

Derivatives view

March 15, 2024

Intraday...

Action	Scrip	Target 1	Target 2	Stoploss	Time frame
Buy DIXTEC Mar Fut at 6839.15-6845.15	Dixon Technologies (India)	6932.2	7067.2	6752	Intraday
Sell JKCEME Mar Fut at 4114.05-4120.05	Jk Cement Limited	4081.1	4027.1	4153	Intraday

[Daily view](#)

Weekly...

	Scrip	Target	Stoploss	Time frame	Status
Buy PVRLIM Feb Fut at 1414-420	PVR	1520.0	1349.9	Weekly	Stoploss Triggered
Sell RAMCEM Mar Fut at 814-818	Ramco Cement	755.0	850.1	Weekly	Profit Booked

[Weekly view](#)

Other Product offerings

Derivatives Strategy

Underlying	Action
HCL Technology	Buy

Duration : 1-2 months

Click here to see [open calls](#)

Quant (Derivatives) Pick

Underlying	Action
Federal Bank	Buy

Duration : 1-3 months

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Intraday Outlook: Buy Bank Nifty in the range of 46800-46850

Nifty			
	Close	Pvs Close	% Change
Spot	22146.65	21997.70	0.68%
Future	22264.55	22103.25	0.73%
Basis	118	106	-
OI (Lakhs)	161.80	154.83	4.50%
PCR	0.95	0.94	-

Bank Nifty			
	Close	Pvs Close	% Change
Spot	46789.95	46981.30	-0.41%
Future	46996.15	47081.35	-0.18%
Basis	206	100	-
OI (Lakhs)	54.06	53.36	1.31%

Pivot Level		
	Nifty Future	Bank Nifty Future
S2	21802	46196
S1	21975	46493
Pivot	22090	46862
R1	22262	47159
R2	22377	47528

- ❖ After a volatile opening trade, one way recovery was seen in the broader market. However, In Nifty sizeable Call writing were seen at near ATM and OTM strikes suggesting limited upside.
- ❖ Sell Nifty 22500 Call option (Mar 21 expiry) in the range of | 40-42 Target: | 22 Stop loss: | 55

- ❖ The Bank Nifty relatively under performed Nifty on the back of weakness among private banks. On the option front, ATM Call and Put holds significant OI indicates further consolidation at current levels.
- ❖ Buy Bank Nifty future in the range of 46800-46850 Target: 47050-47200 Stop loss: 46700

- ❖ FII's sold ₹1356 cr while DII's bought ₹139 cr in the cash segment. FII's have sold index futures worth ₹ 711 cr while in index options they sold ₹ 13204 cr. In stock futures segment, they bought ₹ 2138 cr.
- ❖ Stocks in Ban: ABFRL, BHEL, Manappuram, Nalco, PEL, RBL Bank, Sail, Tata Chemical and Zee.
- ❖ Index rebalancing is likely to take place in Bharat 22 etf (Positive weight change in ITC & SBI) and FTSE (Positive weight change in HDFC Bank).

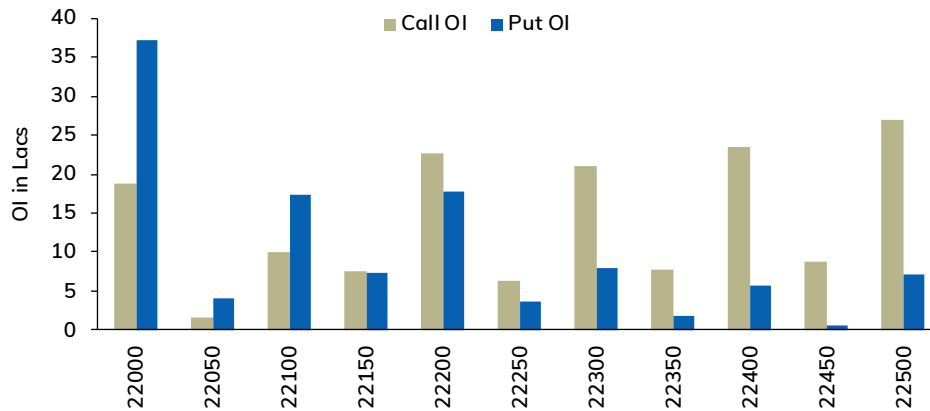
Note: Index calls may be changed, if view differs during market hours and positional recommendations given in Derivatives Strategy should not be linked to intraday index/stock calls.

