

February 26, 2021

Other Product offerings

Derivatives Strategy

Underlying	Action
Canara Bank	Buy

Duration : 1-2 months

Click here to see [open calls](#)

Quant (Derivatives) Pick

Underlying	Action
Glenmark Pharma	Buy
Tata Consumer	Buy
United Breweries	Buy

Duration : 1-3 months

Click here to see [open calls](#)



For Instant stock ideas:
[SUBSCRIBE](#) to mobile notification
 on ICICIdirect Mobile app...

Derivatives View

[Daily view](#)

[Weekly view](#)

Stock recommendations in report

Action	Scrip	Target 1	Target 2	Stoploss	Time frame
Buy VOLTAS MAR Fut at ₹ 1057.00-1059.00	Voltas	1067.0	1080.5	1049.0	Intraday
Sell HINLEV MAR Fut at ₹ 2172.00-2174.00	Hindustan Unilever	2143.0	2098.0	2203.0	Intraday
Sell BERPAI FEB Fut at ₹ 745.00-750.00	Berger Paints	700.0		772.0	Weekly

Research Analysts

Raj Deepak Singh

rajdeepak.singh@icicisecurities.com

Nandish Patel

nandish.patel@icicisecurities.com

Dipesh Dedhia

dipesh.dedhia@icicisecurities.com

Intraday Outlook: Buy Bank Nifty in the range of 35650-35700

Index Outlook

Nifty Future

- ❖ The Nifty is expected to trade between 14800 and 15200 amid high volatility. Sell Nifty 15400 Call (March 4 expiry) in the range of ₹ 44-46 Target: ₹ 30- 25 Stop loss : ₹ 60

Bank Nifty Future

- ❖ The Bank Nifty opened higher but later profit booking was seen, especially in private banks. According to option chain, 35500 and 36000 Put option have substantial OI, which should act as support in case of a fall. On the other hand, 37000 and 37500 Call option have noteworthy OI, which should cap upside gains. Buy Bank Nifty in the range of 35650-35700 Target: 36000-36100, Stop loss: 35450

F&O Highlights

- ❖ The Nifty extended its gains as positive global cues helped the market to open higher though later it remained in a range of 100 points. According to option chain, 14900 and 15000 Put option have substantial OI, which should provide support in case of a fall while 15100 and 15200 Call option have significant OI, which should cap gains

Stock Analysis

Long build-up/short covering: Voltas, Coal India , Tata Chemical, BPCL, Hindalco, Power Grid and Adani Port

Short build-up/profit booking: Marico, Hindustan Unilever, Titan, HDFC, Pidilite, Escorts and Bata India

FII & DII Action

- ❖ FIIs bought ₹ 188 crore while DIIs bought ₹ 747 crore in the cash segment. FIIs bought index futures worth ₹ 382 crore while in index options they bought ₹ 8464 crore. In the stock futures segment, they sold ₹ 1655 crore

Intraday Recommendations

i) Voltas	ii) Hindustan Unilever
Buy VOLTAS MAR Fut at ₹ 1057.00-1059.00	Sell HINLEV MAR Fut at ₹ 2172.00-2174.00
CMP: 1054.35	CMP: 2177.85
Target 1: 1067 Target 2: 1080.5	Target 1: 2143 Target 2: 2098
Stop Loss: 1049	Stop Loss: 2203

Note:

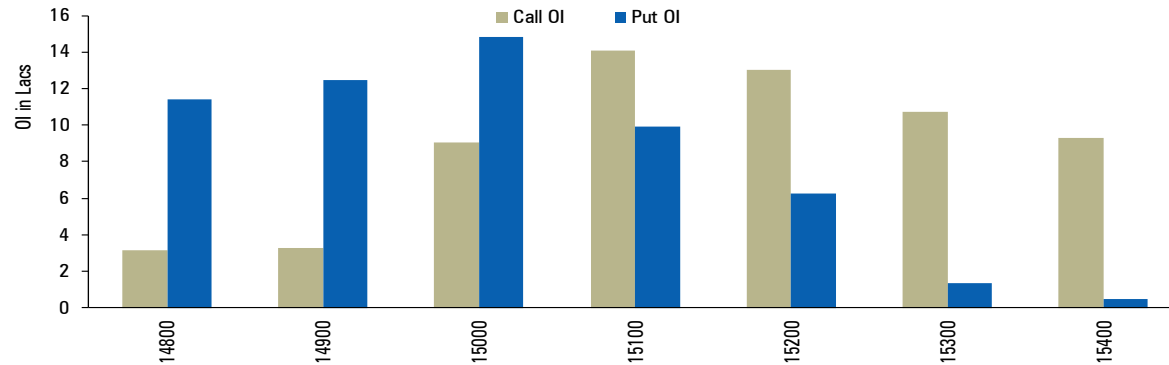
Note: Call initiation message will be broadcast on iclick-2-gain, if it is not initiated in opening session, then we might initiate with revise levels on iclick-2-gain.

