

June 28, 2022

## Intraday...

Action	Scrip	Target 1	Target 2	Stoploss	Time frame
Buy RAMCEM June Fut at ₹ 624-627	The Ramco Cements Limited	636.1	652.0	614.9	Intraday
Sell HDFAMC June Fut at ₹ 1754.6-1758.8	Hdfc Asset Management Company	1711.7	1644.2	1801.7	Intraday

[Daily view](#)

## Positional...

Action	Scrip	Target	Stoploss	Time frame
Buy INDGAS June Fut at ₹ 365.0-370.0	Indraprastha Gas	405.0	348.8	Weekly
Sell MINLIM June Fut at ₹ 2837.0-2857.0	Mindtree	2720.0	3050.5	Weekly
Buy ODICEM June Fut at ₹ 1290.0-1300.0	Dalmia Bharat	1450.0	1214.0	Till Expiry

[Weekly view](#)

## Other Product offerings

### Derivatives Strategy

Underlying	Action
Indraprastha Gas	Buy

Duration : 1-2 months

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### Quant (Derivatives) Pick

Underlying	Action
Indian Hotel	Buy
Eicher Motors	Buy

Duration : 1-3 months

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# Intraday Outlook: Buy Bank Nifty in the range of 33700-33750

Nifty			
	Close	Pvs Close	% Change
Spot	15832.05	15699.25	0.85%
Future	15835.55	15712.30	0.78%
Basis	4	13	-
OI (Lakhs)	137.19	143.47	-4.38%
PCR	0.98	0.99	-
IV	21.00	20.55	-

Bank Nifty			
	Close	Pvs Close	% Change
Spot	33811.25	33627.45	0.55%
Future	33862.75	33654.20	0.62%
Basis	52	27	-
OI (Lakhs)	26.48	28.89	-8.34%

Pivot Level		
	Nifty Future	Bank Nifty Future
S2	15746	33486
S1	15789	33649
Pivot	15858	33898
R1	15901	34061
R2	15970	34310

- ❖ The Nifty opened gap up on the back of positive global clues but remained range bound post that. According to option data, on the higher side the Nifty is likely to face resistance at 16000 while on the downside, 15700 would act as support

- ❖ Sell Nifty 15600 Put option (June 30 expiry) in the range of ₹ 44-46 Target: ₹ 20 Stop loss: ₹ 60

- ❖ On Monday, the Bank Nifty rallied for the third consecutive day and closed with gains of 0.55%. For the day, we expect the Bank Nifty to trade in a range where on the downside 33500 would act as support while on the higher side 34000 would act as resistance

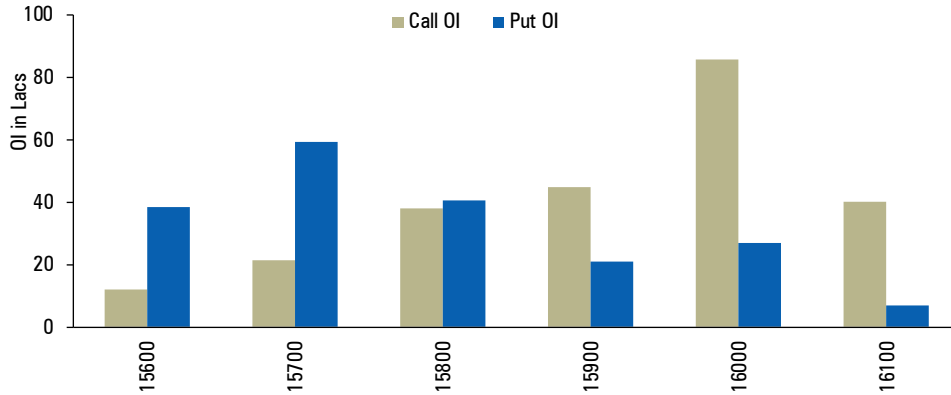
- ❖ Buy Bank Nifty future in the range of 33700-33750 Target: 33900-34000 Stop loss: 33550

- ❖ FII's sold ₹ 1278 crore while DIIs bought ₹ 1189 in the cash segment. FII's have bought index futures worth ₹ 205 crore while in index options they bought ₹ 896 crore. In the stock futures segment, they bought ₹ 525 crore

