendations

i) JSW Steel		ii) Amara Raja Batteries	
Buy JSWSTE June Fut at ₹ 735.00-736.00		Sell AMARAJ June Fut at ₹ 755.00-756.00	
CMP: 734.10		CMP: 759.05	
Target 1: 742.2	Target 2: 752.2	Target 1: 746.5	Target 2: 733
Stop Loss: 728.8		Stop Loss: 764.5	

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.

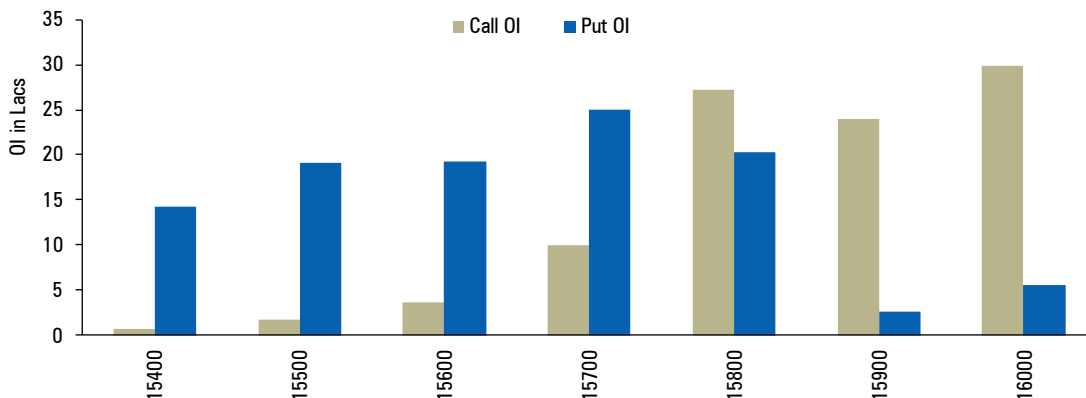
Highlights of the last session & Pivot Levels

	Spot	Fut	Basis	Future OI	PCR OI	PCR Vol	ATM IV
Current	15799	15817	18	13016975	1.61	1.34	14.10
Previous	15738	15751	14	12356500	1.62	1.25	15.00
Change (%)	0.39%	0.42%	-	5.35%	-	-	-6.38%

	S3	S2	S1	Piv	R1	R2	R3
Nifty future	15691	15715	15766	15811	15862	15907	15931
Bank Nifty future	34585	34709	34939	35207	35437	35705	35830

Nifty futures ended at a premium of 18 points while IV was down 6.38%

Weekly Nifty Options OI build-up



The major Put base is at 15700 strike with 24 lakh shares while the major Call base is at the 16000 strike with 29 lakh shares

Strategy follow up

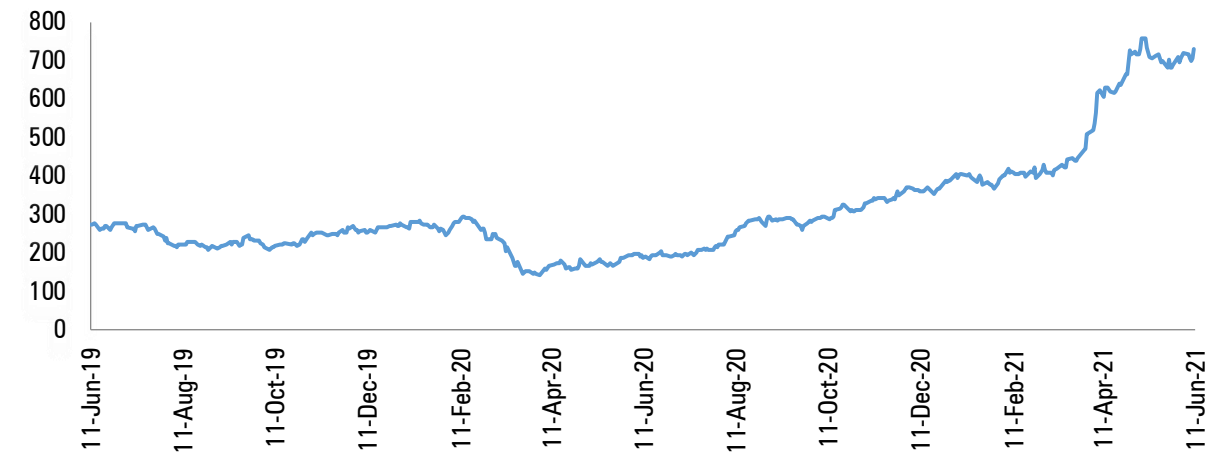
Date	Stock	View	Strategy	Reco	Target	SL	P&L	Comment
11-Jun-21	ASIPAI	Buy	Long Fut	2927.0	2987.0	2927.0	-	Not initiated
11-Jun-21	MAHMAH	Sell	Short Fut	806.5	793.6	819.4	-	Not initiated

Note: Index/ Stocks 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.