Highlights of the last session & Pivot Levels

	Spot	Fut	Basis	Future OI	PCR OI	PCR Vol	ATM IV
Current	15097	15170	72	10450950	0.88	0.89	22.89
Previous	14982	14994	12	12618600	1.07	0.90	24.17
Change (%)	0.77%	1.17%	-	-17.18%	-	-	-5.59%

	S3	S2	S1	Piv	R1	R2	R3
Nifty future	14911	14964	15067	15178	15281	15393	15446
Bank Nifty future	36034	36206	36463	36894	37151	37582	37754

Weekly Nifty Options OI build-up



Nifty futures ended at a premium of 72 points while IV was down 5.59%

The major Put base is at 15000 strike with 15 lakh shares while the major Call base is at the 15100 strike with 14 lakh shares

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.

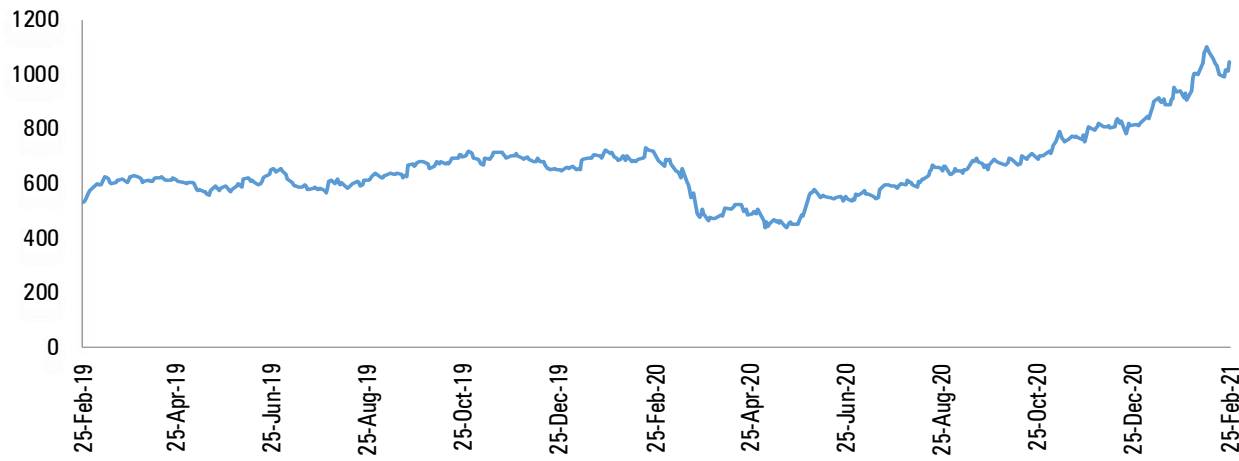
Strategy follow up

Date	Stock	View	Strategy	Reco	Target	SL	P&L	Comment
25-Feb-21	AXIBAN	Buy	Long Fut	755.0	762.5	747.5	-	Not initiated
25-Feb-21	PETLNG	Sell	Short Fut	250.5	247.8	253.8	-	Not initiated

