

November 19, 2019

## Other Product offerings

Quant (Derivatives) Pick	
Underlying	Action
L&T	Buy
CESC	Buy
Dabur	Buy
Duration : 1-3 months	

## Quant Pick – IndusInd Bank

Quant Pick					
Stock	Action	Initiation Range	Target	Stop loss	Time Frame
IndusInd Bank	Buy	1375-1400	1630	1265	3 Months



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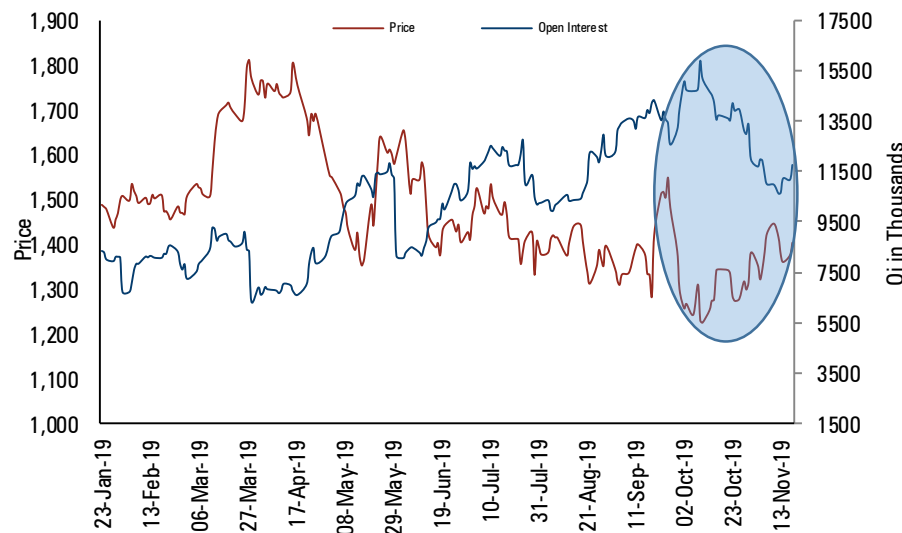
Buy IndusInd Bank in the range of ₹ 1375-1400, Target: ₹ 1630; Stop Loss: ₹ 1265; Time frame: Three months

**Snapshot**

Spot Price	1390.00
Beta	1.48
12M Avg Price (₹)	1491
12M Avg Volume (Shares)	3804763
3M Avg Roll (%)	84.60%
HV 60 Day (% Annualised)	51.05

**Price vs. open interest pattern**

**Short covering rally likely to continue**



Source: NSE, Seediff, ICICI Direct Research

- As the Nifty continues to consolidate around 12000, stock specific moves are likely to continue. In the last couple of weeks, performing stocks have started witnessing profit booking. These flows are seen going into underperforming stocks. IndusInd Bank is one such stock, which has remained under pressure in the last year but has witnessed renewed buying along with continued short covering suggesting expectation of further upsides
- The open interest in the stock has increased sharply on the back of continued negative news in the last year. The OI of almost 6.5 million shares turned into the OI of 16 million shares ahead of its quarterly results in October 2019. Data clearly indicates significant short additions in the stock. However, post results, short covering was experienced in it. It is still continuing, suggesting a likely up move in coming weeks as well
- The stock has a major Call base placed at the November 1400 strike, which was breached last week itself. After a minor profit booking it has started moving above these levels once again. These positions have shifted to OTM 1500 strike in the November series itself suggesting the current trend of short covering may continue
- Post quarterly results in October, the stock started its upward journey on the back of significant delivery based buying. Meanwhile, both FIs and DIs have increased their stake in IndusInd Bank, indicating attractive valuations for the stock. We believe recent lows should not be revisited and intermediate declines remain a buying opportunity
- The stock was finding support near its mean-2\*sigma levels in the last couple of months and has started exhibiting some divergence recently. We believe the current move may take it towards its long term mean levels, which are currently placed at ₹ 1625.
- **Note:** Call has been initiated on iClick2Gain on November 19, 2019

Date	Scrip	Action	Buy Price	Target	SL	CMP	%Ret	Time Frame
11-Sep-19	CESC	Buy	790-810	940	725	750	-6.2%	3 months
09-Oct-19	Larsen & Toubro	Buy	1390-1420	1620	1320	1366	-3.5%	3 months
22-Oct-19	Dr Reddy	Buy	2750-2800	3250	2535	2739	-2.2%	3 months
23-Oct-19	Voltas	Buy	685-700	815	630	714	1.9%	3 months
31-Oct-19	Exide Industries	Buy	186-191	230	171	190	0.2%	3 months
04-Nov-19	Ultratech Cement	Buy	4180-4250	4950	3840	4091	-2.8%	3 months
05-Nov-19	Dabur India	Buy	465-475	550	432	455	-4.2%	3 months
19-Nov-19	Indusind Bank	Buy	1375-1400	1630	1265	1391	0.1%	3 months

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*Source: Bloomberg, ICICI Direct Research*

## ANALYST CERTIFICATION

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