- ❖ Stocks in F&O Ban: Delta Corp, Sun TV

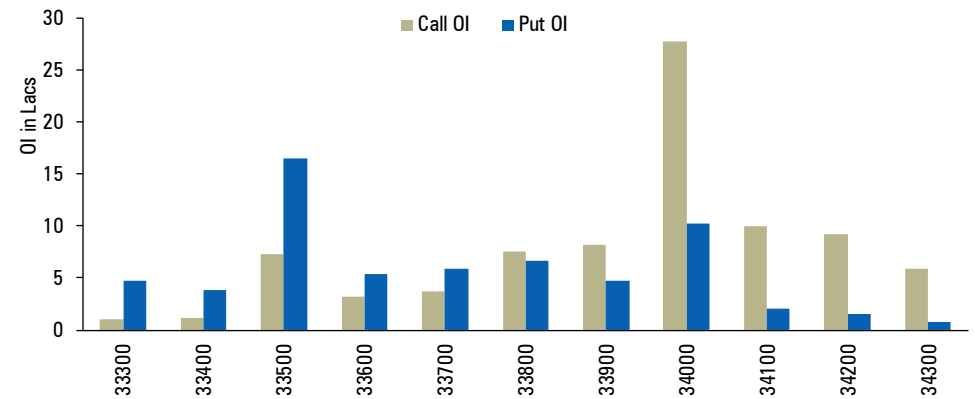
**Note:** Index calls may be changed, if view differs during market hours and positional recommendations given in Derivatives Strategy should not be linked to intraday index/stock calls.

### Nifty Weekly Option OI Distribution



- ❖ In Nifty, 16000 Call strike holds sizeable OI of ~85 lac shares.
- ❖ Among Put strikes, 15500 strike holds sizeable OI of ~59 lac shares.

### Bank Nifty Weekly Option OI Distribution



- ❖ In Bank Nifty, 34000 Call strike holds noteworthy OI of ~27 lakh shares.
- ❖ In Put option, 33500 strike holds OI of ~16 lakh shares.

#### Long Buildup

Name	Price (%)	OI(%)
IPCALAB	2.51%	25.20%
CUB	7.70%	18.95%
POLYCAB	1.49%	15.20%
ONGC	2.76%	12.53%
GNFC	4.18%	11.89%

#### Short Buildup

Name	Price (%)	OI(%)
ABB	-0.05%	17.53%
L&TFH	-0.29%	6.62%
OBEROIRLTY	-0.52%	6.61%
NAUKRI	-0.59%	5.75%
HDFCAMC	-3.45%	5.21%

#### Long Unwinding

Name	Price (%)	OI(%)
BALRAMCHIN	-1.33%	-3.53%
COLPAL	-0.46%	-2.95%
CIPLA	-0.17%	-2.67%
IGL	-1.30%	-1.77%
HAVELLS	-0.70%	-1.37%

#### Short Covering

Name	Price (%)	OI(%)
RAMCOCEM	2.48%	-16.89%
BOSCHLTD	2.20%	-14.18%
AUBANK	1.42%	-13.92%
IRCTC	2.76%	-10.38%
IOC	1.01%	-9.25%

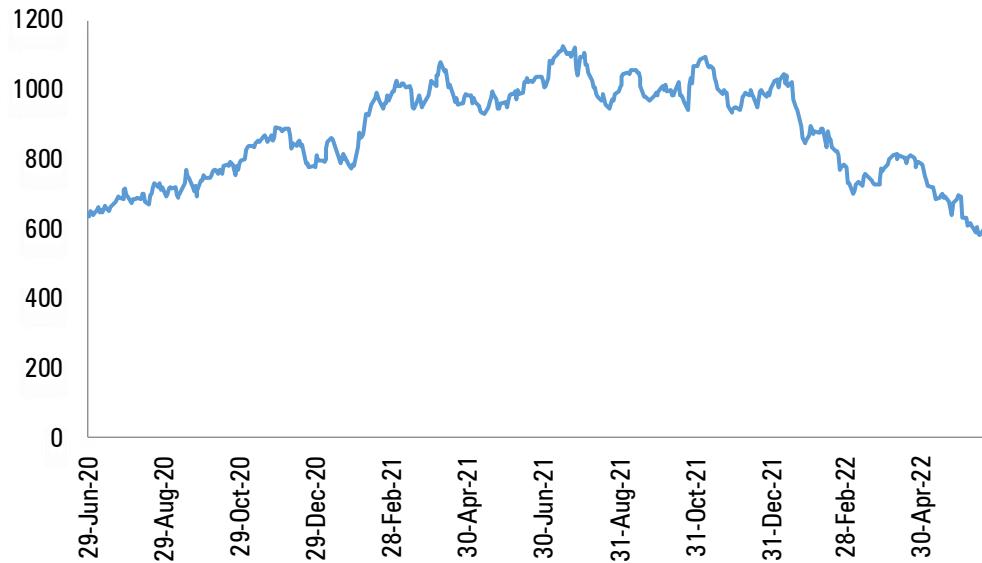
# Recommendation with historical price performance...