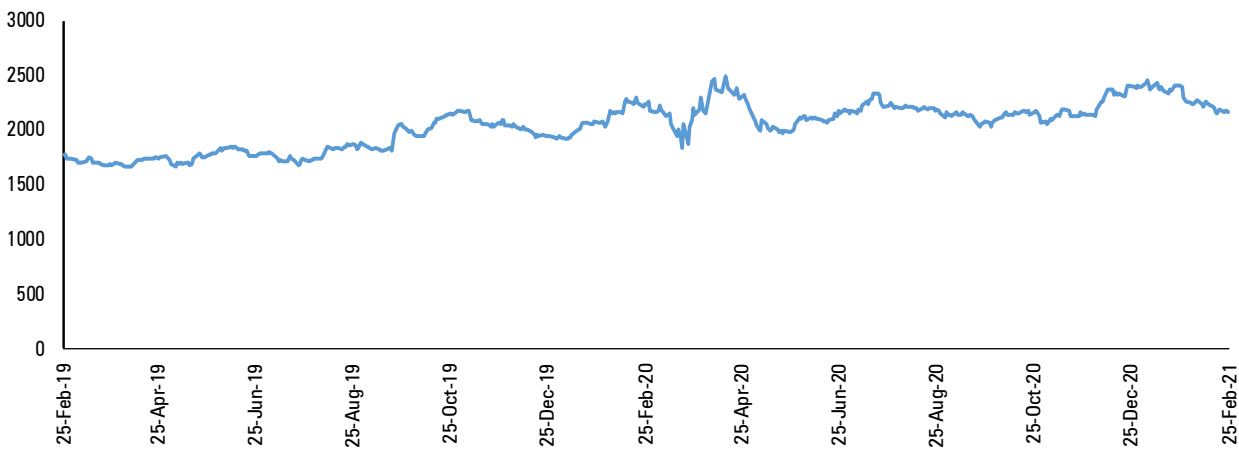
Source: NSE, Seediff, Bloomberg *ICICI Direct Research*

[Back](#)

Voltas



Hindustan Unilever



Source: NSE, Seediff, Bloor
February 26, 2021

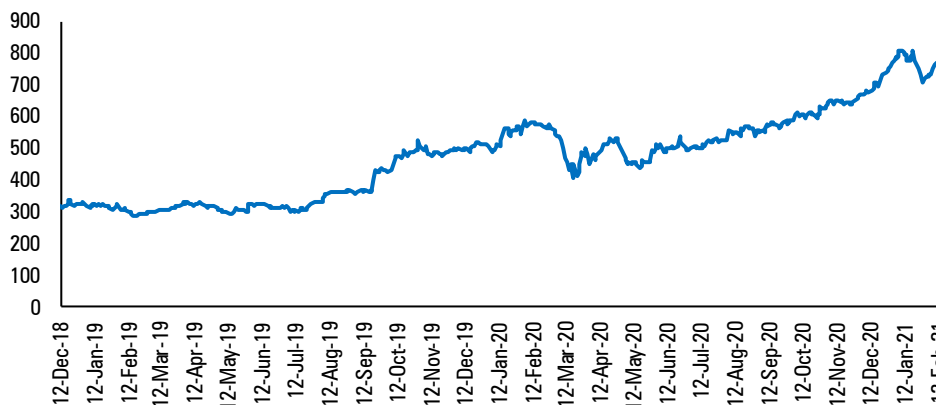
Weekly future recommendation:

Short Berger Paints (BERPAI) February future in range of ₹ 745-750; Target: ₹ 700; Stop Loss: ₹ 772

Rationale

Paint stocks have remained under pressure in the last couple of weeks. Stocks like Berger Paints, which showed relative outperformance, recently started showing signs of weakness and are likely to witness selling pressure in coming sessions. The stock has seen constant additions of positions in the last few sessions while almost 20% OI was increased indicating short positions. In the options space, significant Call writing is visible at ATM 750 and 760 strike, suggesting expectation of limited upside. We expect the stock to move towards its Put base of 700 in the coming sessions.

