

May 30, 2024

Intraday...

Action	Scrip	Target 1	Target 2	Stoploss	Time frame
Buy JUBFOO May Fut at 510.05-513.05	Jubilant Foodworks Limited	518.8	529.6	504	Intraday
Sell BAJFI May Fut at 6803.3-6809.3	Bajaj Finance Limited	6734.3	6626.3	6878	Intraday

[Daily view](#)

Weekly...

	Scrip	Target	Stoploss	Time frame	Status
Buy CHOINV May Fut at 1286.0-1291.0	Chola Finance	1365.0	1244.9	Weekly	open
Buy AXIBAN May Fut at 1164.0-1168.0	Axis Bank	1205.0	1144.1	Weekly	Profit Booked

[Weekly view](#)

Other Product offerings

Derivatives Strategy

Underlying	Action
Chola Finance	Buy

Duration : 1-2 months

Click here to see [open calls](#)

Quant (Derivatives) Pick

Underlying	Action
Nestle	Buy

Duration : 1-3 months

Click here to see [open calls](#)



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Nifty

	Close	Pvs Close	% Change
Spot	22704.70	22888.15	-0.80%
Future	22743.80	22937.25	-0.84%
Basis	39	49	-
OI (Lakhs)	168.30	170.96	-1.56%
PCR	0.79	0.94	-

Bank Nifty

	Close	Pvs Close	% Change
Spot	48501.35	49142.15	-1.30%
Future	49011.15	49530.25	-1.05%
Basis	510	388	-
OI (Lakhs)	23.10	28.50	-18.95%

Pivot Level

	Nifty Future	Bank Nifty Future
S2	22599	48021
S1	22652	48261
Pivot	22739	48642
R1	22792	48882
R2	22879	49263

- ❖ The Nifty continue to slip lower for the third consecutive trading session led by weakness in financial space. For today's expiry, sizeable Call writing were seen in multiple Call strikes suggesting limited upsides while on the downside, 22500 is likely to act as support

- ❖ Sell Nifty 22850 Call option (May 30 expiry) in the range of | 30-32 Target: | 10 Stop loss: | 46

- ❖ The Bank underperformed Nifty due to selling pressure were seen in HDFC Bank, Axis Bank along with others banks. According to option data, 49000 Call strike witness substantial OI addition which is likely to act as resistance. On the downside, 48000 is likely to act as support.

- ❖ Sell Bank Nifty future in the range of 48600-48650 Target: 48350-48200 Stop loss: 48850

- ❖ FII's sold ₹5842 crore while DII's also bought ₹5234 crore in the cash segment. FII's have sold index futures worth ₹1717 crore while in index options they bought ₹7308 crore. In stock futures segment, they sold ₹125 crore.

- ❖ Stocks in Ban: ABFRL, GMR Infra, Idea, Piramal Enterprise.

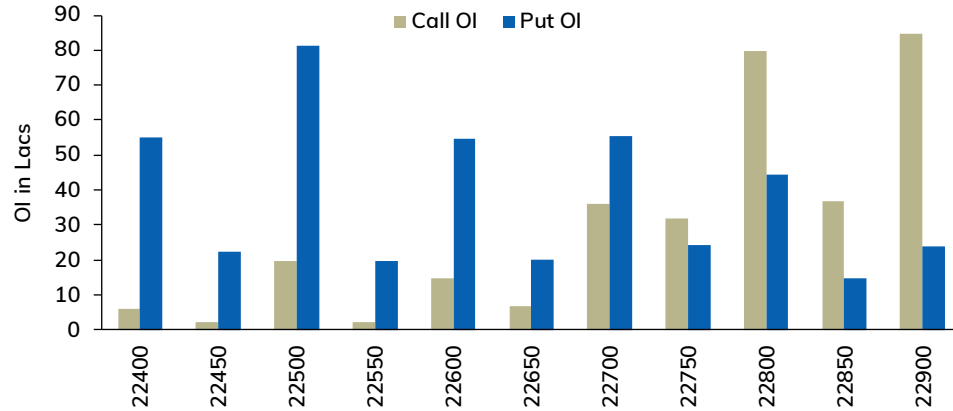
Note: Index calls may be changed, if view differs during market hours and positional recommendations given in Derivatives Strategy should not be linked to intraday index/stock calls.