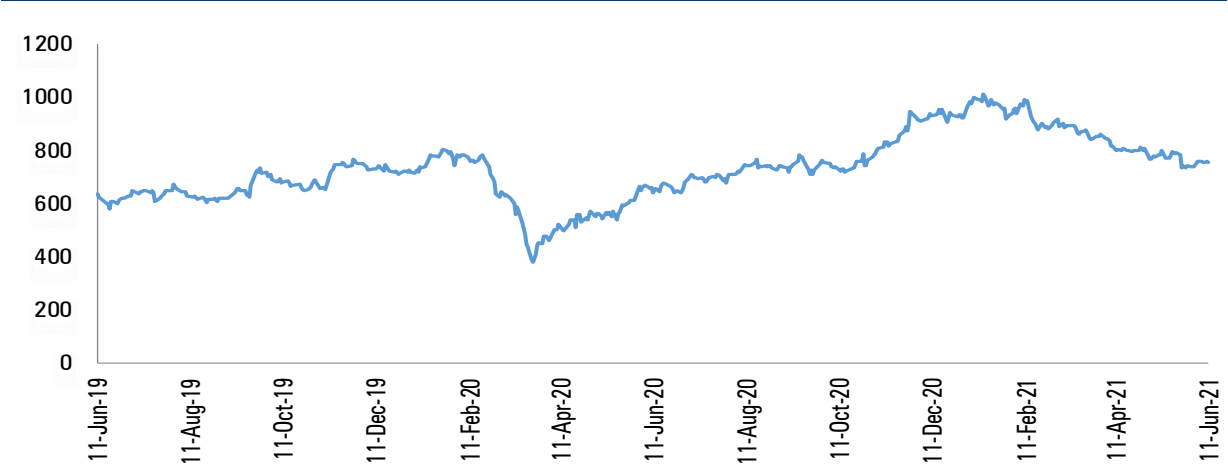
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Source: NSE, Seediff, Bloomberg ICICI Direct Research