## i) The Ramco Cements Limited (CMP: 625.5)

Buy RAMCEM June Fut at ₹ 624-627

Target 1: 636.1      Target 2: 652

Stop Loss: 614.9

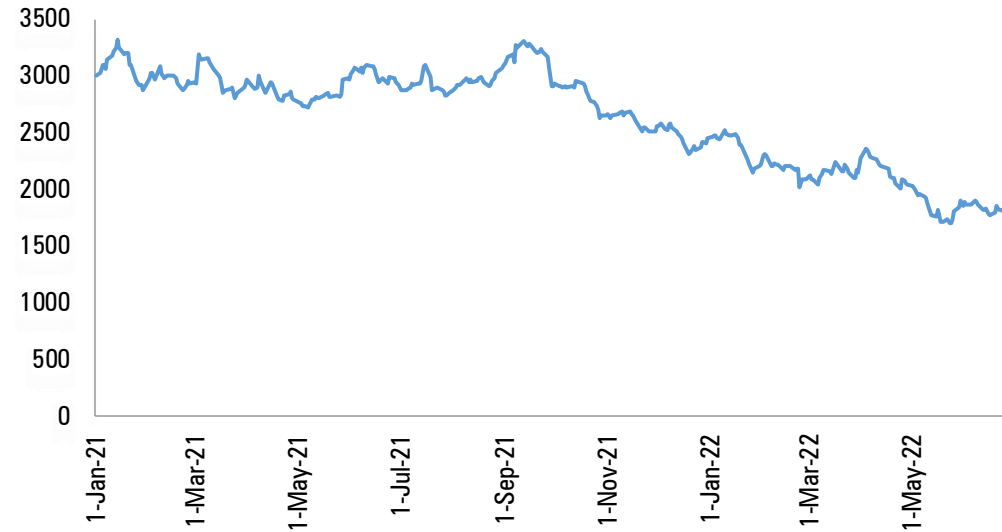


## ii) Hdfc Asset Management Company (CMP: 1756.7)

Sell HDFAMC June Fut at ₹ 1754.6-1758.8

Target 1: 1711.7      Target 2: 1644.2

Stop Loss: 1801.7

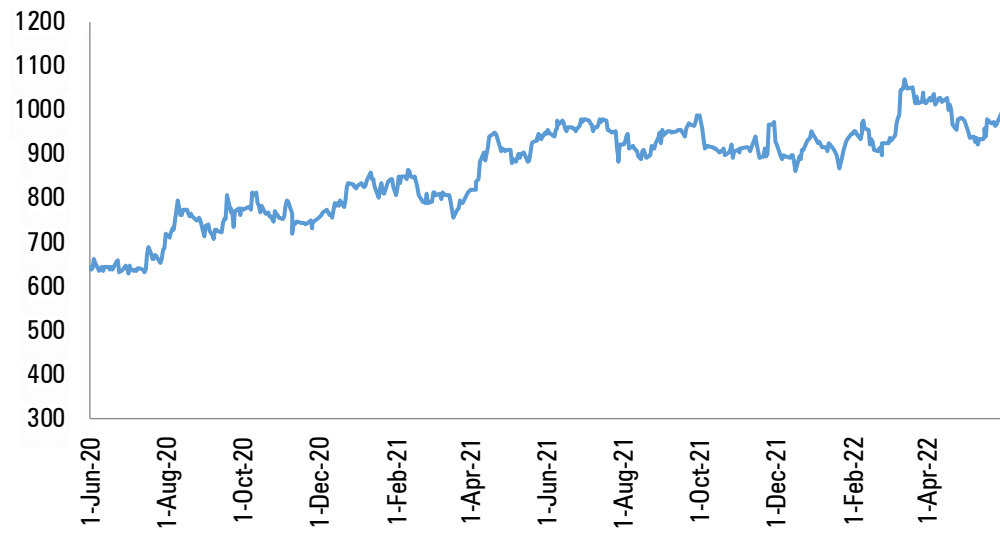


### Strategy Follow-up

Date	Stock	View	Strategy	Reco	Target	SL	P&L	Comment
27-Jun-22	ESCORT	Buy	Long Fut	1513.7	1554.6	1497.3	13035	Profit Booked
27-Jun-22	COALIN	Sell	Short Fut	176.9	174.7	179.0	-8820	SL Triggered