Source: NSE, SeediFF, Bloomberg ICICI Direct Research

May 30, 2024

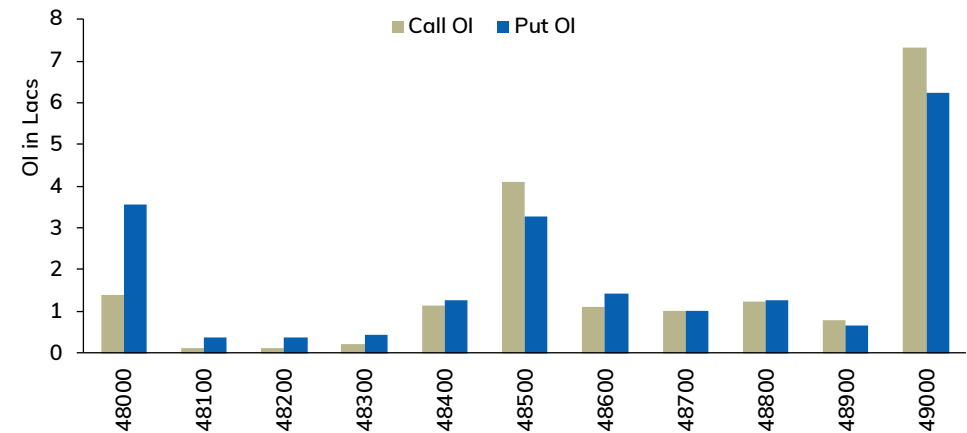
Nifty 22900 Call strike holds substantial OI...

Nifty Weekly Option OI Distribution



- ❖ In Nifty, 22900 Call strike holds noteworthy OI of ~85 lakhs shares.
- ❖ On the Put side, 22500 strike holds substantial OI of ~81 lakhs shares.

Bank Nifty Weekly Option OI Distribution



- ❖ In Bank Nifty, 49000 Call strike hold nominal OI of ~7 lakhs shares .
- ❖ While on the Put side, 49000 strike holds sizeable OI of ~6 lakh shares

Long Buildup

Name	Price (%)	OI(%)
ABFRL	0.30%	10.27%
HDFCAMC	2.06%	9.89%
MFSL	2.28%	9.86%
BAJAJFINSV	0.32%	5.17%
IGL	2.58%	4.59%

Short Buildup

Name	Price (%)	OI(%)
DEEPAKNTR	-1.93%	6.34%
APOLLOTYRE	-0.99%	5.44%
INDIACEM	-0.58%	4.99%
ESCORTS	-0.28%	4.20%
POWERGRID	-1.55%	4.08%

Long Unwinding

Name	Price (%)	OI(%)
GRANULES	-0.80%	-9.61%
PAGEIND	-1.05%	-8.69%
JKCEMENT	-0.34%	-8.34%
MPHASIS	-1.95%	-8.08%
PVRINOX	-0.37%	-7.86%

Short Covering

Name	Price (%)	OI(%)
METROPOLIS	0.60%	-18.82%
BERGEPAIN	1.90%	-16.11%
MCDOWELL-N	2.68%	-9.23%
JUBLFOOD	2.48%	-8.09%
BATAINDIA	0.31%	-7.87%

Source: NSE, Seediff, Bloomberg ICICI Direct Research

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ICICI Securities Ltd. | Retail Equity Research