JSW Steel



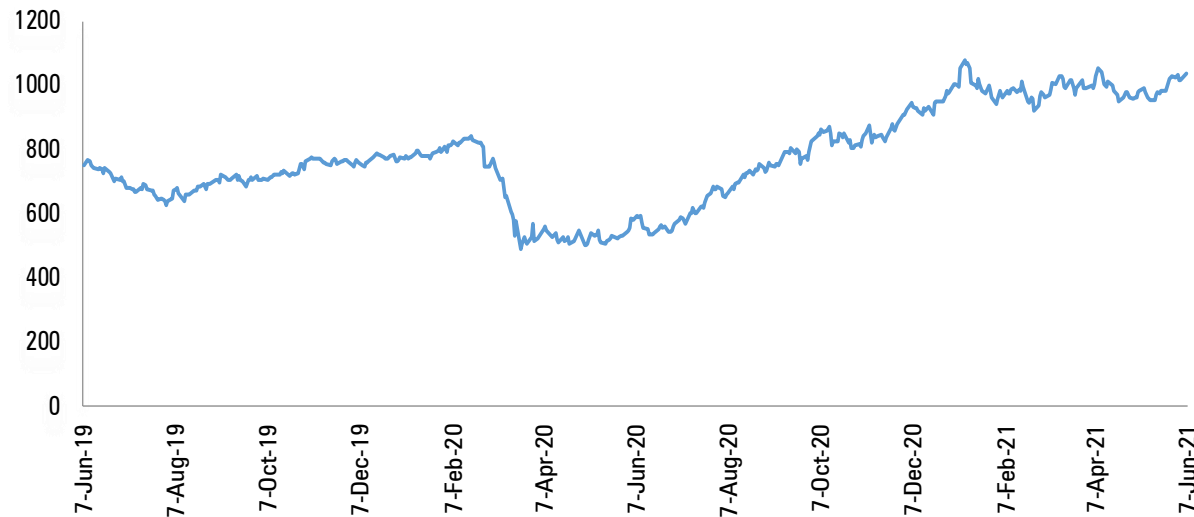
Amara Raja Batteries



Source: NSE, Seediff, Bloomberg ICICI Direct Research
June 14, 2021

Date	Stock	View	Initiation Range	Target	Stoploss	Time Frame
7-Jun-21	Tech Mahindra	Buy	₹ 1032.00-1038.00	₹ 1121	₹ 990	2-3 Weeks

Tech Mahindra



Recommendation follow up							
Underlying	View	Strategy	Reco	Target	Stoploss	Profit/Loss	Comment
Tech Mahindra	Bullish	Buy Futures	1035.0	1121.0	990.0	15600	Profit booked

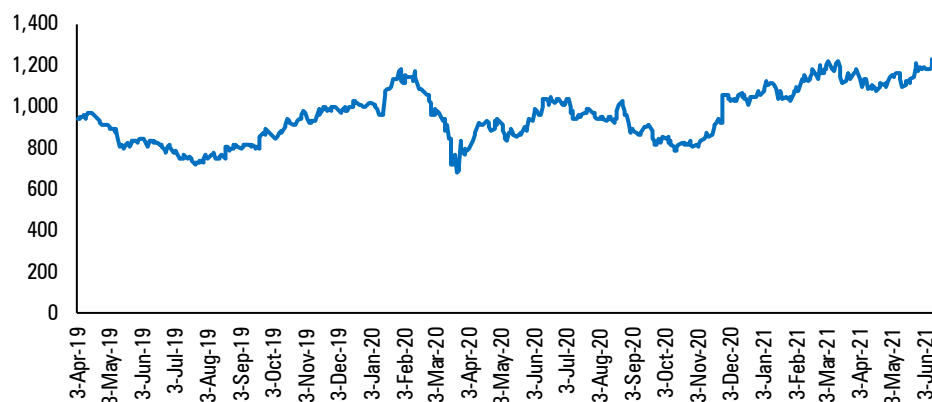
Weekly future recommendation :

Long Mahanagar Gas (MAHGAS) June future in range of ₹ 1225-1230; Target: ₹ 1300; Stop Loss: ₹ 1190

Rationale

In the oil & gas space, MGL has reverted sharply in the current leg of recovery in the broader market. In the past few days. Open interest in the stock has been increasing along with a rise in price. Furthermore, delivery based volume was seen in the stock near ₹ 1190, ₹ 1200 levels indicating major support on downsides. Due to lower IV, option premiums are cheaper, which has attracted OTM Call buying. We expect the stock to test its Call base of ₹ 1300 in coming sessions.

Price performance



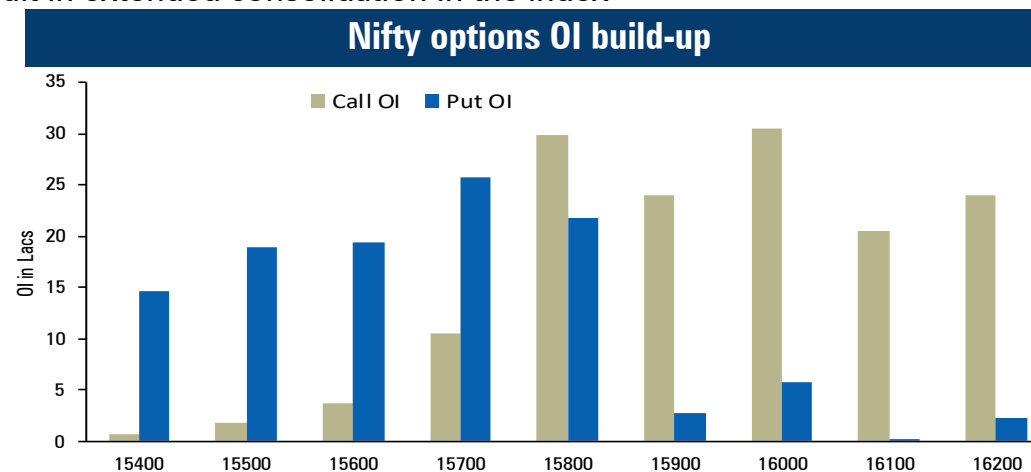
Recommendation follow up

Underlying	View	Strategy	Reco	Target	Stoploss	Profit/Loss	Comment
Hero Motocorp	Bullish	Buy Futures	3035	3195	2945		Not Initiated