Source: NSE, Seeditf, Bloomberg ICICI Direct Research

March 15, 2024

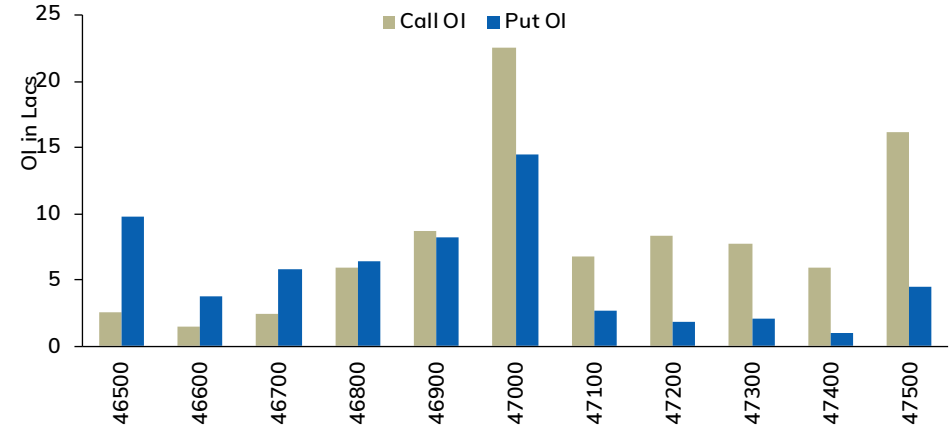
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Nifty Weekly Option OI Distribution



- ❖ In Nifty, 22500 Call strike holds noteworthy OI of ~27 lakhs shares.
- ❖ On the Put side, 22000 strike holds substantial OI of ~37 lakhs shares.

Bank Nifty Weekly Option OI Distribution



- ❖ In Bank Nifty, 47000 Call strike hold meaningful OI of ~22 lakhs shares .
- ❖ While on the Put side , 47000 strike holds sizeable OI of ~15 lakh shares

Long Buildup

Name	Price (%)	OI(%)
MCX	0.38%	7.28%
RECLTD	3.31%	7.25%
BHEL	0.42%	6.74%
BEL	2.78%	5.83%
APOLLOHOSP	0.30%	5.51%

Short Buildup

Name	Price (%)	OI(%)
NMDC	-1.41%	9.09%
SHRIRAMFIN	-0.90%	8.58%
TATASTEEL	-0.80%	4.20%
BANKBARODA	-0.59%	3.65%
SBIN	-0.69%	3.42%

Long Unwinding

Name	Price (%)	OI(%)
RBLBANK	-1.51%	-2.94%
GODREJPROP	-0.93%	-1.02%
BAJFINANCE	-1.45%	-0.99%
INDUSINDBK	-0.35%	-0.04%
ITC	-5.60%	0.00%

Short Covering

Name	Price (%)	OI(%)
SUNPHARMA	0.94%	-6.79%
MPHASIS	4.28%	-6.70%
HINDCOPPER	11.95%	-6.48%
HINDALCO	3.39%	-6.23%
INDIAMART	4.48%	-5.38%

Source: NSE, Seediff, Bloomberg ICICI Direct Research

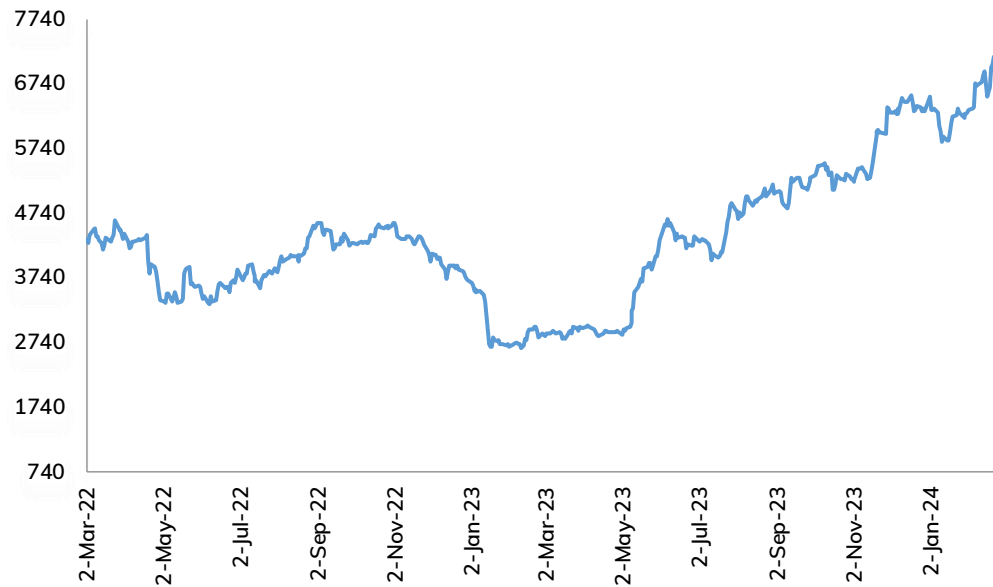
Intraday recommendation with historical price performance...