Price performance



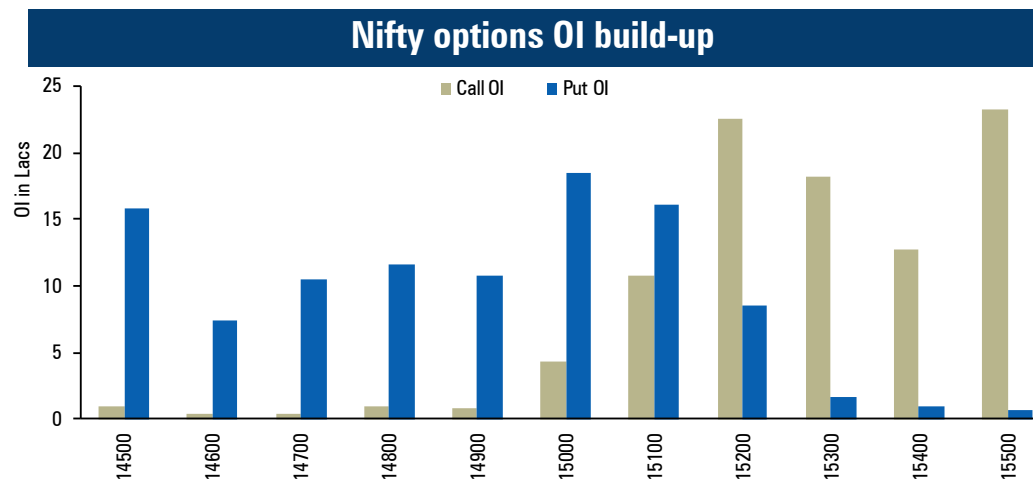
Recommendation follow up

Underlying	View	Strategy	Reco	Target	Stoploss	Profit/Loss	Comment
HDFC Ltd	Bullish	Buy Futures	2750	2890	2678		Not Initiated

Source: Bloomberg, ICICI Direct Research

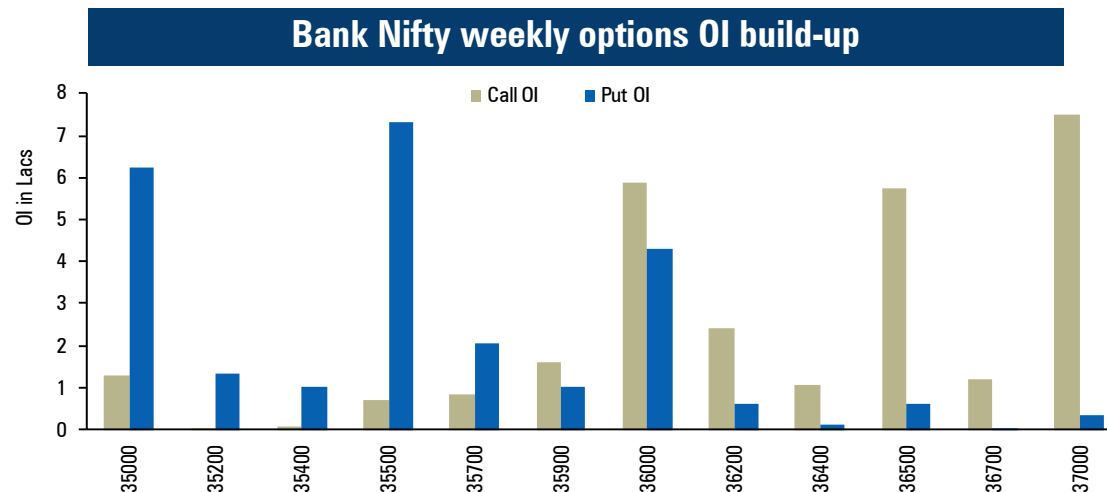
VWAP levels of 14750 to remain important support for settlement...

- The week belonged to midcap and small cap stocks that remained resilient and witnessed continued upsides despite some profit booking being seen in the broader index. PSU stocks across sectors have experienced significant buying momentum and were major gainers for the week. On the other hand, heavyweights from technology, FMCG and banking space saw continued profit booking
- Going into settlement week, we expect volatility to remain high and current Put base of 15000 strike should act as immediate support for the index. Below this, VWAP levels of the series near 14750 are likely to act as major support for the February settlement. On the higher side, intermediate hurdle can be seen at 15300 levels, which have gained significant OI in the last few sessions
- Volatility index has stayed below 22 levels throughout the week despite profit booking being seen in the index. The current reading suggests some consolidation in the index in the near term. Only move above 23 should be considered as a caution for equities
- Sectorally, a round of short covering is expected from the FMCG and technology space, which have seen continued decline in the current series. On the other hand, extended profit booking cannot be ruled out from the banking space, which has seen a sharp move post Budget in the current month



Source: Bloomberg, ICICI Direct Research
February 26, 2021

- The Bank Nifty ended last week almost flat amid high volatility where significant stock specific actions were observed. PSU banks were the major gainers of the week along with IDFC First Bank. On the other hand, private sector banking heavyweights came under pressure from higher levels
- The Bank Nifty started the week on a high note and made a high near 37500. However, from Tuesday onwards, profit booking was experienced in private sector space kept it under pressure. It ended the week with marginal losses and moved below its major Put base of 36000. Going ahead, we can expect a further decline in banking index towards its highest Put base of 35000
- Moreover, VWAP of the series is also near 35000 levels, which should be a major support for the index. On the higher side, we expect banking index to find it tough to surpass 37000 in the short-term. It is likely to consolidate below these levels
- After significant outperformance was seen from banking stocks in recent weeks, we may witness some consolidation and the price ratio is likely to remain below 2.40 levels in the near term. We expect it to move towards 2.36 in the coming weeks



