

July 30, 2021

Derivatives Weekly View

Nifty consolidation likely to continue with support at 15600...

Other Product offerings

Derivatives Strategy

Underlying	Action
Sun TV	Buy

Duration : 1-2 months

Click here to see [open calls](#)

Quant (Derivatives) Pick

Underlying	Action
HDFC	Buy
Cipla	Buy
Apollo Tyre	Buy
Duration : 1-3 months	

Click here to see [open calls](#)

Research Analysts

Raj Deepak Singh

rajdeepak.singh@icicisecurities.com

Mohit Agarwal

mohit.agarwal@icicisecurities.com

Nandish Patel

nandish.patel@icicisecurities.com

Siddhesh Jain

siddhesh.jain@icicisecurities.com

Dipesh Dedhia

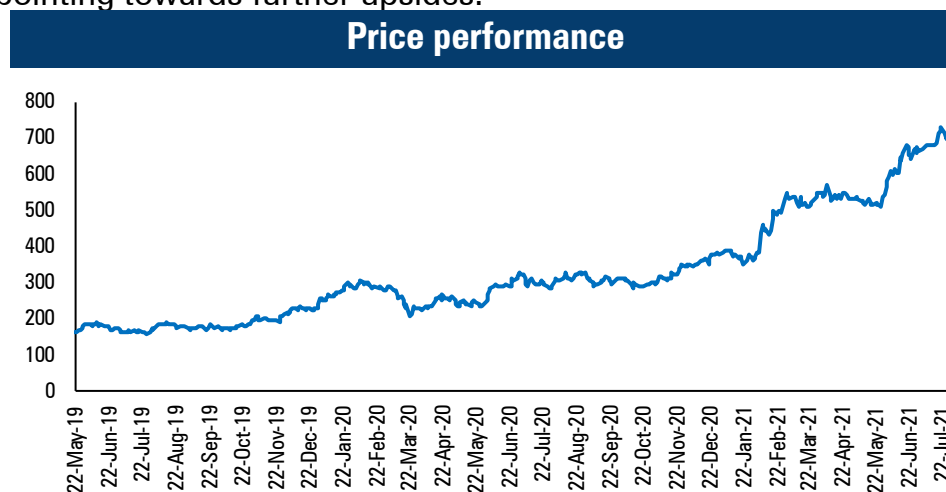
dipesh.dedhia@icicisecurities.com

Weekly future recommendation :

Long Gujarat Gas (GUJGAS) August future in range of ₹ 710-714; Target: ₹ 758; Stop Loss: ₹ 689.50

Rationale

The oil & gas space remained under pressure for most of the July series but new F&O entrant Gujarat Gas has done relatively better. It managed to close above ₹ 700 levels last week. When the stock was consolidating in July, major delivery pick-up was observed near ₹ 680 and ₹ 700 levels, which remain a good support area. There was closure in OTM strike Call of ₹ 750 last week, which is pointing towards further upsides.