i) Dixon Technologies (India) (CMP: 6842.15)

Buy DIXTEC Mar Fut at | 6839.15-6845.15

Target 1: 6932.2 Target 2: 7067.2

Stop Loss: 6752.2

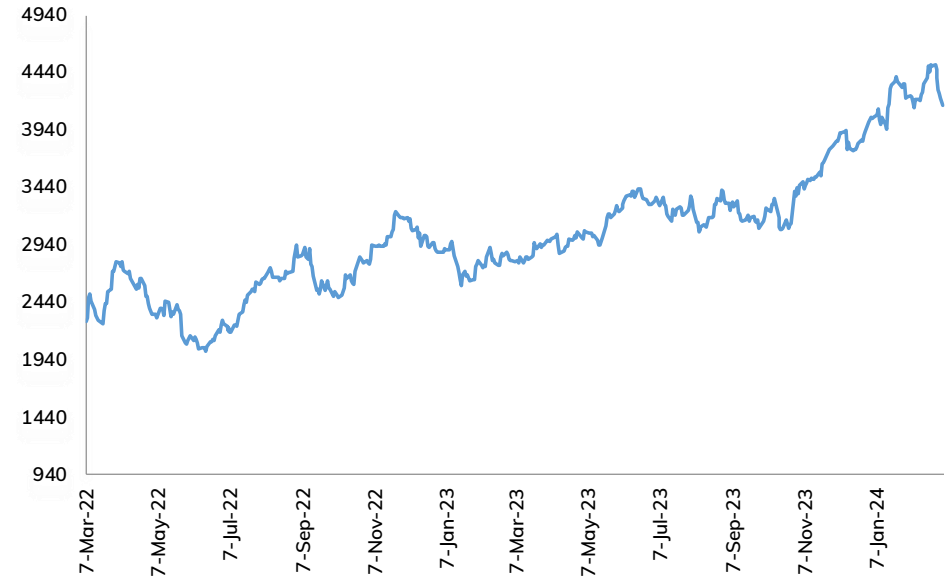


ii) Jk Cement Limited (CMP: 4117.05)

Sell JKCEME Mar Fut at | 4114.05-4120.05

Target 1: 4081.1 Target 2: 4027.1

Stop Loss: 4153.1



Strategy Follow-up

Date	Stock	View	Strategy	Reco	Target	SL	P&L	Comment
14-Mar-24	ABBIND	Buy	Long Fut	27163.2	27725.7	26938.2	-	Not initiated
14-Mar-24	INDGAS	Sell	Short Fut	427.7	421.1	434.2	-	Not initiated

Weekly future recommendations:

1) Buy PVRLIM (PVR INOX LIMITED) MAR in the range of 1414-1420 Target 1520 and StopLoss 1349.9.

Rationale

PVR had witnessed aggressive short build-up in the January and February series. However, short covering move was experienced last week where the futures open interest has declined by ~15%. Moreover, it witnessed a pick-up in delivery based buying, which further strengthens our positive bias. Furthermore, the stock has closed above its sizeable Call base of 1400 strike above which a short covering move is likely to extend. We believe the current short covering move is likely to help the stock to test ₹ 1520 levels in the coming session.

2) Sell RAMCEM (THE RAMCO CEMENTS LIMITED) MAR in the range of 814-818 Target 755 and StopLoss 850.1.