Source: Bloomberg, ICICI Direct Research

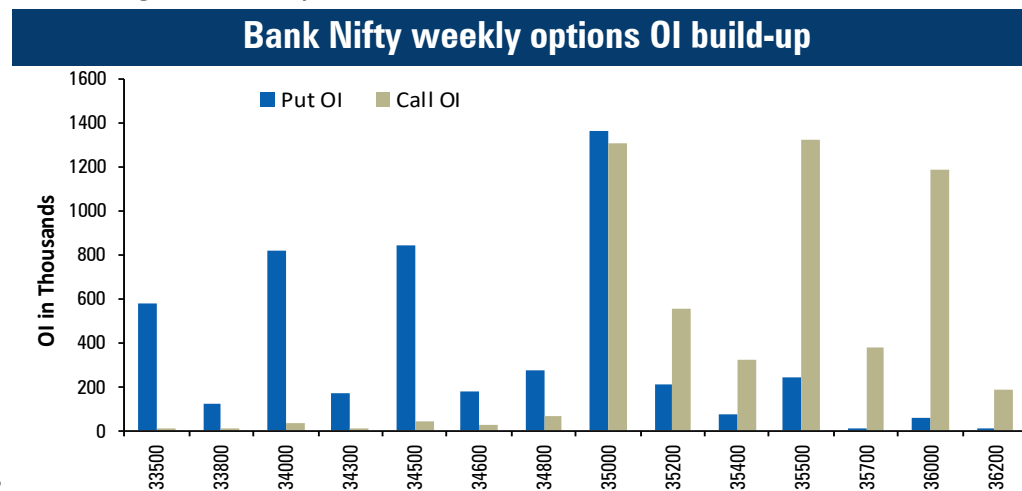
Nifty: Support placed near 15550 in current uptrend...

- The Nifty continued to trade higher amid significant outperformance from broader markets. While the Nifty gained less than 1% last week, midcap and small cap indices gained more than 3% during the week. Even in the Nifty, apart from select heavyweights from technology space, most heavyweights remained range bound while PSU heavyweights performed
- We believe that participation from index heavyweights will be crucial for continuance of the up move. While banking heavyweights remained unchanged in the last two weeks, technology stocks have taken the lead in the last one week. However, since most heavyweights are trading near their highest Call bases, further consolidation cannot be ruled out. In such a scenario, one should keep a stop loss near 15600 levels to play the ongoing momentum
- On the options front, the highest option concentration is placed at 15800 Call and 15700 Put strikes with more than 30 lakh shares each and combined premium of ₹ 150. The current OI is significantly lower compared to the last few weeks as volatility has declined significantly and risk aversion is visible among option writers. Hence, positive bias can continue with stop loss near ₹ 15550
- The volatility index declined further and moved below 15 levels, which is the lowest level since February 2020. With the upcoming FOMC meet during the week, a round of upsides in the volatility index cannot be ruled out. Such low levels also suggest some caution in the market, which may result in extended consolidation in the index



Source: Bloomberg, ICICI Direct Research
June 14, 2021

- The banking index significantly underperformed the broad markets and ended the week negative. Moreover, it was the only sectoral index, which closed the week negative. While PSU stocks continue to perform, it was primarily private sector banking heavyweights, which have struggled to find further momentum
- From an options perspective, the banking index continued to witness significant writing at 35500 and 36000 Call strikes for the weekly as well as monthly settlement suggesting limited upsides in the short-term. We believe that a close above 35500 on a closing basis may provide fresh momentum in banking stocks. On the lower side, Put base is placed at 35000 and 34500 strikes suggesting immediate support for the Bank Nifty
- Among private leaders, the highest Call base for HDFC Bank is 1500 strike, for Kotak Mahindra Bank it is 1800 Call strike and for Axis Bank at the 750 strike. Thus, these levels will remain crucial in the short-term. Only a move above these levels may trigger continued momentum, which may take the banking index higher
- The Bank Nifty/Nifty price ratio has immediate support near 2.19 levels. We do not expect this ratio to decline below these levels. Hence, underperformance of the banking index may not be seen below these levels