Source: Bloomberg, ICICI Direct Research

- The prevailing momentum among risk assets paused a bit last week but remained largely resilient as no major profit booking was observed. US indices also consolidated at their life-time highs amid expectations of another stimulus. However, Asian markets remained sideways and witnessed some profit booking
- FIIs continue their buying in Indian equities spree post Budget announcement as they bought another ₹ 3608 crore in equities last week as well. FIIs have already bought over ₹ 24000 crore in the ongoing month. On the other hand, domestic institutions remained net sellers and sold ₹ 5705 crore in equities during the week. While broader markets remained buoyant, index heavyweights have witnessed some profit booking
- In the F&O space, FIIs activity has turned muted. While they have turned sellers in index futures segment and sold ₹ 1018 crore, they also sold to the tune of ₹ 2287 crore in the stock futures segment during the week. At the same time, FIIs bought index options worth ₹ 6452 crore during the week
- Nymex crude remained buoyant last week as well and tested its highest levels of more than a year. However, towards the end, news on production hike by Iraq put some pressure on it and it moved below \$60 once again. We believe the ongoing strength in crude is likely to continue amid risk on rally seen across asset classes. We believe that only a move below \$58 should change the current bias

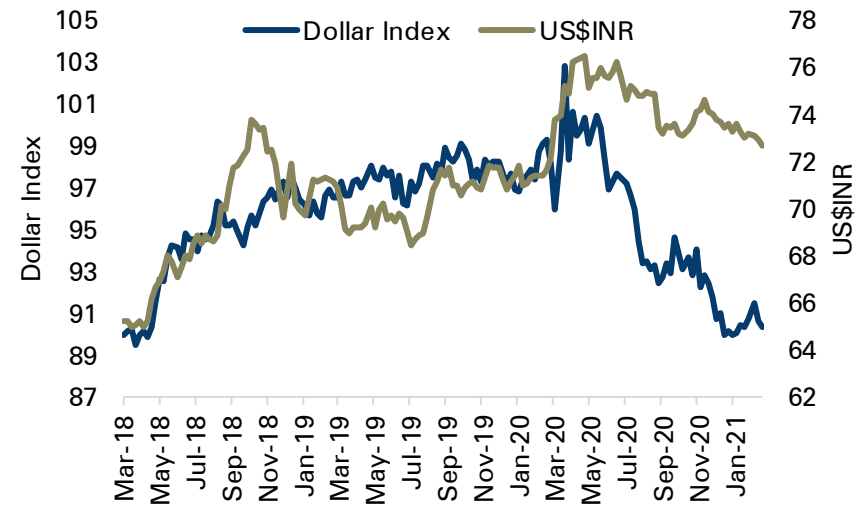
FII/DII buying in equities (in ₹ crore)					
Date	FII				DII
	Index Fut	Stock Fut	Index Opt	Cash	Cash
12-Feb	-733	22	-2454	-1742	-597
15-Feb	523	307	1587	1947	-1049
16-Feb	-608	-770	3712	2212	-1559
17-Feb	-182	-651	39	1191	-1283
18-Feb	-18	-1195	3569		-1217

Source: Bloomberg, ICICI Direct Research

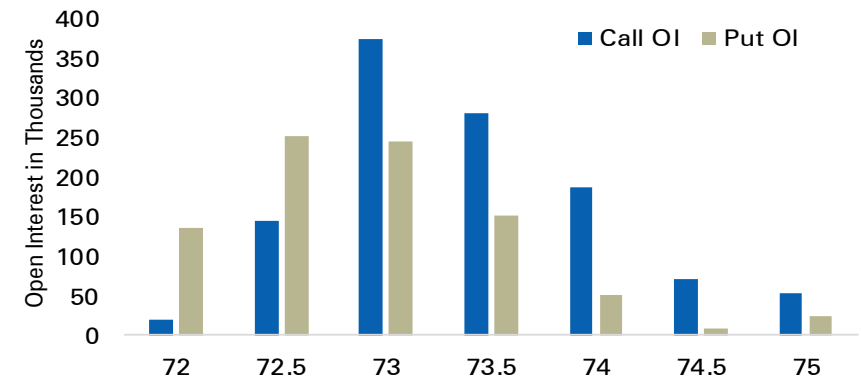
Rupee to appreciate further towards 72.30 level...

