

March 9, 2021

## Quant Pick – HCL Technologies

### Quant Pick

Stock	Action	Initiation Range	Target	Stop loss	Time Frame
HCL Technologies	Buy	950-970	1135	874	3 Months

### Derivatives Strategy

Underlying	Action
Infosys	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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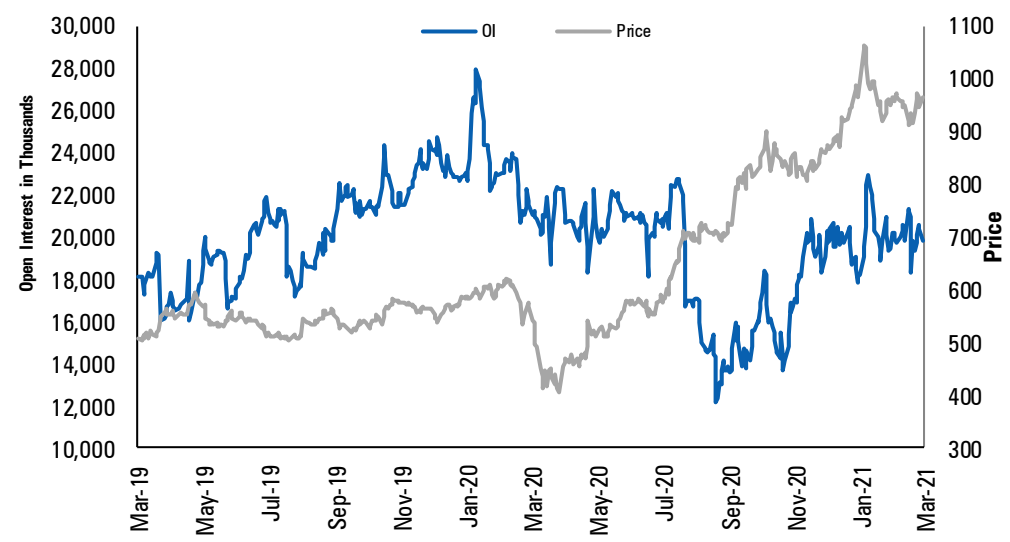
Buy HCL Technologies in range of ₹ 950-970; Target: ₹ 1135;  
 Stop Loss: ₹ 874; Time frame: Three months

# Snapshot

Spot Price	967.00
Beta	0.77
12M Avg Price (₹)	817.0
3M Avg Roll (%)	96.5%
HV 30 Day (% Annualised)	51.00

# Price vs. open interest pattern

Long positions remain intact despite intermediate consolidation



Source: NSE, Seediff, ICICI Direct Research

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- Amid bullish sentiments prevailing in the market, the technology space has seen relative underperformance in the last few weeks. However, most of the stocks have absorbed selling pressure. We believe the sector is poised for the next round of upsides. HCL Technologies has retraced back to ₹ 900 levels after making lifetime highs near ₹ 1060 in January. As long positions are still intact in the stock, we believe it will resume its upward momentum
- The open interest in the stock has increased significantly since August along with price movement as long positions were formed in the stock. Despite the recent profit booking in the stock, the open interest has remained almost intact suggesting prevailing long bias still exists
- In the options space, the stock had the highest Call OI base at the 1000 strike in the February series. The same OI has been rolled into the March series as well. However, initial signs of closure are visible in these options with OI moving into deep OTM Call strikes. At the same time, noteworthy Put addition is visible at the ATM and OTM strikes suggesting expectations of limited downsides
- The stock witnessed noteworthy delivery volume activity in October 2020 around ₹ 880-910 levels. It was able to hold these levels despite broader market volatility. Recently, last month, fresh delivery based buying was seen around same levels. We expect the stock to continue its positive bias till it holds ₹ 880 levels
- The stock has made a lifetime high near ₹ 1060 in January 2021. Since then, it has been largely range bound between around ₹ 900-970. It failed to sustain above ₹ 970 despite a couple of attempts in the past week. However, recently, the stock has taken support of lower band level of ₹ 900 and is now witnessing fresh buying momentum. We believe upsides may continue in the stock. It may surpass its January highs in coming weeks
- **Note:** Call has been initiated on iClick2Gain on March 9, 2021

Date	Scrip	Action	Recommendation
3-Mar-21	Infosys	Buy	<b>Long/Short Strategy</b> : Buy Infosys March Future at 1322-1332 & sell 1380 Call at 17-20, Target: 1400, Stop loss: 1270, Time frame: Till March ex
3-Mar-21	DLF Ltd	Buy	<b>Long/Short Strategy</b> : Buy DLF March Future at 325-328 & sell 350 Call at 11-13, Target: 362, Stop loss: 305.5, 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
6-Jan-21	Glenmark Pharma	Buy	505-520	605	464	487	-4.9%	3 months
11-Feb-21	Apollo Tyres	Buy	240-245	295	218	235	-3.0%	3 months
11-Feb-21	Tata Consumer Products	Buy	600-615	720	552	616	1.3%	3 months
16-Feb-21	United Breweries	Buy	1250-1280	1510	1145	1213	-4.1%	3 months
26-Feb-21	NTPC	Buy	105.5-107.5	122	98.5	111	3.3%	1 months
4-Mar-21	Sun Pharma	Buy	625-635	738	570	614.8	-2.7%	3 months
9-Mar-21	Hcl Technologies	Buy	950-970	1135	874	965	0.0%	3 months

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Source: Bloomberg, ICICI Direct Research

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