Date	Stock	View	Initiation Range	Target	Stoploss	Time Frame
26-Jun-22	Dalmia Bharat	Buy	1290.0-1300.0	1450.0	1214.0	Till Expiry

## Dalmia Bharat



Source: NSE, Seediff, Bloomberg *ICICI Direct Research*  
June 28, 2022

## Weekly future recommendations :

1) Buy Indraprastha Gas (INDGAS) June in the range of ₹ 365-370 Target ₹ 405 and Stop Loss ₹ 348.8.

### Rationale

In the recent leg of volatility, IGL has relatively outperformed and managed to hold firm above its March lows whereas the Nifty violated those levels. As we have observed some reversal in the Nifty, we may be witnessing buying interest in such outperformer. IGL had a sizeable Call OI base placed at 360-370 strikes and last week has managed to close above this level. The stock is witnessing continued closure in open interest suggesting ongoing short covering. Hence, we expect continued up move in the stock during settlement week. It is likely to move towards its highest Call base of ₹ 400.

2) Sell Mindtree Ltd (MINLIM) June in the range of ₹ 2837-2857 Target ₹ 2720 and Stop Loss ₹ 3050.5.

### Rationale

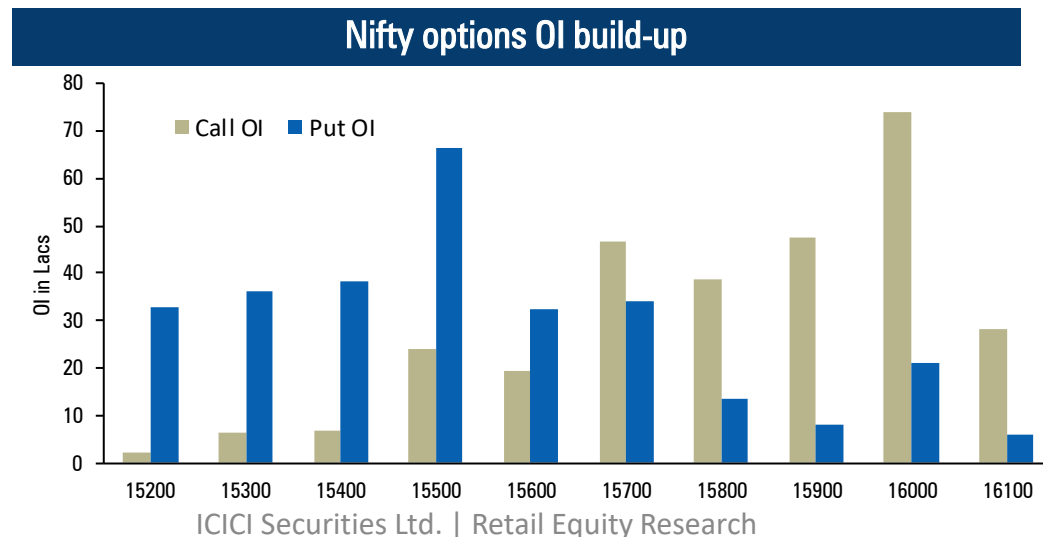
Technology heavyweights managed to attract some buying from lows last week, which helped the index to recover. However, stocks like Mindtree failed to gauge follow up momentum and reverted from their sizeable Call base. The OI in the stock was almost flat last week except on Friday where again fresh short OI block was observed. The way the writing quantum has rose in 3000 strike Call we feel the stock will find it difficult to surpass these levels in the June series. Hence, we remain negative and expect the stock to test its recent low near ₹ 2700 levels.

