

March 23, 2021

Quant Pick – ACC

Quant Pick					
Stock	Action	Initiation Range	Target	Stop loss	Time Frame
ACC	Buy	1840-1870	2190	1680	3 Months

Derivatives Strategy

Underlying	Action
Bharti Airtel	Buy

Duration : 1-2 months

Click here to see [open calls](#)

Quant (Derivatives) Pick

Underlying	Action
Sun Pharma	Buy
Tata Consumer	Buy
United Breweries	Buy

Duration : 1-3 months

Click here to see [open calls](#)

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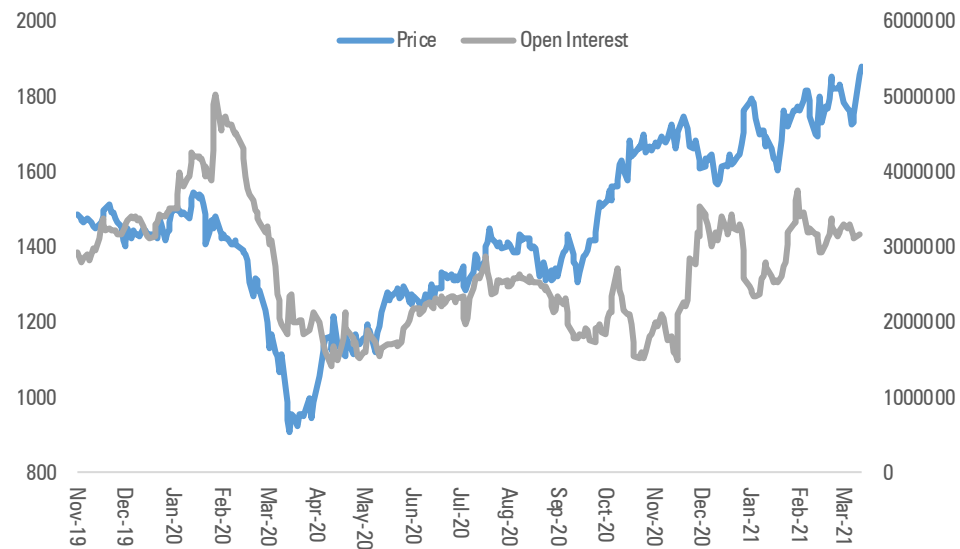
Buy ACC in range of ₹ 1840-1870; Target: ₹ 2190;
 Stop Loss: ₹ 1680; Time frame: Three months

Snapshot

Spot Price	1877
Beta	0.77
12M Avg Price (₹)	1462.5
3M Avg Roll (%)	94%
HV 30 Day (% Annualised)	34.0

Price vs. open interest pattern

Fresh accumulation likely to provide up move



Source: NSE, Seediff, ICICI Direct Research

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- Broader markets came under relative pressure in the last couple of weeks where stocks have seen significant correction amid profit taking. We believe markets may move into some consolidation for some time amid stock specific pullbacks. In such a scenario, stocks where fresh positions have been formed, are likely to perform better
- Cement stocks have found renewed traction in the last few sessions while stocks like ACC are likely to witness fresh upsides. The stock has made fresh lifetime highs surpassing 2017 highs of ₹ 1850. Recently, the stock has been hovering in the range of ₹ 1700-1850 for the last couple of weeks. Now, it has finally moved above the range amid fresh accumulation seen in April series indicating ongoing momentum should continue in the coming weeks
- The current open interest in the stock is relatively lower compared to the last few months. With recent price performance, we expect the stock to witness fresh accumulation. Unlike indices, the roll spread in the stock is near zero despite the price performance, which should be considered as a positive indicator for the stock
- From the options space, no major Call option base is in place for the April series. The only accumulation is visible at ATM 1900 strike. As the stock is already trading near these levels, continued upsides can be expected in the short-term
- The delivery Z-Score has again started to move into the positive territory since February 2021 as the stock is witnessing fresh accumulation in the delivery segment
- ACC has been finding it tough to sustain above its long term mean+2*sigma levels. Currently these levels are placed near ₹ 1850, which has been acting as a hurdle for the stock. Now, after moving above it, we expect the upside momentum to take it towards its 3*sigma levels, which are placed near ₹ 2200
- **Note:** Call has been initiated on iClick2Gain on March 23, 2021

Date	Scrp	Action	Recommendation
19-Mar-21	Bharti Airtel	Buy	Buy Bharti Airtel April Future at 530-534 & sell 560 Call at 14-16, Target: 576, Stop loss: 504.5, Time frame: Till April expiry
19-Mar-21	Bank Nifty	Buy	Positional Option: Sell Bank Nifty Mar 32500 Put at 145-165, target: 2, stoploss: 315. Time Frame: till March expiry

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Source: Bloomberg, ICICI Direct Research

Date	Scrip	Action	Buy Price	Target	SL	CMP	%Ret	Time Frame
11-Feb-21	Tata Consumer Products	Buy	600-615	720	552	620	2.0%	3 months
16-Feb-21	United Breweries	Buy	1250-1280	1510	1145	1252	-1.0%	3 months
26-Feb-21	NTPC	Buy	105.5-107.5	122	98.5	110	2.7%	1 months
4-Mar-21	Sun Pharma	Buy	625-635	738	570	591	-6.5%	3 months
9-Mar-21	Hcl Technologies	Buy	950-970	1135	874	979	1.4%	3 months
22-Mar-21	ACC	Buy	1840-1870	2190	1680	1890	1.1%	3 months

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Source: Bloomberg, ICICI Direct Research

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