

September 6, 2019

Other Product offerings

Quant (Derivatives) Pick	
Underlying	Action
Lupin	Buy
Marico	Buy
Torrent Power	Buy

Quant Pick – Bharti Airtel

Quant Pick					
Stock	Action	Initiation Range	Target	Stop loss	Time Frame
Bharti Airtel	Buy	340-348	410	312	3 Months



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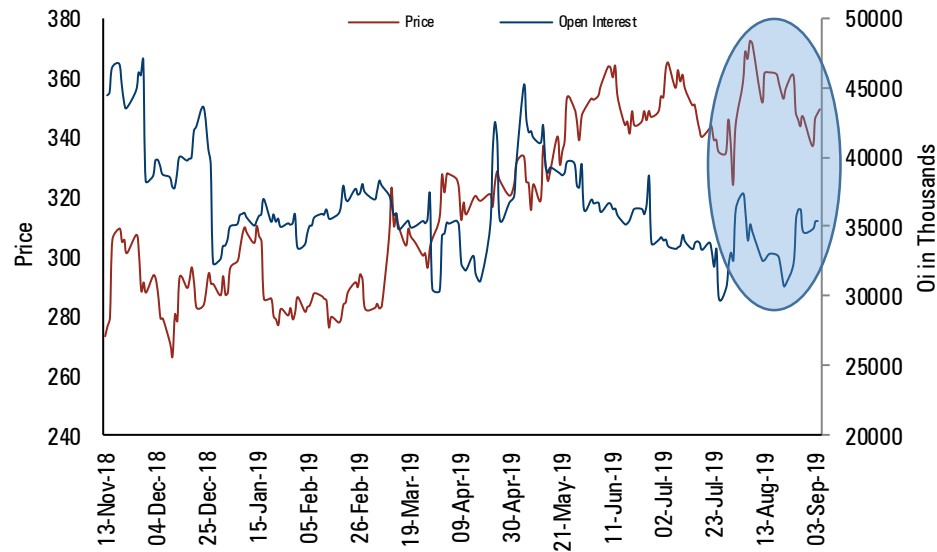
Buy Bharti Airtel in the range of ₹ 340-348, Target: ₹ 410;
Stop Loss: ₹ 312; Time frame: Three months

Snapshot

Spot Price	349.00
Beta	1.00
12M Avg Price (₹)	314
12M Avg Volume (Shares)	7584849
3M Avg Roll (%)	85.55%
HV 60 Day (% Annualised)	31.81

Price vs. open interest pattern

Addition of long positions likely to provide further momentum



Source: NSE, Seediff, ICICI Direct Research
September 6, 2019

- The telecom space has significantly underperformed the markets in the last 10 years where Bharti Airtel has been broadly consolidating in the broad range of ₹ 280-400. However, in the last couple of months, the stock witnessed continued buying at every decline despite volatile market conditions. Even from an FII perspective, the telecom sector has received inflows recently while they have sold almost every other sector in the last two months. As per the recent available data, FIIs have bought almost ₹ 850 crore in the telecom space since July 1 to August 15 while they have sold almost ₹ 25000 crore worth equities in the same time frame
- In the F&O space, the open interest in Bharti Airtel has witnessed a gradual decline since October 2018. It was almost halved by May 2019. The OI in the stock was more than 50 million shares in October 2018 when it made lows around ₹ 250. Since then, the short covering leg has triggered the move till ₹ 360. However, despite the recent correction in the stock, no fresh short build-up was seen. The OI has remained around 35 million shares. We believe the positive bias in the stock is intact. It is likely to move up on the back of fresh long additions
- On the options front, the highest Put options base is placed at the 340 strike indicating support placed around current levels. At the same time, the highest Call OI is visible at 370 strike followed by 350 strike. As the stock is already trading near its major Call base, closure among Call strikes can be expected. In such a scenario, the stock may move towards ₹ 370 in the near term
- From a delivery perspective, the stock has been witnessing continuous activity as it made a fresh 52-week high in August despite weak market sentiments. One of the highest delivery volume was observed in the stock in the April series around ₹ 315 levels. It should act as a major support for the stock
- **Note:** Call has been initiated on iClick2Gain on September 6, 2019

Date	Scrip	Action	Buy Price	Target	SL	CMP	%Ret	Time Frame
06-Aug-19	Marico Ltd	Buy	374-381	445	342	382	1.1%	3 months
14-Aug-19	Torrent power	Buy	285-292	340	260	274	-5.7%	3 months
05-Sep-19	Lupin	Buy	750-765	870	690	764	-0.2%	3 months
05-Sep-19	Bharti Airtel	Buy	340-348	410	315	349	0.3%	3 months

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Source: Bloomberg, ICICI Direct Research

ANALYST CERTIFICATION

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