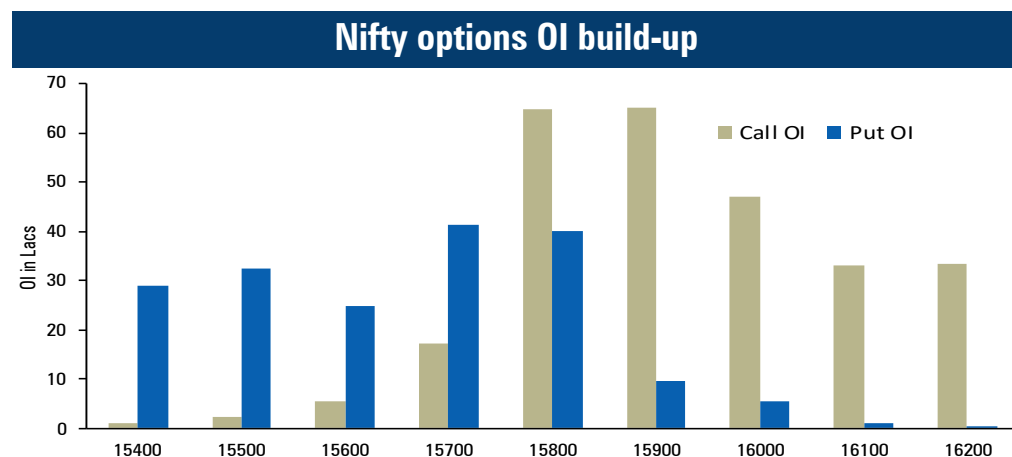


Recommendation follow up							
Underlying	View	Strategy	Reco	Target	Stoploss	Profit/Loss	Comment
Eicher Motors	Bearish	Sell Futures	2575	2450	2641	17500	Profits Booked
Voltas	Bullish	Buy Futures	1047	1130	999	-11000	Exit in loss

Source: Bloomberg, ICICI Direct Research

Nifty: Consolidation likely to continue with support at 15600...

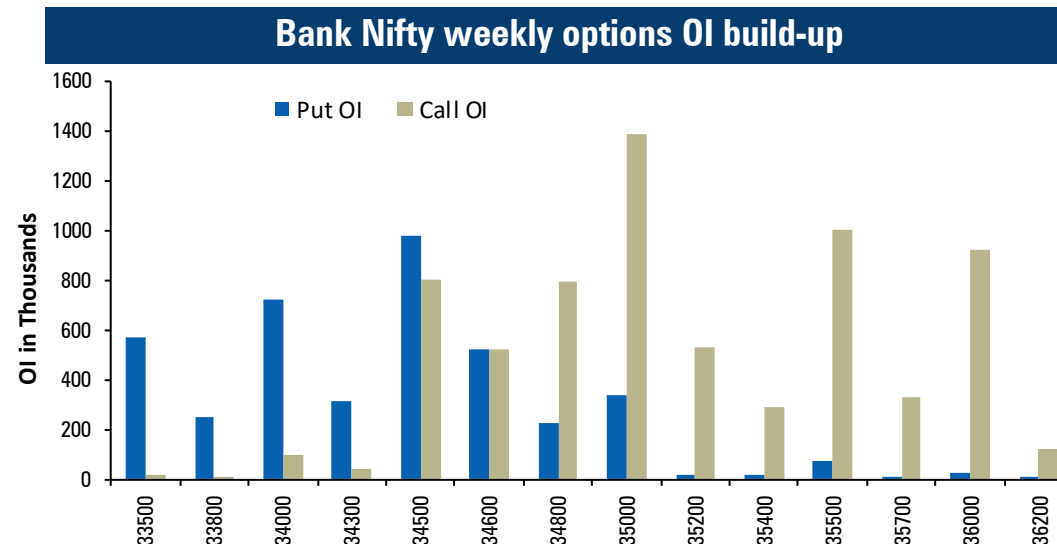
- The Nifty closed the July series near its VWAP levels of 15780 amid significant stock specific action. The index remained largely in the range of 15600-15900 for the last two months. Sectoral rotation was the key where technology and metal space were clear outperformers and compensated for the weakness in banking and auto stocks. On a monthly basis, while the Nifty closed the month almost flat, midcap and small cap indices gained almost 4% and 8%, respectively, suggesting broader outperformance
- From an options perspective, the highest option base remains at ATM 15800 strike for both Call and Put strikes for the coming weekly expiry. Hence, a major directional move may not be seen. We believe that breach of ongoing trading range of 15600-15900 on a closing basis should trigger fresh directional bias for another 300 points
- Since most index heavyweights have already declared their quarterly results, global cues may dictate the next round of directional move. Considering significant selling from FII was absorbed during July, where they have sold more than ₹ 19000 crore in secondary markets, any change of stance may take the Nifty above its ongoing trading range
- OI in the Nifty at the inception of the August series is one of the lowest we have seen since September 2020. Continued range bound movement in the index may have caused the current low OI. We believe a fresh directional move should trigger fresh OI build-up in coming sessions



Source: Bloomberg, ICICI Direct Research
July 30, 2021

Bank Nifty: Covering expected only above 35000 levels...