Strategy Follow up							
Underlying	View	Strategy	Reco	Target	Trail SL	Profit/Loss	Comment
ITC	Bullish	Buy Futures	263	280	263.0	16000	Carried forward
Jubilant Foodworks	Bearish	Sell Futures	497	430	531.1	-21625	SL Triggered

Source: Bloomberg, ICICI Direct Research

# Sustainability above 15700 may induce further recovery...

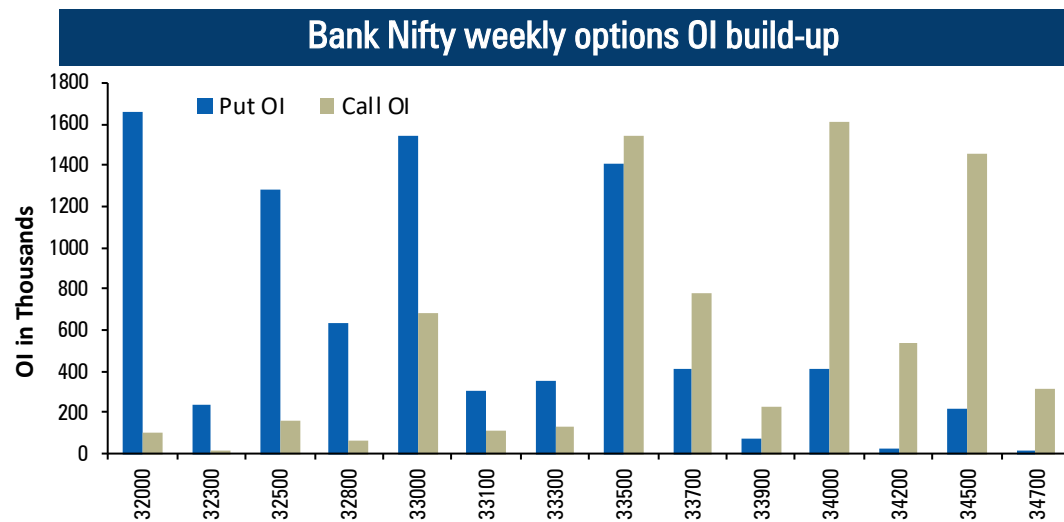
- The Nifty recovered almost 2.5% last week in line with global indices after witnessing sharp sell-off in the penultimate week. However, broader markets have relatively underperformed as they failed to witness major recovery amid unabated FII sell-off. Auto and technology space led the gains while metals and energy stocks continue to face pressure due to global weakness. Considering quarter end settlement, we expect volatility to remain high. A short covering move is expected only if the Nifty sustains above 15700 levels
- Despite significant volatility, Call open interest remained largely unchanged at 15500 strike. Last weekly settlement has not diverged much from those levels. For the coming week, similar activities are visible at 15700 Call strike. Hence, a round of covering is expected only if the index closes and sustain above these levels. The Put base is significantly high at 15500 strike, which should act as immediate support
- From a data perspective, FIIs net shorts have declined considerably last week to just over 1 lakh contracts. However, net shorts are still on the higher side suggesting limited upsides. On the other hand, net longs in stock futures remained higher indicating stock specific accumulation. Rollover of positions into July series is likely to increase stock specific volatility towards settlement
- The volatility index has remained subdued despite recent weakness seen in the market and closed the week below 21. Even US VIX has subsided significantly to 28 from the highs of 35. Further cool-off in volatility index is likely to improve sentiments further



Source: Bloomberg, ICICI Direct Research  
June 28, 2022

# Bank Nifty: Major support at 32500...

- Despite sharp moves in the Bank Nifty last week, it largely traded in a range with stock specific actions. Stocks like IndusInd Bank, Kotak Bank and Axis Bank relatively underperformed and supportive actions were seen in HDFC Bank, which actually rose almost 5%. The outperformance from private sector heavyweight helped the index move up almost 1100 points last week
- The Bank Nifty has a sizeable Call base placed at 33500 strike followed by 34000. Last week it managed to surpass and close above 33500 levels, which is a positive sign. We believe volatility is likely to be on the higher side due to rollover activities but some buying momentum is expected as it has closed above 33500 levels
- For the monthly expiry, major Put writing has happened in 32500 strike, which has acted as support in the last week. We continue to believe that 32500 would act as a good support and, going ahead, any dips towards this level is a buying opportunity
- FII's largely remained negative for the June series and sold highest in the calendar year. Even in the index futures segment they have shorted aggressively. However, as the June expiry is near, their short exposure has reduced marginally. This may support some buying interest in the F&O segment