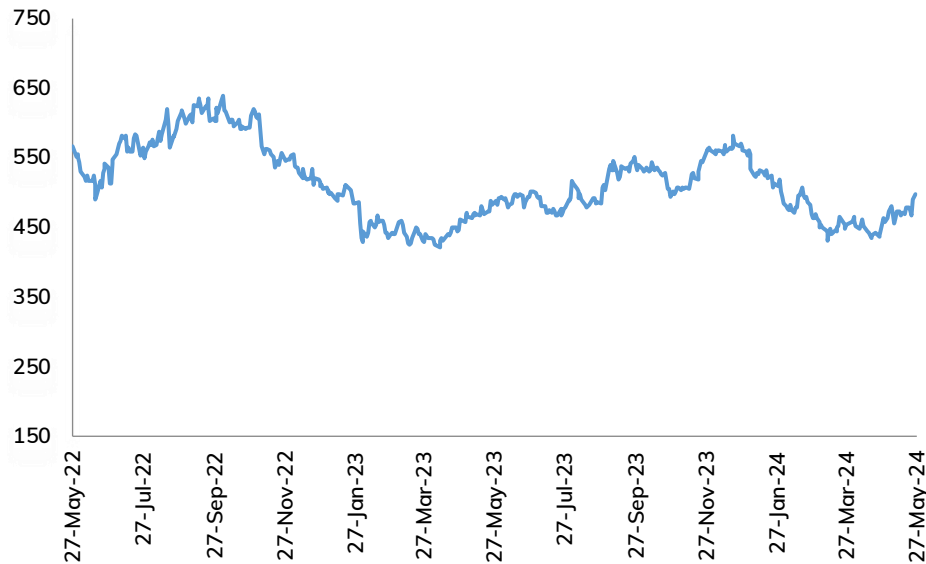
Intraday recommendation with historical price performance...

i) Jubilant Foodworks Limited (CMP: 511.55)

Buy JUBFOO May Fut at | 510.05-513.05

Target 1: 518.8 Target 2: 529.6

Stop Loss: 504.4

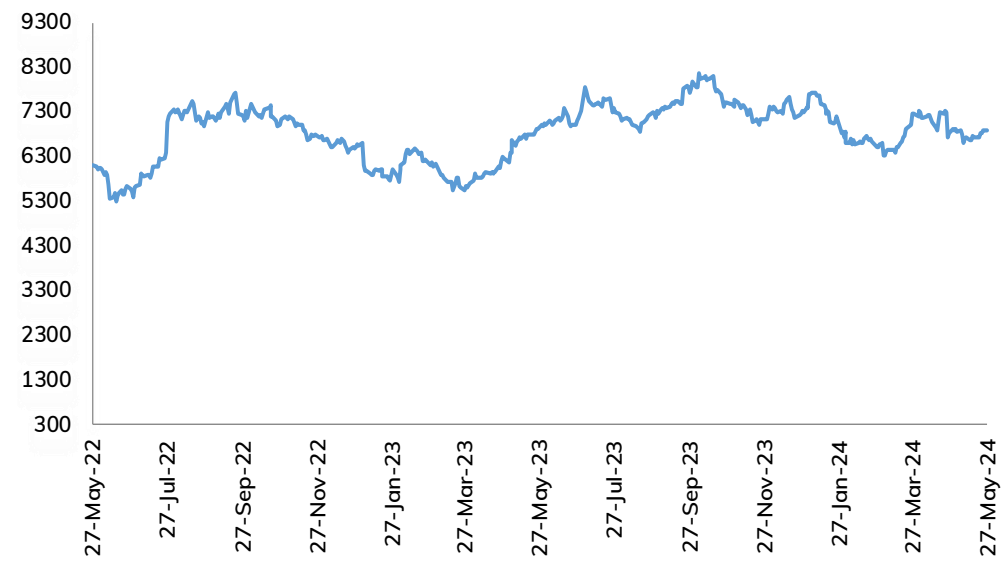


ii) Bajaj Finance Limited (CMP: 6806.3)

Sell BAJFI May Fut at | 6803.3-6809.3

Target 1: 6734.3 Target 2: 6626.3

Stop Loss: 6878.3



Strategy Follow-up

Date	Stock	View	Strategy	Reco	Target	SL	P&L	Comment
29-May-24	PIDIND	Buy	Long Fut	3056.7	3092.7	3020.7	-	Not initiated
29-May-24	MAHGAS	Sell	Short Fut	1298.7	1276.2	1321.2	-816	Exit in Loss

Weekly Recommendation

Weekly future recommendations:

- 1) Buy CHOINV (CHOLAMANDALAM INVESTMENT AND F) MAY in the range of 1286-1291 Target 1365 and StopLoss 1244.9 (carried Forward).