Rationale

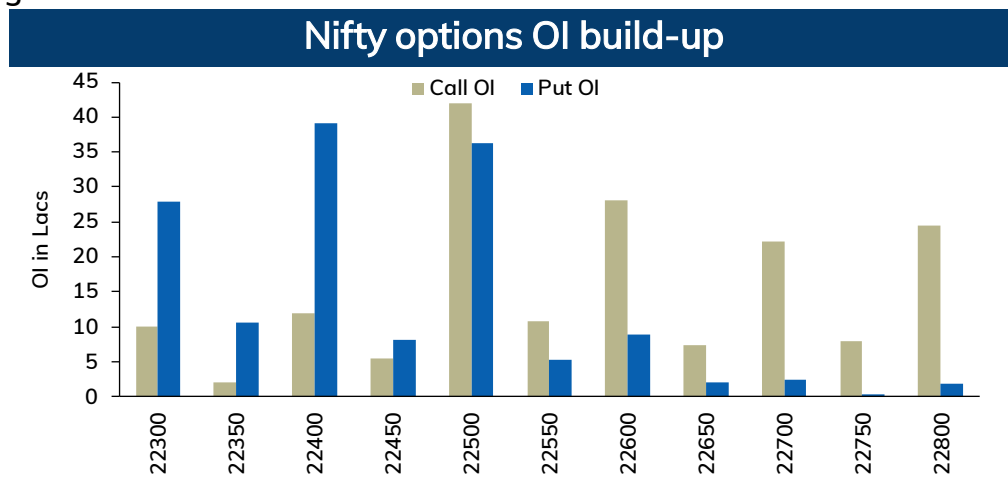
Over the past couple of months, Ramco Cement has underperformed broader markets and declined nearly 20% from its December highs. The delivery based selling pressure was observed along with rise in OI. Furthermore, the Call base at 850 strike is exponentially higher compared to the rest of the strikes. We believe the stock may remain under pressure and is unlikely to move above its Call base. The current breakdown give us a decent opportunity to create fresh short positions with a target of ₹ 755.

Strategy Follow up							
Underlying	View	Strategy	Reco	Target	Stoploss	Profit/Loss	Comment
Ultratech Cement	Bullish	Buy Futures	10155	10520	9980	-17500	Stoploss Triggered
Dr. Lal Pathlab	Bearish	Sell Futures	2350	2240	2410.0	22200	Profit Booked

Source: Bloomberg, ICICI Direct Research

Nifty likely to extend gains towards 22700 levels...

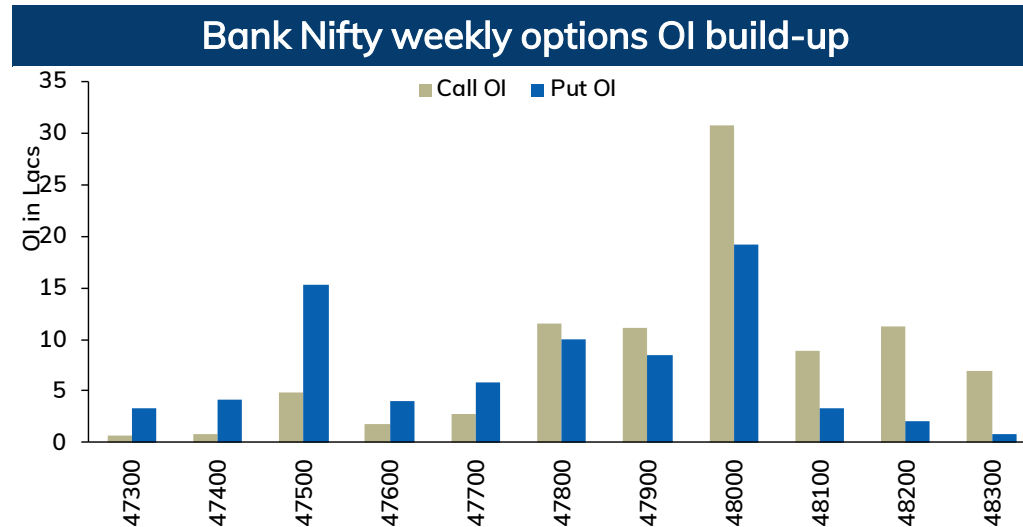
- Nifty spent the last week consolidating near its major Call base of 22500 and remained in a narrow range throughout the week. However, sectoral churning was evident as Bank Nifty recovered from lows while Technology heavyweights witnessed some weakness. On the other hand, broader markets continued their underperformance and both midcap and small cap indices made consolidating near life highs. Going ahead, we expect Nifty to move higher amid expectations of renewed FII and DII flows and short covering in index future.
- Due to consolidation seen last week above 22200 levels and truncated expiry week, Put strikes from 22500 and lower have seen significant writing across the board indicates limited downsides. We believe a short covering move can be expected in Nifty towards 22700 and higher if it able to sustain above the Call base of 22500 levels. The positive view for the week will be void if Nifty moves below 22200 levels.
- Last week Nifty premium was very volatile indicating indecisiveness. However, India VIX has cooled off from higher levels and it came down to almost 5 week's low which is giving comforts to bulls.
- Banking heavyweights have shown meaningful recovery last week and they are expected to lead the fresh move. Nifty up move is likely to be driven by Banking heavyweights.