Source: Bloomberg, ICICI Direct Research

- Global key indices remained extremely range bound last week with no major action being seen. Even higher-than-expected inflation numbers from the US did not have any impact on equities. Even US 10 year treasury yields have declined considerably in anticipation of no policy changes in the upcoming FOMC meet. Domestically also, while key indices remained largely muted, significant outperformance was observed among midcap and small cap stocks
- FIIs remained net buyers throughout the last week and bought more than ₹ 4900 crore during the week. During the month, FIIs have bought worth ₹ 14000 crore in equities. Once again major action was experienced in the midcap and small cap space while consolidation was experienced among index heavyweights. On the other hand, activities from domestic institutions remained muted and they turned net sellers of ₹ 2666 crore during the week
- In the F&O space, FII activity was significantly reduced. It was primarily seen in the index options segment. While they were net sellers in the index futures segment worth ₹ 574 crore, they also sold stock futures to the tune of ₹ 502 crore during the week. At the same time, FIIs also sold index options worth ₹ 2592 crore during the week
- Nymex crude also traded range bound but with a positive bias last week. The expected improvement in the demand scenario across the globe due to reopening of economies, helped crude. Moreover, continued restriction on Iran may keep the positive bias intact. We expect Nymex crude to trade within a range with positive bias and support around \$66 in the short-term

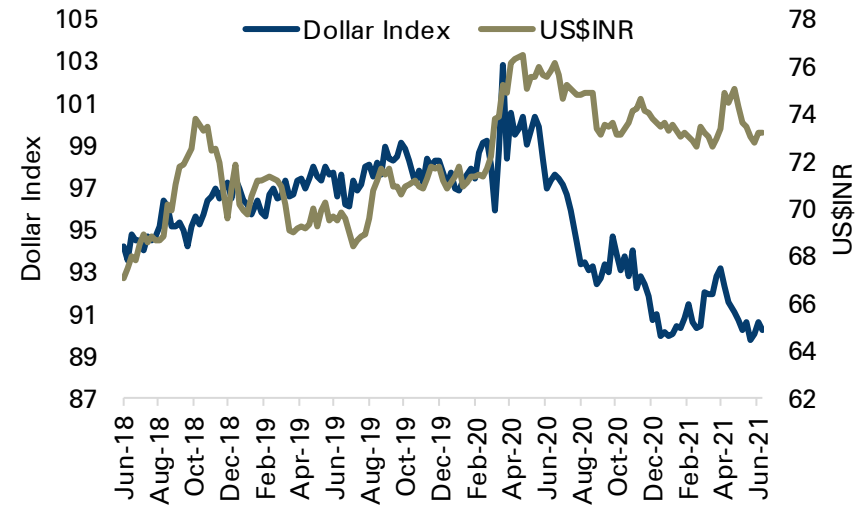
FII/DII buying in equities (in ₹ crore)					
Date	FII				DII
	Index Fut	Stock Fut	Index Opt	Cash	Cash
4-Jun	-614	-616	2792	1516	-1175
7-Jun	515	-754	2564	58	984
8-Jun	-67	-524	858	1393	-1629
9-Jun	537	-70	-7821	607	-271
10-Jun	-944	1462	-985	1330	-575

Source: Bloomberg, ICICI Direct Research

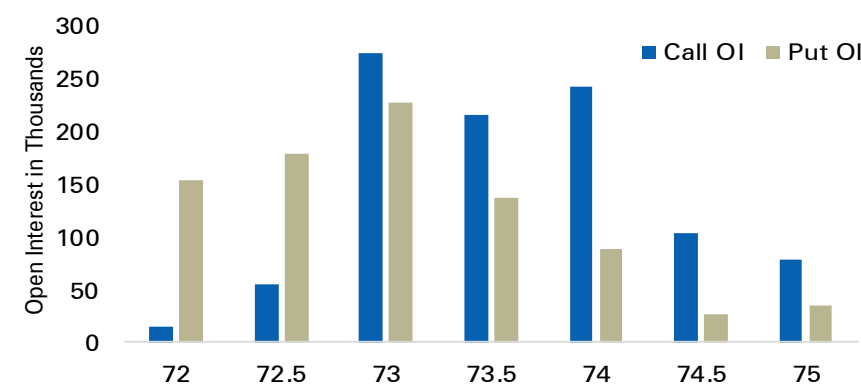
Rupee: Depreciation to continue towards 73.50 level..