Source: Bloomberg, ICICI Direct Research



# FIIs' selling continues amid global jitters...

- Globally equity markets recovered marginally after sharp selling in the penultimate week and US markets gained almost 4% last week. However, weak economic data continued to put pressure due to which European indices remained largely in the red. Major sell-off was observed in the metal space where aluminium and copper have moved to their multi-month lows. Even precious metals came under pressure due to expectations of further rate hikes despite fear of recession in the US
- Despite a recovery, FII selling remained unabated and they sold another ~₹ 14700 crore in equities last week while domestic investors outpaced them by buying almost ₹ 15500 crore. FIIs have sold almost ₹ 2500 crore daily during the current month and have sold ₹ 42,800 crore in secondary markets in June so far and in last two months only FIIs have sold ₹ 85700 crore
- However, on the F&O front, the net short open interest from FIIs has declined considerably last week as net short positions in index futures have declined to just over 1 lakh contracts from 1,47,000 contracts seen last week. At the same time, they have been forming fresh longs in stock futures as they bought almost ₹ 6100 crore in stock futures. The net longs in stock futures is one of the highest seen in almost two years
- Crude oil prices eased as investors weighed the risk that rising interest rates could trigger a recession and dampen fuel demand. However, sharp downside was prevented on high summer fuel demand while supplies remained tight due to sanctions on Russian oil. We expect Nymex crude prices to rally back till \$112 level in the coming week while downsides can be used as a buying opportunity

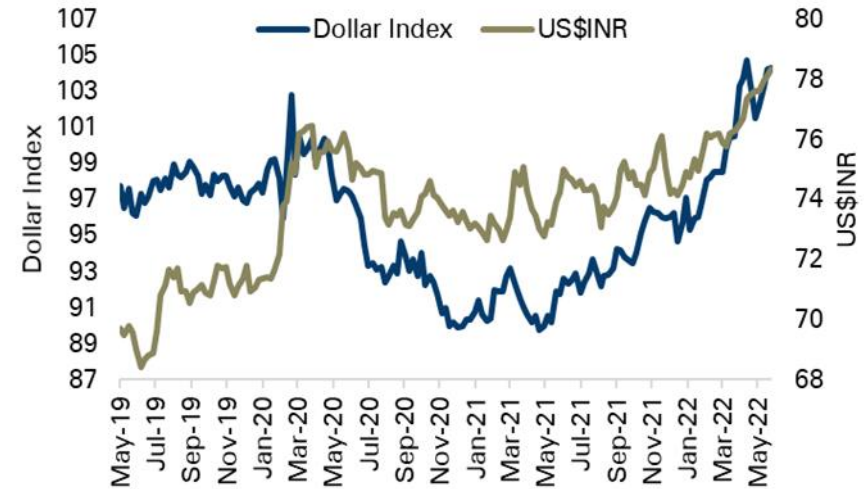
FII/DII buying in equities (in ₹ crore)					
Date	FII				DII
	Index Fut	Stock Fut	Index Opt	Cash	Cash
17-Jun	412	52	2291	-8956	6087
20-Jun	-18	1170	-5582	345	2093
21-Jun	2148	2333	1648	-1176	3066
22-Jun	-761	830	4848	-2605	1859
23-Jun	853	1701	15621	-2319	2438

Source: Bloomberg, ICICI Direct Research

# Rupee: May fall towards level of 78.80

- The rupee depreciated in the week amid unabated foreign fund outflows. Meanwhile, ease in crude oil prices provided some cushion
- The Dollar index depreciated amid weak economic data and fall in US treasury bond yields. Dollar was pressurised by fears that the US economy could slide into recession. Federal Reserve Chair Jerome Powell said, higher rates are painful but are the means the US central bank has to slow inflation
- We expect the rupee to depreciate in the coming week till 78.80 amid persistent foreign funds outflows. However, investors will remain vigilant ahead of major economic events from US like CB consumer confidence, GDP and Personal Income. Consumer confidence in the US is expected to decline from 106.4 to 100 while personal income is expected to decline from 0.4% to 0.3%