Source: Bloomberg, ICICI Direct Research
March 15, 2024

Bank Nifty: Short covering rally to continue above 48000 levels...

- Banking index also extended its positive momentum to 4th consecutive week and gained another 1% last week. Recovery among heavily beaten down names along with continued strength exhibited by PSU heavyweights. We believe that positive bias in Banking index should be maintained till it is holding itself above 47200 levels in the coming week.
- While almost every banking stocks have participated in the move where both private and PSU heavyweights were the major contributors of the gains. However, despite the gains, major short covering was still not experienced and we believe that till Banking index is able to hold 47200, short covering driven move can not be ruled out.
- From the options space, both Nifty and Bank Nifty , Call options concentration remains at ATM strikes where 48000 Call strike hold significantly high open interest. While the Put base has been relatively lower. Thus a round of consolidation near 48000 can be expected in the coming week.
- Financial Nifty has also recovered sharply and closed the week at its highest levels since mid-Jan. Considering both Call and Put option base is at ATM strike, much deviation seems unlikely for the coming weekly settlement. However, levels of 21800 likely to act as major support for the index..



Domestic flows helped index to extend gains...

- All three major US indices ended the choppy week lower, that decline marked the worst week for the Dow Jones since October 2023. Safe heavens like bullions have moved higher as Gold closed at life highs. On Friday, after the unemployment rate, the dollar index tumbled to 102.35 levels. Sharp declines in US treasury yields and weakness in Dollar has triggered across the board move in the commodity space.
- Domestically, couple of block deals this week has resulted in significant FII flows during the week. Along with the normal activities, share deals in Bharti Airtel, M&M and Zomato has resulted in more than 12500 crores in inflows during last week. Overall during the month so far, FIIs have bought nearly 14000 crores in equities. On the other hand, domestic institutions continue to accumulate with equity buying of more than 10000 crores last week.
- In the F&O space, FIIs' activities were largely from the short covering perspective in both index futures and options. In the recent up move, the net short positions have declined to nearly 34k from 68k contracts last week from. In the stock futures segment, activities were largely muted as FIIs have sold nearly 1690 crores. On the other hand, despite the significant volatility seen in index options, they have sold nearly more than 60k crores.
- Crude oil futures ended on the negative note in the previous week as markets remained wary of soft Chinese demand. For this week, we expect NYMEX crude oil prices to rise back towards \$81 mark on supply concerns due to OPEC+ production cuts and disruptions in Red Sea shipping. Additionally, expectation of lower interest rates in major economies could increase oil demand by boosting economic growth

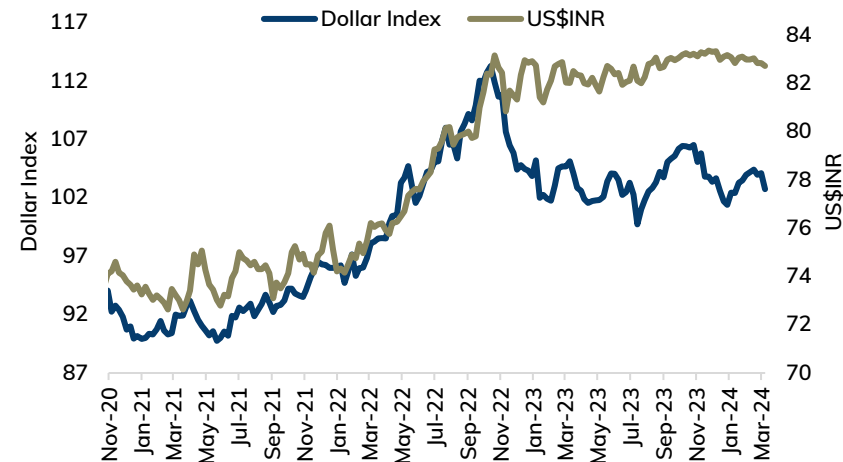
FII/DII buying in equities (in crore)					
Date	FII				DII
	Index Fut	Stock Fut	Index Opt	Cash	Cash
04-Mar-24	1270	-325	-19683	-207	3543
05-Mar-24	-1401	-4537	-16270	-242.78	1835
06-Mar-24	1396	-450	-2703	5648	2450
07-Mar-24	822	3623	-21735	7304	2602

