

March 16, 2021

## Quant Pick – ITC

Quant Pick					
Stock	Action	Initiation Range	Target	Stop loss	Time Frame
ITC	Buy	204-208	238	186	3 Months

### Derivatives Strategy

Underlying	Action
Havells	Sell

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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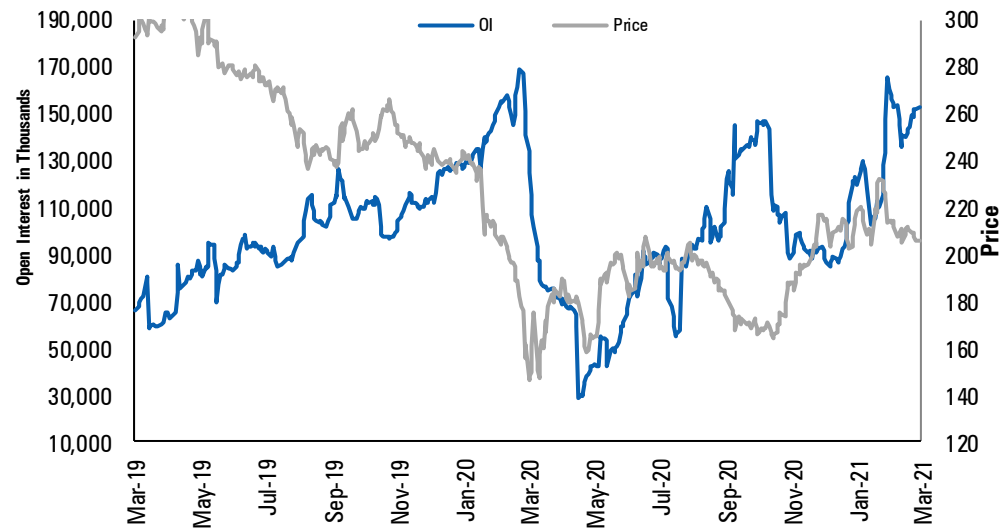
Buy ITC in range of ₹ 204-208; Target: ₹ 238; Stop Loss: ₹ 186; Time frame: Three months

## Snapshot

Spot Price	209.00
Beta	0.55
12M Avg Price (₹)	198.0
3M Avg Roll (%)	94.0%
HV 30 Day (% Annualised)	47.00

## Price vs. open interest pattern

### Long positions remain intact despite intermediate consolidation



Source: NSE, Seediff, ICICI Direct Research

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- Headline index has registered its life-time highs in February month amid buying among banking heavyweights. Despite the underperformance from the FMCG and pharma space, stocks from technology, BFSI and metal were major drivers of the index move. In the ongoing consolidation, We believe stock like ITC could be the next major mover of Nifty and is likely to retest its Feb highs once again in the coming weeks.
- ITC has shown a tendency of moving along in line with the open interest addition. The open interest in the stock has increased sharply in the last couple of sessions suggesting ongoing accumulation in the stock. Despite recent profit booking in the stock, the open interest has remained almost intact suggesting prevailing long bias still exists.
- On the options space, the stock had the highest Put OI base at the 200 strike in the current series. On the other hand, the major Call option base for the stock was at the 205 and 210 strike where positions started unwinding. We expect the current trend of short covering in options to continue in the stock if it sustains at current levels.
- The stock witnessed noteworthy delivery volume activity in January and February, fresh delivery based buying was seen around ₹ 200-210. Moreover, long term mean-1\*sigma levels for the stock is currently placed near ₹ 185. Hence current declines in the stock can be utilized as a fresh buying opportunity.
- The stock has made a 52 week high near ₹ 239 in February 2021. Since then, it has been largely range bound hovering around ₹ 205. It failed to sustain above ₹ 212 despite many attempts in the past trading sessions. However, recently, the stock has taken support of lower band level of ₹ 200 and is now witnessing fresh buying momentum. We believe upsides may continue in the stock and it may surpass its February highs in coming weeks
- **Note:** Call has been initiated on iClick2Gain on March 16, 2021

Date	Scrip	Action	Recommendation
15-Mar-21	Havells	Sell	<b>Long/Short Strategy</b> : Sell Havells March Future at 1105-1110 & sell 1050 Put at 12-14, Target: 1036, Stop loss: 1150, 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	476	-7.0%	3 months
11-Feb-21	Apollo Tyres	Buy	240-245	295	218	233	-3.7%	3 months
11-Feb-21	Tata Consumer Products	Buy	600-615	720	552	613	0.8%	3 months
16-Feb-21	United Breweries	Buy	1250-1280	1510	1145	1203	-4.9%	3 months
26-Feb-21	NTPC	Buy	105.5-107.5	122	98.5	110	2.8%	1 months
4-Mar-21	Sun Pharma	Buy	625-635	738	570	605	-4.3%	3 months
9-Mar-21	Hcl Technologies	Buy	950-970	1135	874	1015	5.2%	3 months
16-Mar-21	ITC	Buy	204-208	238	186	208	0.5%	3 months

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*Source: Bloomberg, ICICI Direct Research*

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