- The Bank Nifty ended the July series marginally lower compared to last month as most private banks remained under pressure post their quarterly numbers. Compared to private players, PSU banks did well, which kept the bias positive
- As the Nifty started with a lower OI base, the Bank Nifty started the August series with 2 million shares, which is higher compared to last month. Along with this, rollover spread rose in the expiry week is indicating short rollover for August. However, we feel closure in this positions should provide some recovery
- For the week, the highest Call OI base is placed at 35000 strike followed by 35500 whereas Put OI base is intact for the past few weekly expiry, which is placed at ATM strike of 34500. Looking at OI data, we feel the index should continue to remain in a range
- In this current leg of consolidation, we feel stock specific action would be there where stocks like Federal Bank, HDFC Bank, IDFC First bank and the PSU pack are likely to do well



Source: Bloomberg, ICICI Direct Research

- Despite FOMC meeting during the week, no major volatility was experienced across asset classes and the dollar index moved from 93 levels once again. Most equity indices are trading in a range on a weekly basis. Emerging markets saw some softening as selling pressure was seen primarily in the technology space. US bond yields have also remained quite range bound near 1.24. Indian indices recovered from a sell-off but closed the week almost flat. However, midcap and small cap space continue to outperform
- FIIs continued to offload equities and remained net sellers last week as they sold ~₹ 6094 crore. FIIs have sold over ~₹ 17299 crore during July in the secondary markets. On the other hand, domestic institutions stayed net buyers and bought ~₹ 7437 crore in equities during the week while during the month, they have bought over ₹ 15437 crore
- In the F&O space, FII activity remained subdued since the inception of the July series. Despite settlement, FII activity was seen primarily in stock futures due to rollover activities. While they were net buyers in index futures worth ~₹ 861 crore, they bought to the tune of ~₹ 3064 crore in stock futures. At the same time, FIIs bought index options worth ~₹ 730 crore during the week
- Crude oil prices remained on track to post weekly gains with demand growing faster than supply while vaccinations are expected to alleviate the impact of a resurgence in Covid-19 infections across the globe. We expect Nymex crude prices to remain positive towards \$77 as higher vaccination rates would limit the need for harsh lockdowns that gutted demand during the peak of the pandemic last year

FII/DII buying in equities (in ₹ crore)					
Date	FII				DII
	Index Fut	Stock Fut	Index Opt	Cash	Cash
23-Jul	697	149	989	-367	2188
26-Jul	74	709	-3767	-2090	1551
27-Jul	-608	-105	3548	-653	730
28-Jul	-356	435	525	-2119	921
29-Jul	1054	1877	-564	-866	2047

Source: Bloomberg, ICICI Direct Research

Rupee: Expected to appreciate towards 74.20 level..

- The rupee consolidated during the whole week as a fall in dollar index kept pressure on the pair while some correction in domestic equities added support to the pair
- The dollar index languished near a one-month low and was set for its worst weekly performance since May as dovish remarks by the US Federal Reserve together with underwhelming economic data took the steam out of a month-long rally
- While the US economy expanded at a 6.5% annualised rate in the second quarter, boosted by massive government aid, growth fell short of expectations for an 8.5% acceleration
- Hence, we expect the rupee to appreciate from current levels towards 74.20 level as a further correction in the dollar index is likely to put pressure on the pair in the short-term