Source: Bloomberg, ICICI Direct Research

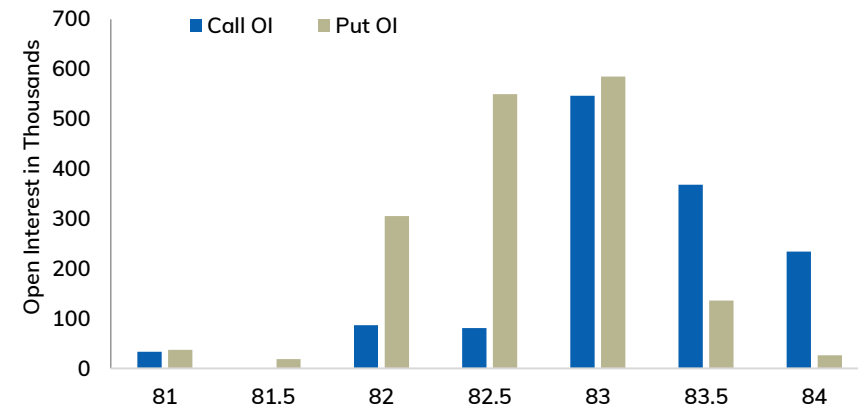
Rupee: likely to appreciate further till 82.45 levels

- Rupee appreciated in the previous week amid weakness in dollar and decline in US treasury yields. Further, rupee gained strength on rise in risk appetite in the domestic markets. Additionally, Bloomberg Index Services announced inclusion of Indian government bond in its EM local currency government index and related indices from January 2025
- We expect Rupee to appreciate further towards 82.45 levels on weakness in dollar & softening of US treasury yields. US Dollar and Yields are likely to move south as mixed data from US kept an anticipated June interest rate cut from the Fed on the table. Moreover, US CPI data is likely to show that inflation continued to ebb, giving Fed more incentive to cut interest rates soon. Additionally, Inflation in India is forecasted to ease and remain under RBI comfort zone. USDINR is likely to face hurdle near 83.02 level and slip towards 82.45 level

Dollar Index vs. US\$INR



US\$INR options build-up



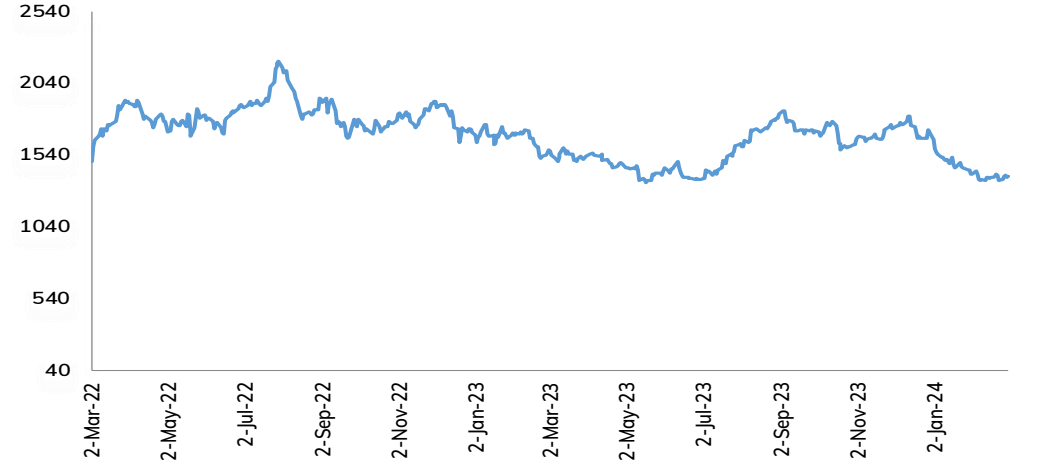
Weekly Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Mar)	82.93	82.99	83.07	83.13	83.21
US\$INR (Apr)	83.02	83.07	83.15	83.20	83.29
EURINR (Mar)	88.56	88.98	89.38	89.80	90.20
EURINR (Apr)	88.77	89.16	89.55	89.94	90.33
GBPINR (Mar)	103.59	104.04	104.65	105.09	105.70
GBPINR (Apr)	103.68	104.14	104.73	105.19	105.78
JPYINR (Mar)	54.90	55.14	55.54	55.79	56.18
JPYINR (Apr)	55.28	55.52	55.90	56.14	56.52