- Rupee consolidated in a narrow range last week as currency markets had been sluggish all week in anticipation of US inflation data
- US consumer prices rose 5% year-on-year in May, the biggest jump in nearly 13 years. However, when it came in above expectations, there was little market reaction
- The dollar index and major currency pairs were stuck within recent ranges as markets shrugged off high US inflation number, believing the Federal Reserve's stance that it is likely to be a temporary blip
- Overall, we expect the depreciation in the rupee to continue towards 73.50 level as continuous forex buying from RBI is likely to support 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 (Jun)	72.76	72.98	73.12	73.33	73.47
US\$INR (Jul)	73.02	73.22	73.36	73.57	73.70
EURINR (Jun)	88.40	88.69	88.93	89.22	89.47
EURINR (Jul)	88.64	88.98	89.33	89.68	90.03
GBPINR (Jun)	102.69	103.13	103.41	103.85	104.14
GBPINR (Jul)	103.06	103.48	103.75	104.17	104.43
JPYINR (Jun)	66.46	66.66	66.79	66.99	67.12
JPYINR (Jul)	66.71	66.90	67.02	67.21	67.33

Source: Bloomberg, Reuters, ICICI Direct Research

Date & Time (IST)	Country	Data & Events
Monday, June 14, 2021		
6:30 PM	UK	BoE Gov Bailey Speaks
Tuesday, June 15, 2021		
11:30 AM	UK	Average Earnings Index + Bonus (Apr)
11:30 AM	UK	Claimant Count Change (May)
5:45 PM	UK	BoE Gov Bailey Speaks
6:00 PM	US	Core Retail Sales (MoM) (May)
6:00 PM	US	PPI (MoM) (May)
6:00 PM	US	Retail Sales (MoM) (May)
Wednesday, June 16, 2021		
11:30 AM	UK	CPI (YoY) (May)
6:00 PM	US	Building Permits (May)
8:00 PM	US	Crude Oil Inventories
11:30 PM	US	Fed Interest Rate Decision
Thursday, June 17, 2021		
2:30 PM	Euro Zone	CPI (YoY) (May)
6:00 PM	US	Initial Jobless Claims
6:00 PM	US	Philadelphia Fed Manufacturing Index (Jun)
Friday, June 18, 2021		
11:30 AM	UK	Retail Sales (MoM) (May)
Tentative	Japan	BoJ Monetary Policy Statement

Source: Bloomberg, ICICI Direct Research

SYMBOL	COMPANY NAME	PURPOSE	MEETING DATE
COALINDIA	Coal India Limited	Financial Results/Dividend	14-Jun-21
JUBLFOOD	Jubilant Foodworks Limited	Financial Results/Dividend	15-Jun-21
LICHSGFIN	LIC Housing Finance Limited	Financial Results/Other business matters	15-Jun-21
PFC	Power Finance Corporation Limited	Financial Results	15-Jun-21
POWERGRID	Power Grid Corporation of India Limited	Financial Results/Dividend/Bonus/Other business matters	17-Jun-21

Source: Bloomberg, ICICI Direct Research

Date	Script	Action	Recommendation
09-Jun-21	Titan Company	Buy	Positional Future: Buy Titan June future at 1710-1720, Target: 1853, Stop-loss: 1644, Time-frame: till June expiry.

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Source: Bloomberg, ICICI Direct Research

Date	Scrip	Action	Buy Price	Target	SL	CMP	%Ret	Time Frame
10-May-21	HDFC	Buy	2525-2565	2950	2348	2560	0.8%	3 months
18-May-21	BEL	Buy	151-154	180	137.5	154	1.0%	3 months
24-May-21	Lupin	Buy	1200-1225	1430	1098	1230	1.7%	3 months
04-Jun-21	Page Industries	Buy	30350-30650	27850	36200	30127	-1.2%	3 months
07-Jun-21	Apollo Tyres	Buy	234-238	278	212	239	1.2%	3 months
08-Jun-21	Cipla	Buy	925-945	1090	855	968	3.5%	3 months

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Source: Bloomberg, ICICI Direct Research

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