Rationale

Most of the Financial stocks have reverted sharply in the recent recovery of the market and witnessed fresh buying. However, stocks like Cholamandalam Finance have shown resilience in the ongoing volatility and largely remained in the range. In the current leg of stock consolidation, marginal pick-up in delivery volumes was seen while the open interest remained on the lower side. We believe that fresh long positions in the stock should lead it towards 1365 levels in the coming sessions.

- 2) Buy AXIBAN (AXIS BANK LIMITED) MAY in the range of 1164-1178 Target 1205 and StopLoss 1144.1.

Rationale

Axis Bank has shown notable resilience amidst ongoing market volatility, outperforming its peers in the private banking sector. The recent upward movement in its stock has been accompanied by increased long positions and substantial delivery buying. Additionally, significant put writing at ATM and near-ATM strikes suggests limited downside risk. We expect the current upward momentum to continue towards 1205 levels.

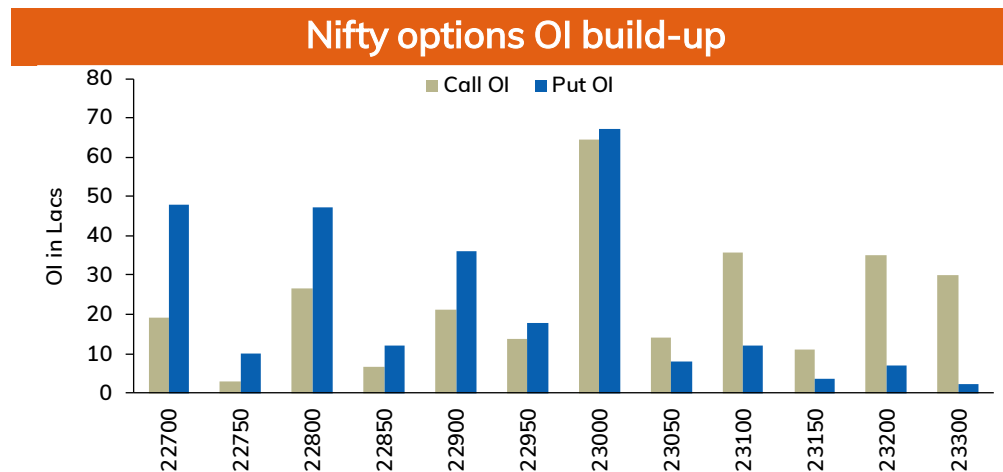
Recommendation follow up							
Underlying	View	Strategy	Reco	Target	Stoploss	Profit/Loss	Comment
Bajaj Auto	Bearish	Sell Futures	8850	8460	9061	-9000	Exit in Loss

Source: Bloomberg, ICICI Direct Research

The recommendation was released on One click derivatives on

Nifty: Positive momentum is expected to persist above 22800 levels...