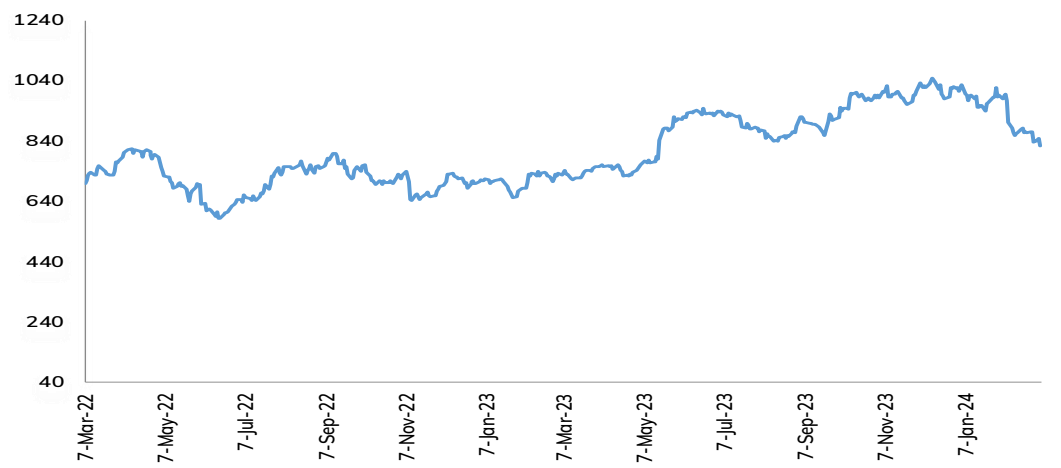
Recommended Stocks: Historical price performance...



PVR



Ramco Cement



Source: NSE, Seediff, Bloomberg ICICI Direct Research
March 15, 2024

Forthcoming Events...

Date & Time (IST)	Country	Data & Events
Monday, March 11, 2024		
10:30 PM	UK	MPC Member Mann Speaks
Tuesday, March 12, 2024		
12:30 PM	UK	Claimant Count Change
12:30 PM	UK	Average Earnings Index 3m/y
5:30 PM	India	CPI y/y
6:00 PM	US	CPI y/y
Wednesday, March 13, 2024		
12:30 PM	UK	GDP m/m
3:30 PM	Europe	Industrial Production m/m
8:00 PM	US	Crude Oil Inventories
Thursday, March 14, 2024		
6:00 PM	US	PPI m/m
6:00 PM	US	Retail Sales m/m
6:00 PM	US	Unemployment Claims
8:00 PM	US	Natural Gas Storage
Friday, March 15, 2024		
3:30 PM	India	Trade Balance
6:00 PM	US	Empire State Manufacturing Index
6:45 PM	US	Industrial Production m/m
7:30 PM	US	Prelim UoM Consumer Sentiment
7:30 PM	US	Prelim UoM Inflation Expectations

Date	Scrip	Action	Recommendation
7-Mar-24	Jindal Steel & Power	Buy	Long/Short Strategy: Buy Jindal Steel & Power 850 Call 24 – 25, Sell 900 Call 9 – 10, Target 50, Stoploss 1, Expiry March Expiry.
14-Mar-24	HCL Technologies	Buy	Long/Short Strategy: Bull Call Spread: Buy HCL Tech 1660 Call 27 -29, Sell 1700 Call 13- 14, Target 40, Stoploss 1, Till march expiry.

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Source: Bloomberg, ICICI Direct Research

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Quant Picks: Open recommendations...

Date	Scrip	Action	Price	Target	Stop Loss	Last close	Return (%)	Time
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Yearly Quant Picks								
21 Dec 23	Federal Bank	Buy	143-150	190	123	147	0.0%	12 months

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