- US\$INR futures declined further during most of the week as weaker dollar index kept pressure on the pair. However, correction in domestic equities provided some support to the pair
- The dollar index slipped after disappointing US data dented optimism for a speedy recovery from the Covid-19 pandemic. An unexpected increase in weekly jobless claims soured the economic outlook and sent the dollar lower. The string of soft labour data is weighing on the dollar even as other indicators have shown resilience and as President Joe Biden's pandemic relief efforts take shape, including a proposed \$1.9 trillion spending package
- Therefore, we expect the rupee to appreciate further towards 72.30 level as weakening dollar index is likely to put further pressure on the pair

Dollar Index vs. US\$INR



US\$INR Options Build-up



Weekly Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Feb)	72.36	72.50	72.75	72.88	73.13
US\$INR (Mar)	71.97	72.45	72.89	73.37	73.80
EURINR (Feb)	87.00	87.35	87.96	88.31	88.92
EURINR (Mar)	87.41	87.75	88.34	88.68	89.27
GBPINR (Feb)	100.12	100.65	101.05	101.58	101.98
GBPINR (Mar)	100.67	101.12	101.45	101.90	102.23
JPYINR (Feb)	68.34	68.55	68.90	69.11	69.47
JPYINR (Mar)	68.65	68.85	69.20	69.40	69.75

Source: Bloomberg, Reuters, ICICI Direct Research

Date & Time (IST)	Country	Data & Events
Tuesday, February 23, 2021		
12:30 PM	UK	Average Earnings Index + Bonus (Dec)
12:30 PM	UK	Claimant Count Change (Jan)
3:30 PM	Euro Zone	CPI (YoY) (Jan)
8:30 PM	US	CB Consumer Confidence (Feb)
8:30 PM	US	Fed Chair Powell Testifies
Wednesday, February 24, 2021		
8:30 PM	US	New Home Sales (Jan)
Thursday, February 25, 2021		
7:00 PM	US	Core Durable Goods Orders (MoM) (Jan)
7:00 PM	US	GDP (QoQ) (Q4)
8:30 PM	US	Pending Home Sales (MoM) (Jan)
12:30 AM	US	US Federal Budget

Source: Bloomberg, ICICI Direct Research

Date	Script	Action	Recommendation
25-Feb-21	Canara Bank	Buy	Long/Short Strategy : Buy Canara Bank March Future at 166-166 & sell 180 Call at 7-8, Target: 188, Stop loss: 153, Time frame: Till March expiry

[Back](#)

Source: Bloomberg, ICICI Direct Research

February 26, 2021

ICICI Securities Ltd. | Retail Equity Research

11

Date	Scrip	Action	Buy Price	Target	SL	CMP	%Ret	Time Frame
06-Jan-21	Glenmark Pharma	Buy	505-520	605	464.0	473	-7.7%	3 months
05-Feb-21	Ambuja Cement	Buy	268-275	325	247.0	280	2.5%	3 months
11-Feb-21	Apollo Tyres	Buy	240-245	295	218.0	241	-0.3%	3 months
11-Feb-21	Tata Consumer Products	Buy	600-615	720	552.0	629	3.4%	3 months
16-Feb-21	United Breweries	Buy	1250-1280	1510	1145.0	1199	-6.0%	3 months

[Back](#)

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

February 26, 2021

ICICI Securities Ltd. | Retail Equity Research

13

We /I, Raj Deepak Singh BE, MBA (Finance), Nandish Patel BCOM, Dipesh Dedhia BCOM, MBA Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products.

ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager and Research Analyst. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com.

ICICI Securities is one of the leading merchant bankers/ underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities and its analysts, persons reporting to analysts and their relatives are generally prohibited from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit icidirect.com to view the Fundamental and Technical Research Reports.

Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

ICICI Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

ICICI Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither ICICI Securities nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Since associates of ICICI Securities and ICICI Securities as a entity are engaged in various financial service businesses, they might have financial interests or beneficial ownership in various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Neither the Research Analysts nor ICICI Securities have been engaged in market making activity for the companies mentioned in the report.

We submit that no material disciplinary action has been taken on ICICI Securities by any Regulatory Authority impacting Equity Research Analysis activities.

This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject ICICI Securities and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.