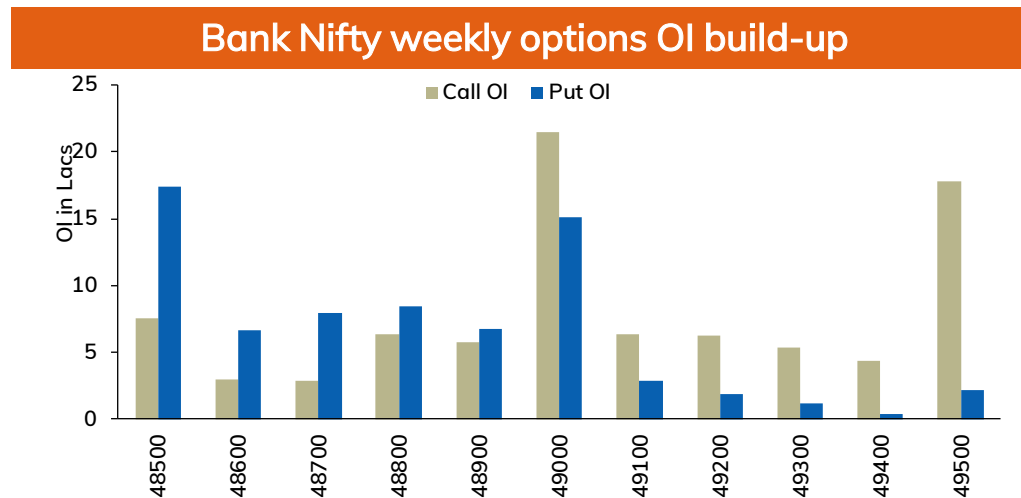
- Nifty has finally moved out of its last 3 months of consolidation and tested 23000 levels triggered by both cash based buying and short covering by FIIs during the week. Nifty closed the week with gains of more than 2% where most of the gains were experienced on Nifty settlement day. Going ahead, we expect Nifty to remain positive and gradually move higher with support near 22800 in the monthly settlement week.
- Due to sharp recovery seen on Thursday(weekly expiry), aggressive Put writing was observed at ATM strikes with highest Put base at 23000 strike while the Call option base is at OTM 23500 Call strike. Also, Put writing is relatively aggressive than the Call writing with 22800 Put strike also holding meaningful open interest. Hence, we expect Nifty to hold itself above these levels and may move higher towards 23500 on the back of further short covering ahead of election results.
- In the futures segment, indices witnessed sharp short covering last week from FIIs and they closed nearly 1 lac contracts in index futures on Thursday only. FIIs net shorts have declined from 2.5 lakh contracts to near 16k contracts. Thus, short covering move may continue towards the May settlement and decline towards 22800 can be bought into.
- The volatility index continue to move higher ahead of election results. Considering rollover activities due to monthly settlement, stock specific volatility is also likely to remain on a higher side. Moreover, MSCI rebalancing due on month end is also likely keep the market volatile.



Source: Bloomberg, ICICI Direct Research
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Bank Nifty likely to challenge its life highs

- Bank Nifty also gained nearly 1.5% and closed the week near 49000 levels. The recovery seen in index heavyweight HDFC Bank was the major trigger for the Bank Nifty while rest of the heavyweights remained largely positive. Considering recent change in stance from FII's we expect Bank Nifty to remain positive and move towards its life highs near 50000 mark in coming sessions. We can expect immediate support in Bank Nifty near 48400 levels above which bias should remain positive.
- From the options space, Bank Nifty has closed near its highest Call option base of 49000 strike while the Put option base is at deep OTM 48000 strike along with 48500. We believe that sustainability above 49000 level may reignite the short covering move towards the monthly settlement.
- Bank Nifty futures also have seen marginal closure of positions in the recent up move. Also, as of now most of the gains were contributed by HDFC Bank which has gained more than 3% last week. We expect participation from other banks should infuse further upsides in the banking index.
- Financial Nifty has given its life high weekly closing ahead of the weekly settlement. However, it is witnessing a bit aggrieve Call writing than the Puts and may settle below 22000 levels. Only a move above 22000 one can expect further short covering move in Financial Nifty.



FII's turned positive amidst aggressive short covering...

- Globally risk assets consolidated last week despite expectations of higher rates for long as rate cut probability in September reduced further after recent strong economic data prints. US equities closed the week marginally negative as both Dollar index and Bond yields have moved higher. At the same time, commodities came under pressure after recent sharp up move seen in last couple of weeks. Along with it, precious metals like Gold and silver have seen some profit taking last week.
- The FII's have turned net buyers last week in Indian equities in a shortened week as Nifty managed to move above crucial 22800 levels. FII's have sold nearly 3000 crores last week and after remaining net sellers for more than a month. For month of May so far, FII's have sold nearly 25000 crores in secondary markets. On the other hand, domestic institutions remained net buyers and bought another 9000 crores from the markets last week.
- In the F&O space, along with the delivery buying seen in cash segment, FII's have covered their shorts aggressively. In the last couple of sessions their net shorts in Index futures has declined to just 16k contracts from almost 2.5 lakh contracts seen last week. On the other hand, retail participants also reduced their longs ahead of union elections.
- Crude oil prices lost almost 2% in the previous week amid higher interest rate outlook and much larger than expected rise in US weekly inventories. For this week, we expect NYMEX crude oil prices to find the floor near \$75 and move towards \$81 ahead of this weeks OPEC+ meeting, where the producers are expected to discuss whether to extend its production cuts beyond the 2nd quarter the year. Additionally, expectation of pick-up in demand amid summer driving season would also support it to rise towards the \$81 mark.