Weekly Pivot Levels

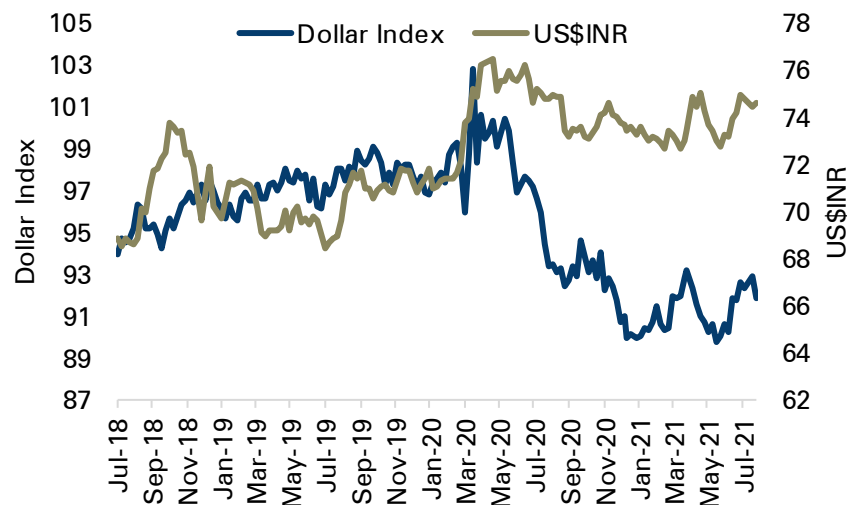
Futures	S2	S1	Pivot	R1	R2
US\$INR (Aug)	74.18	74.40	74.57	74.78	74.95
US\$INR (Sep)	74.40	74.62	74.79	75.01	75.19
EURINR (Aug)	87.39	88.08	88.47	89.16	89.56
EURINR (Sep)	88.05	88.57	88.86	89.38	89.68
GBPINR (Aug)	101.84	103.00	103.63	104.79	105.42
GBPINR (Sep)	102.23	103.33	103.93	105.04	105.64
JPYINR (Aug)	67.56	67.82	67.96	68.22	68.35
JPYINR (Sep)	67.81	68.05	68.18	68.42	68.54

Source: Bloomberg, Reuters, ICICI Direct Research

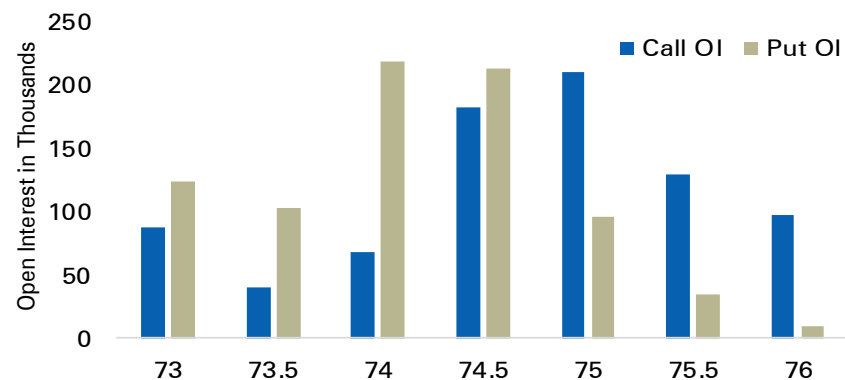
July 30, 2021

ICICI Securities Ltd. | Retail Equity Research

Dollar Index vs. US\$INR



US\$INR Options Build-up



Forthcoming Events...

Date & Time (IST)	Currency	Data & Events
Monday, August 2, 2021		
2:00 PM	GBP	Manufacturing PMI (Jul)
7:30 PM	USD	ISM Manufacturing PMI (Jul)
Wednesday, August 4, 2021		
2:00 PM	GBP	Composite PMI (Jul)
2:00 PM	GBP	Services PMI (Jul)
5:45 PM	USD	ADP Nonfarm Employment Change (Jul)
7:30 PM	USD	ISM Non-Manufacturing PMI (Jul)
8:00 PM	USD	Crude Oil Inventories
Thursday, August 5, 2021		
2:00 PM	GBP	Construction PMI (Jul)
4:30 PM	GBP	BoE Interest Rate Decision (Aug)
Friday, August 6, 2021		
10:00 AM	INR	Interest Rate Decision
6:00 PM	USD	Nonfarm Payrolls (Jul)
6:00 PM	USD	Unemployment Rate (Jul)