## Dollar Index vs. US\$INR

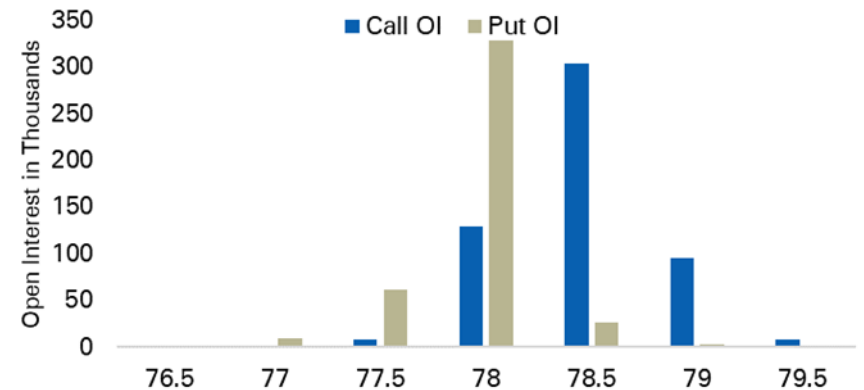


## Weekly Pivot Levels

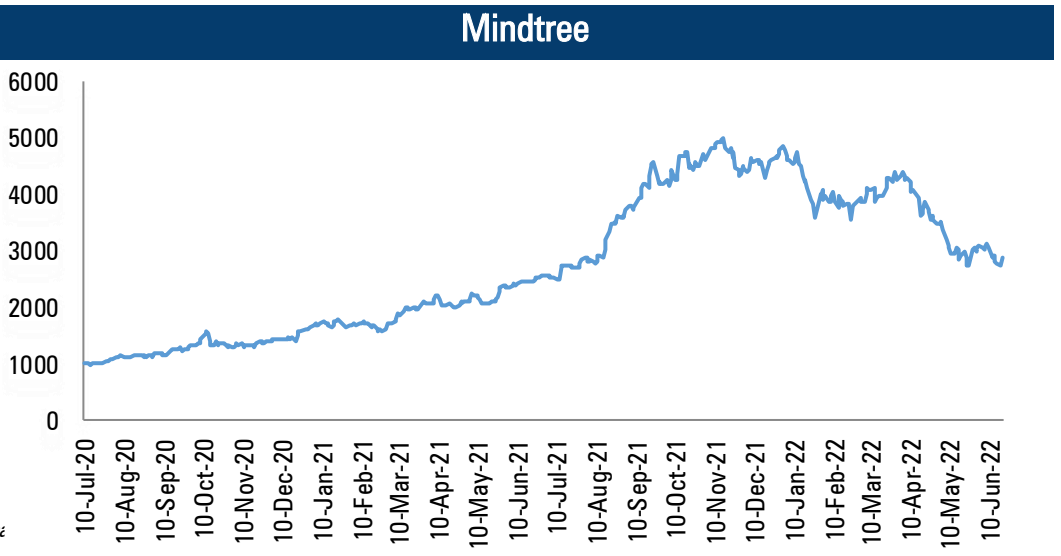
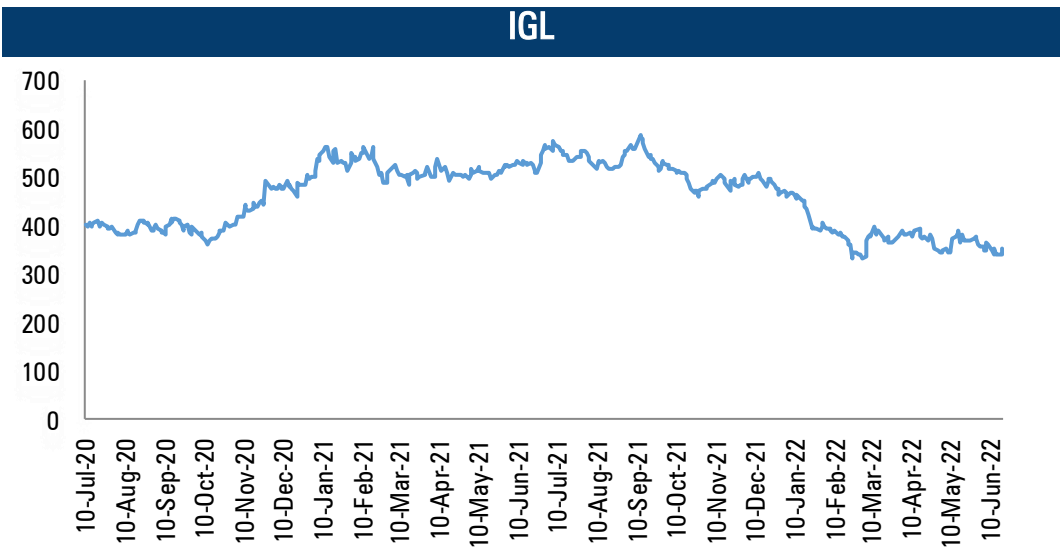
Futures	S2	S1	Pivot	R1	R2
US\$INR (Jun)	78.13	78.23	78.29	78.39	78.44
US\$INR (Jul)	78.35	78.43	78.48	78.56	78.62
EURINR (Jun)	82.31	82.42	82.52	82.64	82.74
EURINR (Jul)	82.62	82.73	82.84	82.96	83.07
GBPINR (Jun)	95.79	95.94	96.07	96.22	96.36
GBPINR (Jul)	95.74	95.98	96.21	96.45	96.68
JPYINR (Jun)	57.60	57.86	58.10	58.35	58.59
JPYINR (Jul)	57.89	58.17	58.37	58.65	58.86