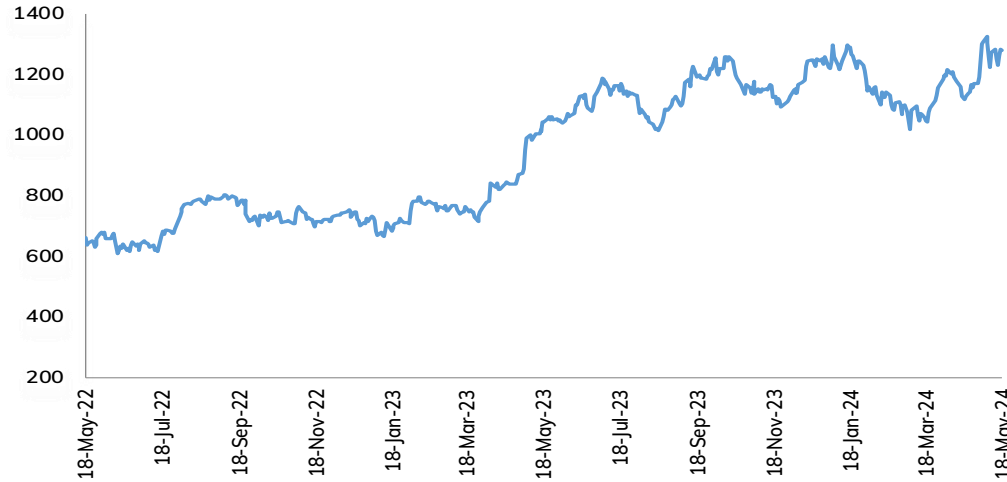
FII/DII buying in equities (in ₹ crore)

Date	FII			DII	
	Index Fut	Stock Fut	Index Opt	Cash	Cash
21-May-24	2015	1503	-30531	-1884	3788
22-May-24	-747	-4100	6050		2128
23-May-24	7216	9550	-55248	5892	1556
24-May-24	5410	-586	-4996	-944	2321

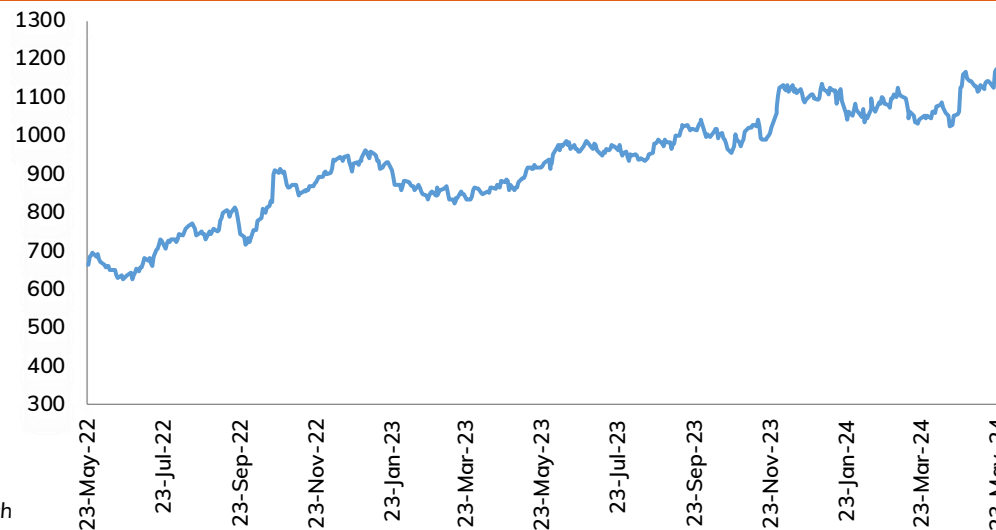
Source: Bloomberg, ICICI Direct Research

Recommended Stocks: Historical price performance...