Source: Bloomberg, ICICI Direct Research

SYMBOL	COMPANY NAME	PURPOSE	MEETING DATE	SYMBOL	COMPANY NAME	PURPOSE	MEETING DATE
NTPC	NTPC Limited	Financial Results/Fund Rais	31-Jul-21	SBIN	State Bank of India	Financial Results	04-Aug-21
IDFCFIRSTB	IDFC First Bank Limited	Financial Results	31-Jul-21	RECLTD	REC Limited	Financial Results/Dividend/Fund	05-Aug-21
RBLBANK	RBL Bank Limited	Financial Results	02-Aug-21	TATACHEM	Tata Chemicals Limited	Financial Results	05-Aug-21
PNB	Punjab National Bank	Financial Results	02-Aug-21	CIPLA	Cipla Limited	Financial Results	05-Aug-21
HDFC	Housing Development Finance Corporation Limited	Financial Results	02-Aug-21	GAIL	GAIL (India) Limited	Financial Results	05-Aug-21
TATACONSUM	TATA CONSUMER PRODUCTS LIMITED	Financial Results	03-Aug-21	GUJGASLTD	Gujarat Gas Limited	Financial Results	05-Aug-21
GODREJPROP	Godrej Properties Limited	Financial Results	03-Aug-21	VOLTAS	Voltas Limited	Financial Results	06-Aug-21
DABUR	Dabur India Limited	Financial Results	03-Aug-21	TORNTPOWER	Torrent Power Limited	Financial Results	06-Aug-21
BHARTIARTL	Bharti Airtel Limited	Financial Results	03-Aug-21	TATAPOWER	Tata Power Company Limited	Financial Results	06-Aug-21
ADANIPTS	Adani Ports and Special Economic Zone Limited	Financial Results	03-Aug-21	NATIONALUM	National Aluminium Company Limited	Financial Results/Other busines	06-Aug-21
ADANIENT	Adani Enterprises Limited	Financial Results	03-Aug-21	M&M	Mahindra & Mahindra Limited	Financial Results/Other busines	06-Aug-21
TITAN	Titan Company Limited	Financial Results	04-Aug-21	HINDALCO	Hindalco Industries Limited	Financial Results	06-Aug-21
APOLLOTYRE	Apollo Tyres Limited	Financial Results	04-Aug-21	BERGEPAINT	Berger Paints (I) Limited	Financial Results	06-Aug-21
BOSCHLTD	Bosch Limited	Financial Results	04-Aug-21	AUBANK	AU Small Finance Bank Limited	Financial Results	06-Aug-21
GODREJCP	Godrej Consumer Products Limited	Financial Results	04-Aug-21	AARTIIND	Aarti Industries Limited	Financial Results	06-Aug-21
HINDPETRO	Hindustan Petroleum Corporation Limited	Financial Results	04-Aug-21				

Source: Bloomberg, ICICI Direct Research

Derivatives Strategies: Open recommendations

Date	Scrip	Action	Recommendation
30-Jul-21	Suntv	Buy	Long/Short Strategy : Buy Sun TV August future at 554-560 & sell 600 Call at 13-15, Target: 615, Stop-loss: 524.80, Time-frame: till August expiry.
30-Jul-21	Larsen & Toubro	Buy	Positional Future : Buy Larsen & Toubro August Future in the range of 1612-1618 Target: 1700 Stop Loss: 1564 till August Series

[Back](#)

Source: Bloomberg, ICICI Direct Research

July 30, 2021

ICICI Securities Ltd. | Retail Equity Research

Quant Picks: Open recommendations...

Date	Scrip	Action	Buy Price	Target	SL	CMP	%Ret	Time Frame
10-May-21	HDFC	Buy	2525-2565	2950	2348	2442	-3.8%	3 months
07-Jun-21	Apollo Tyres	Buy	234-238	278	212	224	-5.1%	3 months
08-Jun-21	Cipla	Buy	925-945	1090	855	916	-2.0%	3 months
15-Jun-21	Bank of Baroda	Buy	84-86	102	76	81	-5.3%	3 months
26-Jul-21	Coal India	Buy	142-145	168	130	145	1.0%	3 months
30-Jul-21	Godrej properties	Buy	1570-1590	1800	1450	1608	1.5%	1 months

[Back](#)

Source: NSE, Seediff, ICICI Direct Research

July 30, 2021

ICICI Securities Ltd. | Retail Equity Research

Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

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



Source: Bloomberg, ICICI Direct Research

We /I, Raj Deepak Singh BE, MBA (Finance), Nandish Patel BCOM, Dipesh Dedhia BCOM, MBA (Finance), Mohit Agarwal BSc, MBA (Finance), Siddhesh Jain 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 generally prohibits its analysts, persons reporting to analysts and their relatives 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 icicidirect.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.

ICICI Securities Limited has two independent equity research groups: Institutional Research and Retail Research. This report has been prepared by the Retail Research. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the Institutional Research.

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 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.