Source: Bloomberg, Reuters, ICICI Direct Research

## US\$INR options build-up



# Recommended Stocks : Historical price performance...



Source: NSE, Seediff, Bloomberg ICICI Direct Research  
June 28, 2022

# Forthcoming Events...

Date & Time (IST)	Country	Data & Events
Monday, June 27, 2022		
11:30 AM	Europe	German Retail Sales (MoM)
6:00 PM	US	Core Durable Goods Orders (MoM)
7:30 PM	US	Pending Home Sales (MoM)
Tuesday, June 28, 2022		
11:30 AM	Europe	GfK German Consumer Climate
2:00 PM	Europe	ECB President Lagarde Speaks
3:30 PM	UK	BoE MPC Member Cunliffe Speaks
6:00 PM	US	Goods Trade Balance (May)
7:30 PM	US	CB Consumer Confidence (Jun)
Wednesday, June 29, 2022		
12:30 PM	Europe	Spanish CPI (YoY)
5:30 PM	Europe	German CPI (MoM)
6:00 PM	US	GDP (QoQ) (Q1)
7:00 PM	Europe	ECB President Lagarde Speaks
7:00 PM	UK	BoE Gov Bailey Speaks
7:00 PM	US	Fed Chair Powell Speaks
8:00 PM	US	Crude Oil Inventories
Thursday, June 30, 2022		
11:30 AM	UK	GDP
11:30 AM	Europe	German Retail Sales (MoM)
12:15 PM	Europe	French CPI (MoM)
1:25 PM	Europe	German Unemployment Rate (Jun)
1:25 PM	Europe	German Unemployment Change (Jun)
7:30 PM	Europe	German CPI (MoM)
6:00 PM	US	Personal Spending (MoM) (May)
6:00 PM	US	Initial Jobless Claims
Friday, July 1, 2022		
12:45 PM	Europe	Spanish Manufacturing PMI (Jun)
1:25 PM	Europe	German Manufacturing PMI (Jun)
1:30 PM	Europe	German Ifo Business Climate Index (Jun)
2:00 PM	UK	Manufacturing PMI (Jun)
2:30 PM	Europe	CPI
7:15 PM	US	Manufacturing PMI (Jun)

Source: Bloomberg, ICICI Direct Research

Date	Scrip	Action	Recommendation
22-Jun-22	Titan Company	Sell	<b>Long/Short Strategy:</b> Sell Titan June future at 2023-2027, buy 2050 Call at 21-24 & sell 1900 Put at 12.5-13.5, Target: 1900, Maximum loss: 45 points, Time-frame: till June expiry.
24-Jun-22	Dalmia Bharat	Buy	<b>Positional Future :</b> Buy ODICEM (DALMIA BHARAT LIMITED) JUN in the range of 1290-1300 Target 1450 and StopLoss 1214
27-Jun-22	Indraprastha Gas	Buy	<b>Positional Future :</b> Buy Indraprastha Gas (INDGAS) June in the range of ₹ 365-370 Target ₹ 405 and Stop Loss ₹ 348.8
27-Jun-22	Mindtree	Sell	<b>Positional Future :</b> Sell Mindtree Ltd (MINLIM) June in the range of ₹ 2837-2857 Target ₹ 2720 and Stop Loss ₹ 3050.5

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Source: Bloomberg, ICICI Direct Research

Date	Scrip	Action	Price	Target	Stop Loss	Last close	Return at close	Time Frame
30-May-22	Indian Hotel	Buy	227-232	267	209	226	-2.6%	3 months
24-Jun-22	Eicher Motors	Buy	2860-2910	3350	2590	2848	-1.3%	3 months

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Source: Bloomberg, ICICI Direct Research

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