Chola Finance



Axis Bank



Source: NSE, Seediff, Bloomberg ICICI Direct Research
 May 30, 2024

Symbol	Company	Purpose	Board Meeting Date
NATIONALUM	National Aluminium Company Limited	Financial Results	27-May-24
ABFRL	Aditya Birla Fashion and Retail Limited	Financial Results	28-May-24
GNFC	Gujarat Narmada Valley Fertilizers and Chemicals	Financial Results	28-May-24
IRCTC	Indian Railway Catering And Tourism Corporation	Financial Results	28-May-24
ALKEM	Alkem Laboratories Limited	Financial Results	29-May-24
BATAINDIA	Bata India Limited	Financial Results	29-May-24
CUMMINSIND	Cummins India Limited	Financial Results	29-May-24
GMRINFRA	GMR Airports Infrastructure Limited	Financial Results	29-May-24
IPCALAB	IPCA Laboratories Limited	Financial Results	29-May-24
MOTHERSON	Samvardhana Motherson International Limited	Financial Results	29-May-24
TATASTEEL	Tata Steel Limited	Financial Results	29-May-24
APOLLOHOSP	Apollo Hospitals Enterprise Limited	Financial Results	30-May-24
MUTHOOTFIN	Muthoot Finance Limited	Financial Results	30-May-24

Source: Bloomberg, ICICI Direct Research

Forthcoming Events...

Date & Time (IST)	Country	Data & Events
Monday, May 27, 2024		
1:30 PM	Europe	German ifo Business Climate
All Day	US	Bank Holiday
Tuesday, May 28, 2024		
6:30 PM	US	S&P/CS Composite-20 HPI y/y
7:30 PM	US	CB Consumer Confidence
Wednesday, May 29, 2024		
11:30 AM	Europe	German Prelim CPI m/m
7:30 PM	US	Richmond Manufacturing Index
Thursday, May 30, 2024		
2:30 PM	Europe	Unemployment Rate
6:00 PM	US	Prelim GDP q/q
6:00 PM	US	Prelim GDP Price Index q/q
6:00 PM	US	Goods Trade Balance
7:30 PM	US	Pending Home Sales m/m
8:30 PM	US	Crude Oil Inventories
Friday, May 31, 2024		
7:00 AM	China	Manufacturing PMI
7:00 AM	China	Non-Manufacturing PMI
11:30 AM	Europe	German Retail Sales m/m
2:30 PM	Europe	CPI Flash Estimate y/y
5:30 PM	India	GDP Growth Rate
6:00 PM	US	Core PCE Price Index m/m
7:15 PM	US	Chicago PMI

Derivatives Strategies: Open recommendations

Date	Scrip	Action	Recommendation
21-May-24	Chola Finance	Buy	Positional Future : Buy CHOINV (CHOLAMANDALAM INVESTMENT AND F) MAY in the range of 1286-1291 Target 1365 and StopLoss 1244.9..
27-May-24	Hindustan Petroleum	Buy	Long/Short Strategy: Buy Hindustan Petroleum 560 June Call 40- 41, Sell 600 June Call 25- 26, Target 40, Stoploss 1, Till June 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
11 Mar 24	Nestle India	Buy	2600-2630	2950	2400	2466	-5.7%	3 months
22 Mar 24	Indusind Bank	Buy	1470-1490	1700	1350	1463	-1.8%	3 months
9 Apr 24	SBI Cards	Buy	720-735	815	672	697	-5.2%	3 months
21 May 24	Tech Mahindra	Buy	1300-1325	1470	1210	1287	-2.9%	3 months
24 May 24	Biocon	Buy	320-327	365	298	324	0.2%	3 months

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Source: Bloomberg, ICICI Direct Research

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